

## 6 tips for successful property investment

### 1. Create a long-term property portfolio plan

Realise that investing in property is usually a long-term strategy. Always ensure you are comfortable with the advantages and disadvantages associated with a particular investment asset. Consider your short term, medium term and long term goals and all possible outcomes.

### 2. Consider all costs & positive vs. negative gearing

Keep in mind that the interest and related expenses you incur (such as repairs and maintenance) may be tax deductible. If your loan repayments, fees and other costs exceed your rental income, the net loss may be offset against other income you derive, meaning you will be able to reduce the amount of tax payable on your other income. This is called negative gearing. Or, you may consider positive gearing, where the annual rental income received from the property covers or is higher than the annual loan repayments and costs. Always take advice from your accountant in matters relating to taxation.

### 3. Think about buying with friends, family or work colleagues

More and more Australians are taking advantage of pooling their resources with people they know in order to get into the property market or increase their property market 'wealth'.

### 4. Choose a loan tailored to your current needs

Depending on your financial situation and current investment portfolio, there are a range of property loan products for you to consider. Apply for a loan that suits your current needs and lifestyle and remember as your needs and circumstance change you can always enquire about other products or refinance later.

### 5. Use a buyer's agent/property finder

Seek advice about the type of investment property that will maximize your investment. Buyers' agents know the market better than most and can be a valuable resource to use for advice or for negotiating with property sellers and/or their agents.

### 6. Visit a financial advisor and/or accountant

You need to discuss your full financial situation with someone who is very experienced with clients who have a range of investment assets because you need to make sure that your financial situation is improved by an investment property and that you can afford repayments without stretching the budget uncomfortably.

To find out more about what loan suits your needs, arrange an appointment with one of our consultants:

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