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Property Investments

A real estate investment strategy means investment in property which is typically not occupied by the owner. A property purchase is intended to generate an investment return from rental income and resale value.

Property investments are one available method to grow wealth and has proved to be a stable investment over time. Property investment can be an attractive proposition for investors who have little understanding of, or desire for, alternative investments or who dislike the volatility of the share market.

Most Australians with some capital for a deposit and reliable employment can obtain a loan to build a property investment portfolio.

Property investment fundamentals

Investment Stability

Property has proved to be a stable investment asset, being historically less volatile than shares and some other asset classes.

Long-Term Investment

Property can generate reasonable returns, particularly when viewed as a long-term, strategic investment. It can take some time to enter and exit the property market. The precise investment outcome can depend on prevailing market conditions. Property investors should take a long-term, eight to ten year view.

Property Financing

Property investment can be funded through various alternative methods but generally it is funded through obtaining a bank loan. The most economical and efficient funding method will maximise investment returns.

Additional Ancillary Benefits

A property investment can have beneficial long-term tax advantages and depreciation allowances.

Key considerations

Investment choice

Decide whether property is an appropriate investment choice for you before entering the property market. Assume a long-term investment is necessary to make a reasonable return. Your capital will most likely be immobilised or 'tied up' for some time. Assess whether this is the appropriate investment for your circumstances.

Informed decision-making

Invest with your head and not your heart. Utilise expert market knowledge to make an informed decision.

Location importance

Get the location right. Select an investment property in an area which has good capital growth potential and which is close to amenities, so that it has greater rental attraction. Tenants will generally consider local amenities when choosing a property to rent.

Property investment raises numerous issues. Specialist property investment agents can assist you to make an informed and successful property investment decision.

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For more information on Property Investments talk to one of our advisers on 135 444

Specialist assistance

Consult a property investment specialist if you are unsure about the nature or character of any property investment. There are often numerous issues to resolve and sometimes there is no obviously clear answer. Impartial specialist advice can help you make the appropriate investment decision.

Building issues

Use reputable contractors and suppliers to assist with any building on the property. Choose a quality builder who offers pricing transparency and turn-key inclusions suitable for the target market. Engage a solicitor to assist with contracts and the building payment process. Arrange a pre-settlement inspection at completion. Select a dependable property agent to carry out the tenancy selection process.

Maintenance costs

Obtain a full understanding of the maintenance costs to clarify the amount of any reserve to be set aside and potential tax claims. Exclude or minimise the risk of unexpected bills beyond budget.

Investment level

Choose a comfortable level of investment. Avoid over-capitalisation or risk of financial hardship. It is better to wait until you are more financially comfortable before investing, and not immediately committing to a burden causing financial stress.

Specialist property investment advice

Investment approach

Purchase of an investment property is completely different from purchase of a personal residential home. Investment property purchase should be analysed rigorously and approached exclusively for the investment purpose of generating an income and capital return for you.

Investment loan eligibility

The amount that you may be eligible to borrow can depend on various factors, including your income, debt ratio and asset mix.

Investment expenses

Property ownership incurs expenses, which can affect your returns. Consider:

- insurances
- maintenance costs: plumbing/electrical/roofing/water/pest destruction/gardens
- body corporate/strata fees
- rates/council taxes

Where we can assist

The market expertise of an experienced property agent can help remove uncertainty about, and clarify and reduce costs of, a property investment.

Talk to Anne Street Partners Realty Pty Ltd (ACN 135 905 618) today about investing in property.

We're here to help you.

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ASP0140V1 08-2014