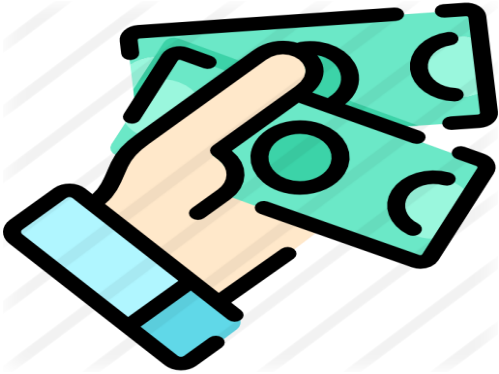


**Be smart,  
be  
secure**

## At a glance

If you're looking for a stable and secure investment, property is a solid option. Far less volatile than other investment strategies, an investment property has the potential to deliver consistent rental returns for years to come. While you may start out with a single property, careful consideration and management of your investments could see you grow this to a full and profitable portfolio with the help of a broker.





## What where when?

When purchasing an investment property, you need to think tactically about where you will buy and the type of person who generally resides in this area. Doing your research and having a clear understanding of the market and the areas where property is most likely to increase in value is essential. When considering your budget and return on investment, it's not just about your rental returns, you need to factor in

## What is negative gearing?

If you earn less from an investment property than it's costing you, you're said to be negatively geared. The motivation to be negatively geared is that it reduces your taxable income and you accept a short-term loss in the hope of a capital gain later.



## What's the difference between an investment loan and a home loan?

Unlike a home loan, costs associated with an investment loan are tax deductible (eg interest, repairs, rates, depreciation, etc). However, be aware that any rental income will generally increase your taxable income. Another key difference is

## How much does a property manager cost?

The cost of having a professional manage your rental property is between seven and ten per cent of your total rental income each week.

So, for a property with an average rental return of \$550 per week, you would need to pay the agent between \$38.50 and \$55 per week, which amounts to between \$2,002 and \$2,860 per year. If you compare this to the time commitment and potential costs you could face if you were to represent yourself at the tribunal, this weekly management fee is marginal.



What are the additional costs when purchasing an investment property?

Along with the cost of your deposit, you need to account for the cost of building inspections, stamp duty, conveyancing fees and any legal costs.

What are the ongoing costs associated with an investment property?

Ongoing, as the owner of an investment property, you will need to pay council rates, water rates, insurance, body corporate fees, land tax, property management fees, repairs and maintenance costs.