

# Key Performance Indicators

For growing & then managing your Investment  
Property Portfolio

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(with assistance from Jack & Jill)

# Topics

- Audience?
- My background
  1. Investing & growing a portfolio
  2. Managing an established portfolio
  3. Personal financial KPI's
- General comments

# My Background

- South African accountant
- Short term bridging finance business
- Amateur property investor
  
- Started investing just before the credit crunch
- Personal cash machine
- Focus on personal finances as a result

# Acquisition

- Assumptions:
  - Work in Quarters (4 x 13 x 7)
  - Investing away from home
  - Level & consistency of action!!!
  - Return on time
  - Return on cash

# Acquisition

1. Days in your area
2. Enquiries
3. Viewings
4. Offers made
5. # leaflets distributed
6. Conversations (Agents & Vendors)
7. Names in the database
8. Costs incurred
9. Time spent
10. Offers accepted
11. Completions

# Management

- Assumptions:
  - Established, stable portfolio
  - Surplus Cash

# Management

1. Rents on time
2. Void days
3. Repair costs
4. FCF
5. Costs as % of income
6. Time spent
7. Tenant query/complaint responses
8. Dashboard – gas, electrical, insurance
9. Rent reviews
10. Stress test:  $i = 10\%$ , 25% tenants default
11. LTV / Net equity of portfolio

# Personal Financial KPI's

- Assumptions:
  - Don't want to be reliant on paid work forever
  - Want to enjoy life
  - Wealth not directly related to size of income

$$\text{Wealth Equation: } C \cdot R = Y$$



# Personal Financial KPI's

1. Total income
2. # of sources of income (incl. cash machine)
3. % of income saved each month
4. Investment fund total
5. Living costs as a % of total income
6. Increase in living costs
7. Skill at increasing "Return on Investments"

# General Comments

- Looking for a trend in the numbers
- Portfolio LTV at less than 60%
- Watch the inflationary lifestyle
- Often fairly unforgiving on ourselves

# Questions