

CASHFLOW HACK YOUR PROPERTY PORTFOLIO



Why Should I Listen?



Ilse Wolfe 🐾

- > Renovations – Focused Property Investor of 14 yrs
- > Featured in Property Investor Mag, Metro mag, Kia Ora mag, JUNO Investing magazine + Property Academy Podcast
- > Leader of Opes Accelerate, by Opes Partners





**Existing
properties are
about to pay way
more tax**

BRRRR Strategy

→ **Cashflow Hacking**

→ Case Studies



Cashflow Hacking

Adding an Extra Bedroom

Equity

+\$150k

Depending on which area you are based in

Cashflow

+15-30%

Additional Rent of going from 3 to 4 bedroom





From



To



The Principles The principles of Cashflow Hacking

★ Always add an extra bedroom

★ Assess the rental options

(e.g. room by room)

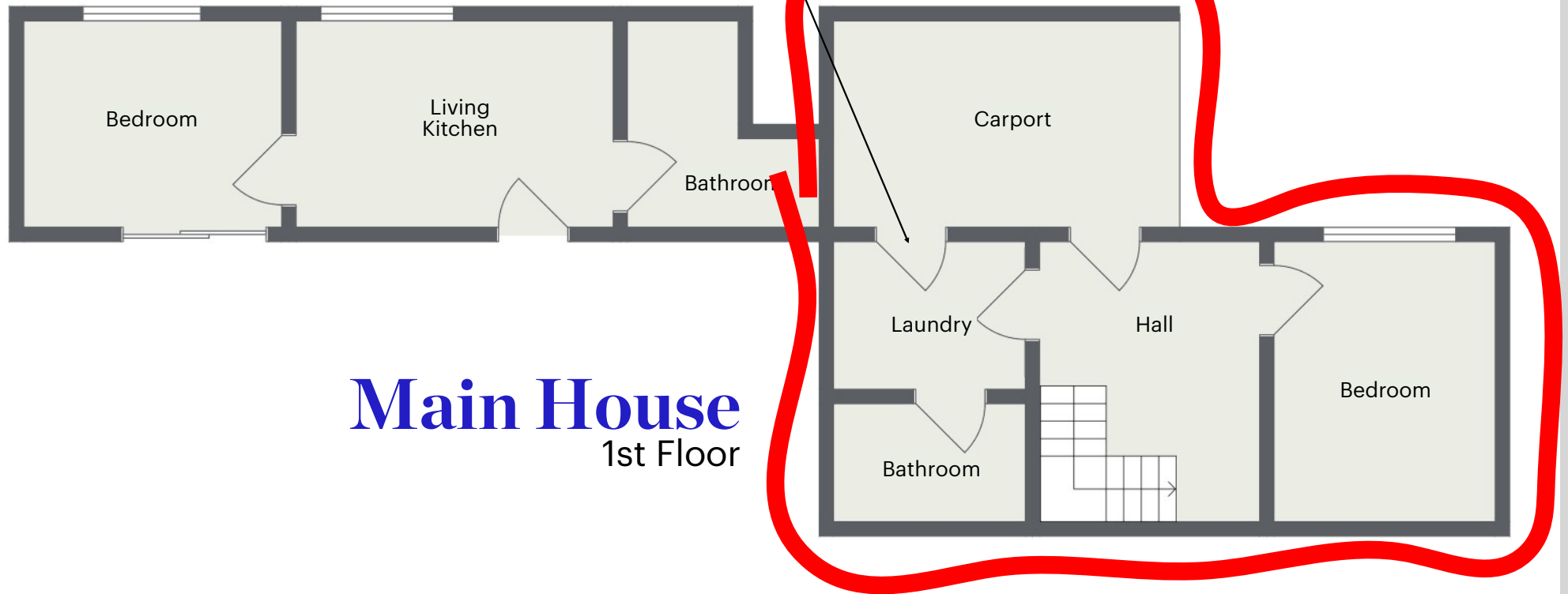


Feel the BRRRR-n

How does Cashflow Hacking work in practise?



Surely we don't need 2 external doors here.
If we close it, could this room be optimised
in a new way / use?

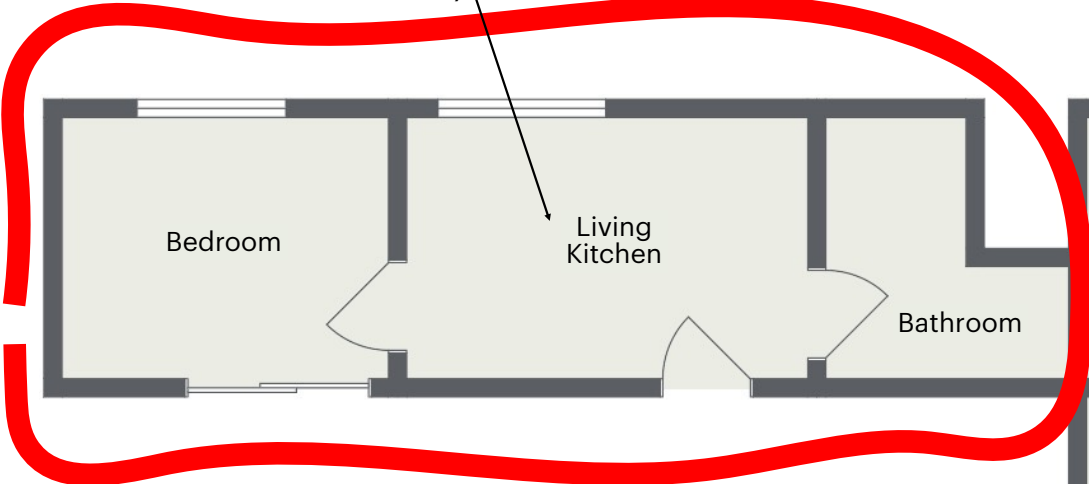


Main House

1st Floor

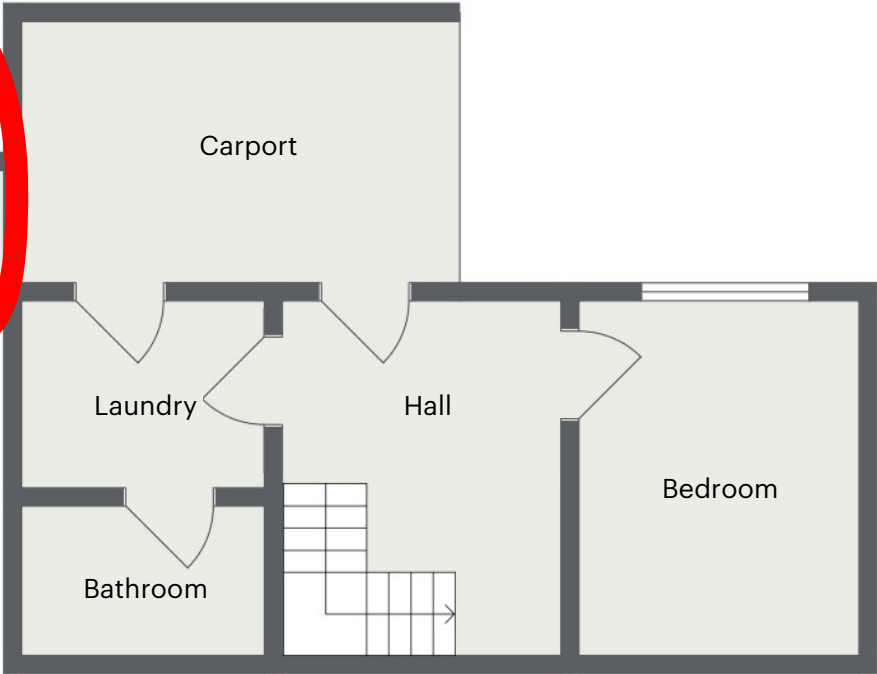


A second kitchen. Is it consented? If so, there will be 2 legal dwellings on site, advertised as such. Omitting to mention this could suggest there is unconsented work on site (the agent cannot advertise this)



Minor Dwelling

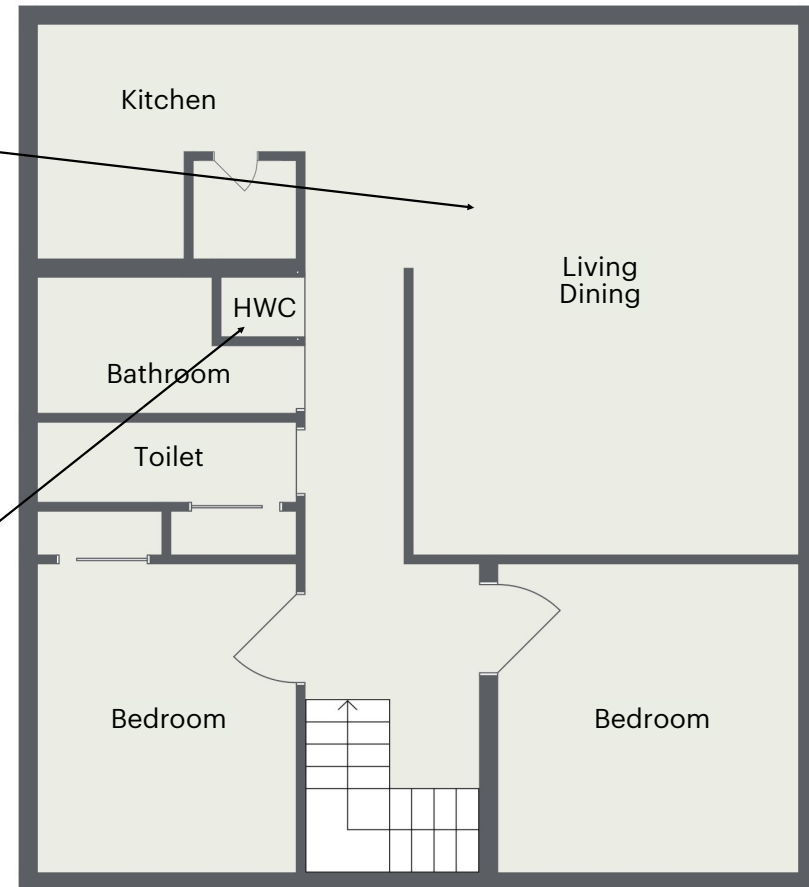
1 bed - 1 bath



BRRRR-N Before

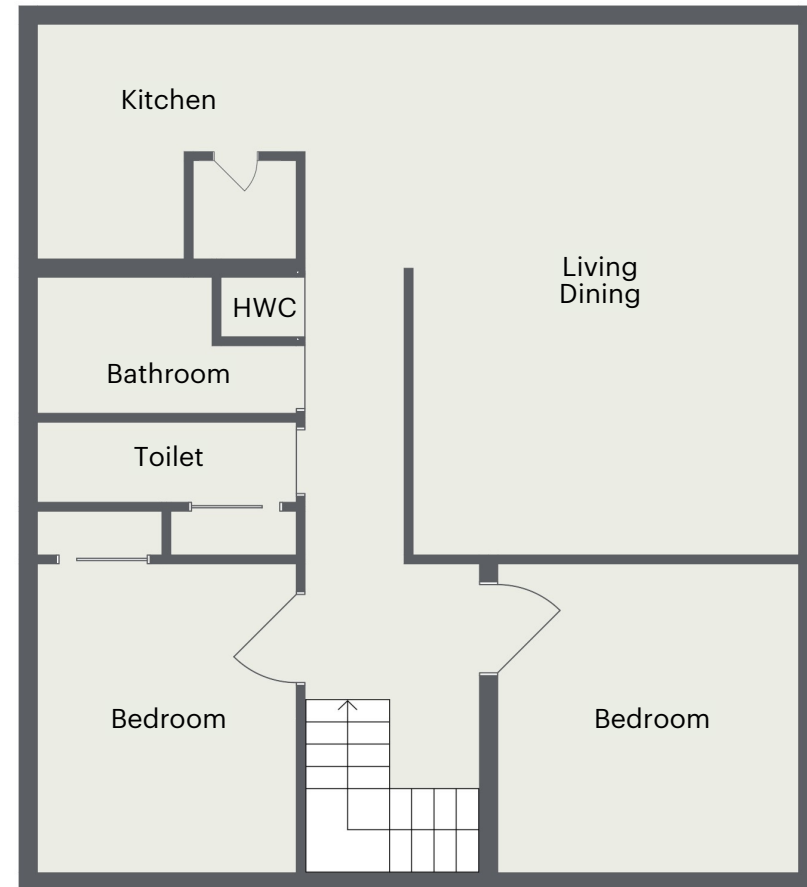
Under-utilised living space. If 45 sqm+ there could be scope to carve off another bedroom. Often in the dining or kitchen space. Sketch and ponder the various ways you could shift this space around

Quirks: like this HWC which has a door to hallway. Flip it 90 degrees as a wardrobe for a 4th bed



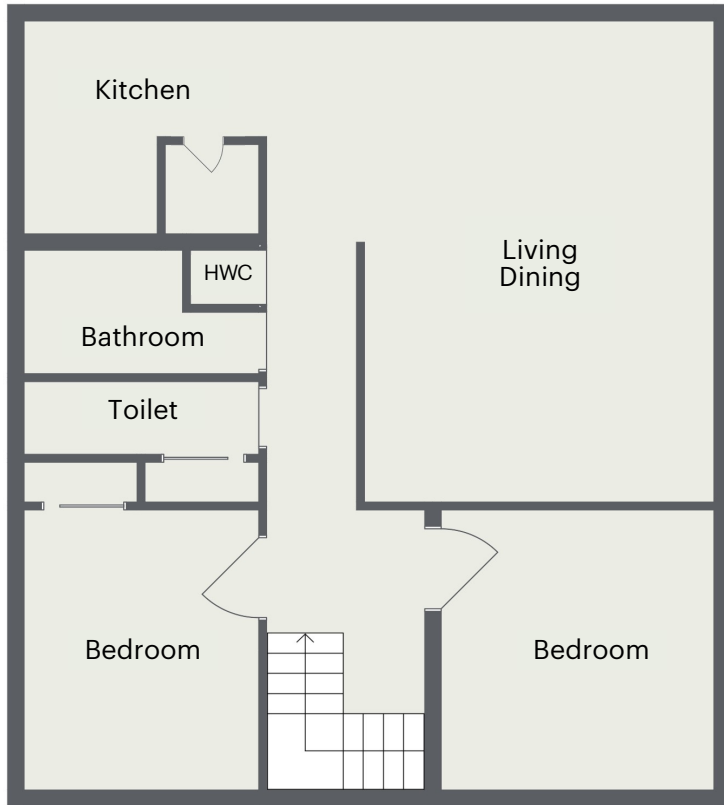
Pop-Quiz
Where did I put the
extra bedroom?

Poll time 📊

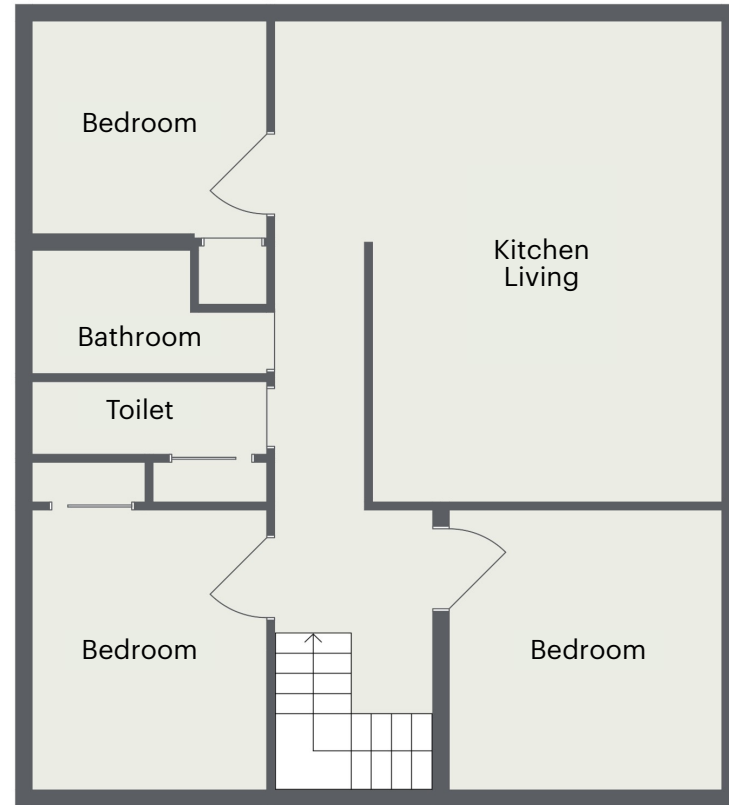




Before



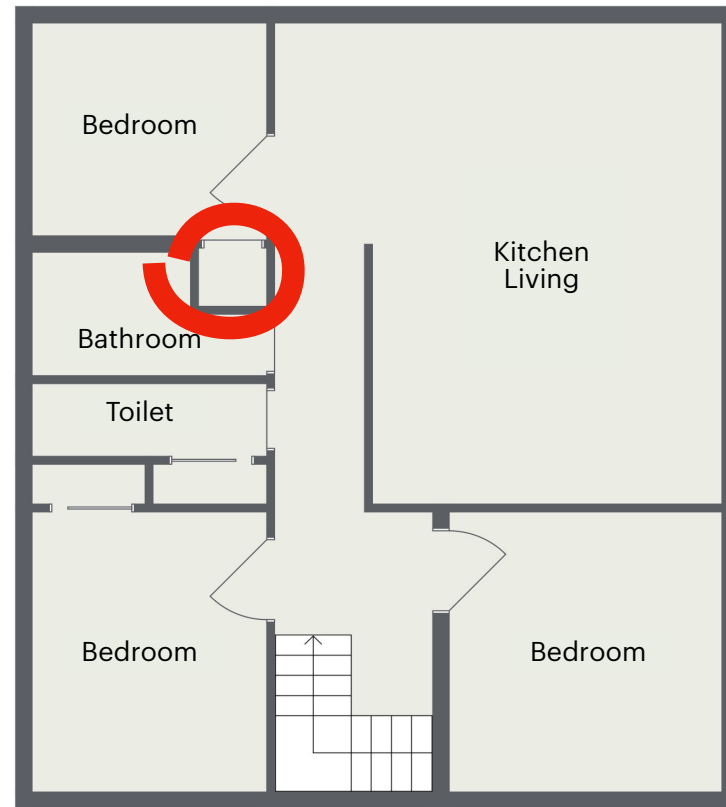
After



Before



After



After



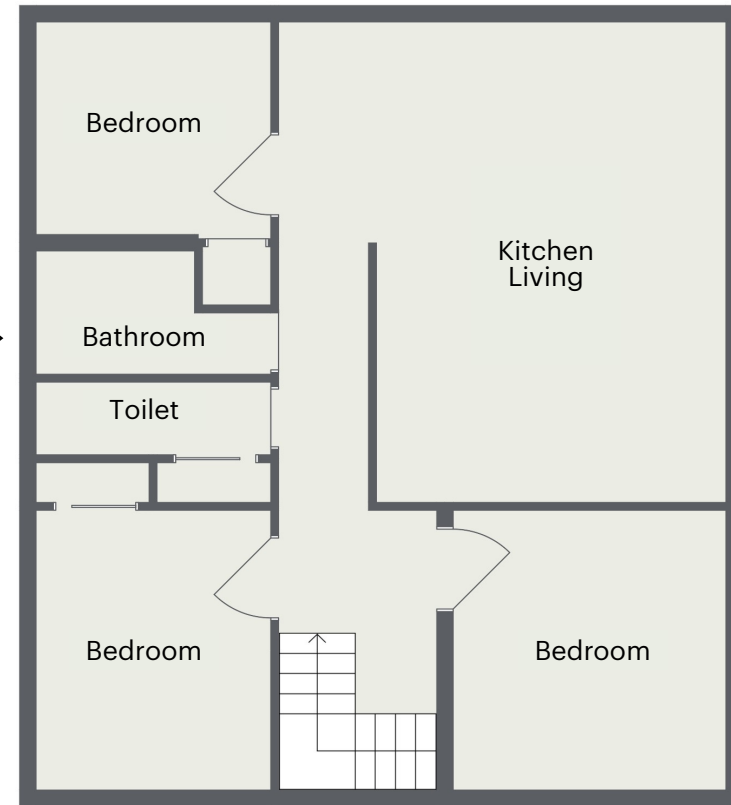
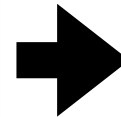
4 people

Legally living*

Intensifying the space for more people provides opportunity for extra income-earning tenants to be named on the agreement. Split risk for you.

8 people

Legally living*



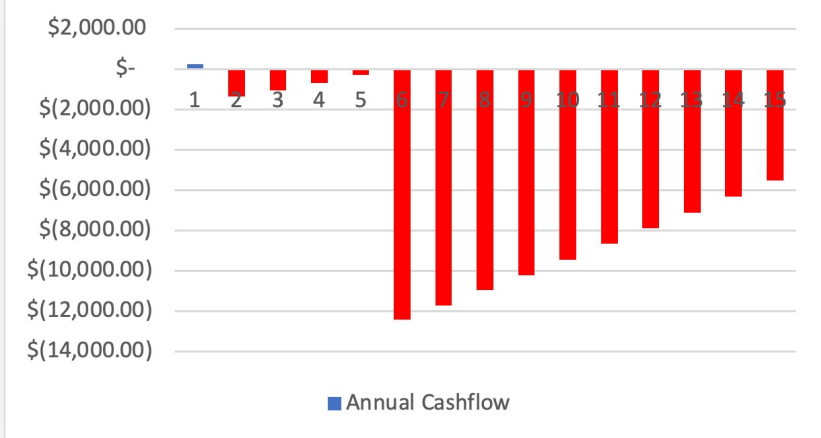
The Numbers

How did it work out?

	Before	After	Value
Purchase Price / Value	\$425k	\$575k	+\$150k
Renovations	\$70k	\$850k	+\$275k
Cashflow	\$540	\$1,060	+\$520 /week



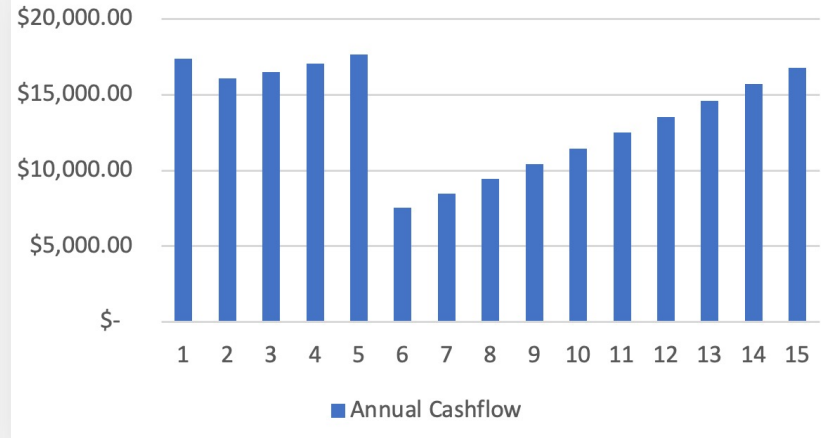
Cashflow of "Buy and Do Nothing"



-\$84k

Over 15 years
Under new govt rules

Cashflow of "Full BRRR"

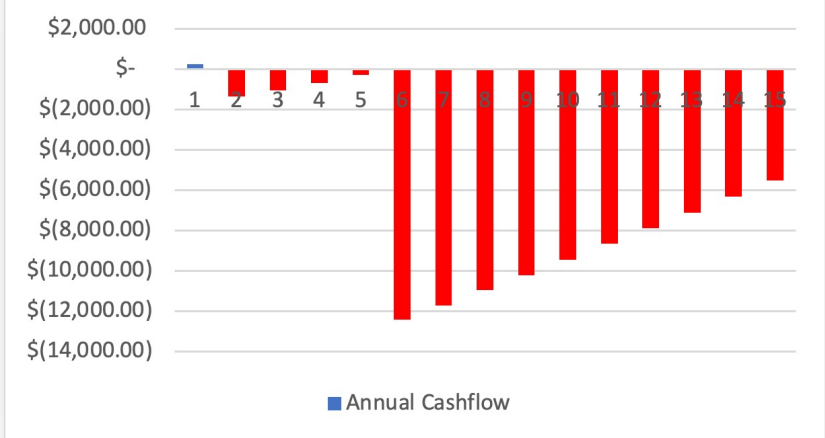


+\$220k

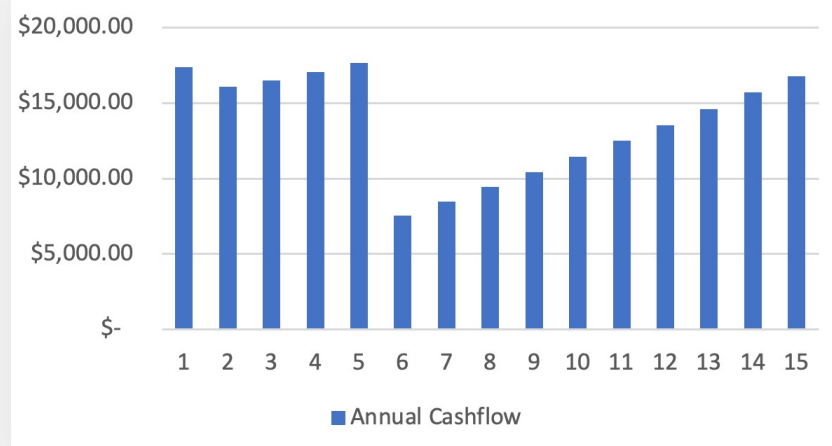
Over 15 years
Under new govt rules



Cashflow of "Buy and Do Nothing"



Cashflow of "Full BRRRR"



+\$304k
Cashflow over 15 years
Under new govt rules



Some Other Rules of Thumb to Spot Opp.

FLOOR LAYOUT

Specific floor plan layouts that are most conducive to adding a bedroom

Dining room conversion to 4th bed

Kitchen move into open plan living area to enable 4th bed in original kitchen window area



Here we reinstated an unconsented 2nd toilet and applied for Cert of Acceptance. Now 1 bath > 2 bath. Ask the agent for property files (or Council if not supplied) and check that paperwork matches what you saw on site. Opportunity!

Dining room converts to #4 bed.
Rotate kitchen door 90 deg to living-facing wall

3 bed 1 bath > 4 bed 2 bath



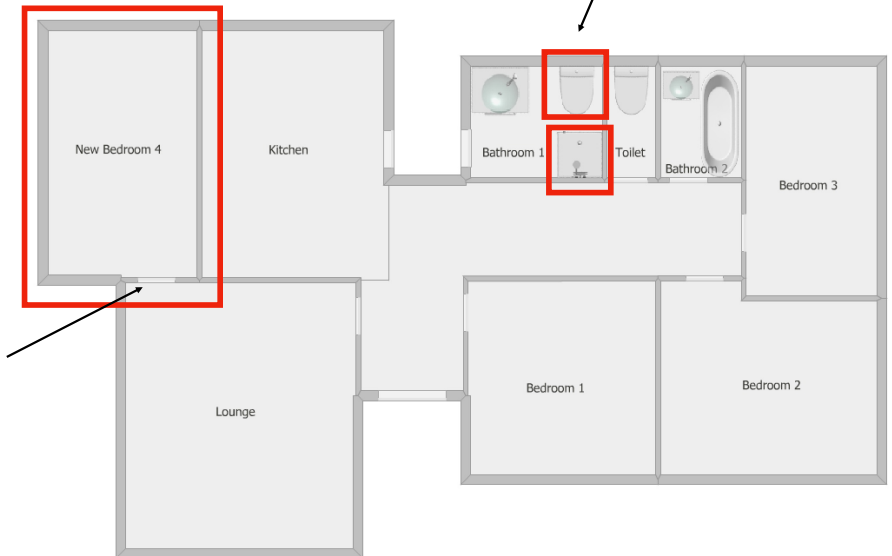
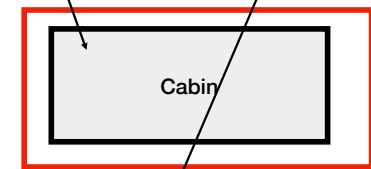
Some Other Rules of Thumb to Spot Opp.

- 3 > 4 bed conversion + 2nd bathroom + 5th external bedroom
- < 30 sqm consent exemption
- Reno investment internal \$20k + cabin / crane \$20k
- Rent inc \$350 to c. \$725. ROI 49%
- Net passive income c \$13k p.a.



Cabin for external 5th bed

Added 2nd toilet + shower to laundry which has external door



Opened up a partial wall between lounge to left of kitchen as entrance for 4th bed.