



*Elders*

# Guide to *investing* with Elders



Purchasing property is recognised as one of the most sound investment decisions you can make. Whether you invest in residential, holiday rental, commercial or industrial properties, the return on investment can be quite appealing when it comes to potential capital growth, a regular income and valuable tax benefits.

Many people turn towards residential properties when adding to their investment portfolios but are often unsure how to proceed. This useful guide will help you understand the criteria of a good investment property, and what steps you'll need to take to get started.

# Guide to *investing.*

## WORK OUT YOUR INVESTMENT STRATEGY

Many people like to start an investment portfolio, or balance an existing one, with the safety of a residential, commercial, industrial, or holiday rental property. But before you can start looking for a property to buy, you'll need to work out exactly what you want to gain from your investment. This will form the basis of your investment strategy.

Decide if you're after a quick capital gain; a steady, regular rental income; or a calculated tax break. Once you've worked out what you want from your investment, you'll be able to identify the best property type for you.

## WHAT'S THE COST

The cost of an investment property involves more than just the property's purchase price. There are always ongoing costs that you'll need to factor in when deciding if the potential profit outweighs any risks and costs along the way.

These include stamp duty, inspection fees and conveyancing costs, mortgage repayments and loan fees, insurance costs, property repairs and maintenance, council and water rates, government charges, strata fees, management costs and any unexpected vacant periods.



**“An Elders Real Estate specialist can help you identify the locations that *best fit your criteria.*”**

**RESEARCH THE MARKET AND CHOOSE THE LOCATION**

The next thing you’ll need to do is research the property market to know what areas have provided good capital growth and where the most secure rental incomes are coming from. You’ll want to know more about current and projected population growth and any future developments in various areas. By visiting one of our 400 offices across Australia, an Elders Real Estate specialist can help you identify the locations that best fit your criteria.

**THE RIGHT PROPERTY**

After you’ve worked out your investment strategy and chosen your ideal location, you need to have an idea what type of tenant you’d like to attract. Bear in mind, you’ll want a regular rental income with as few vacancies as possible. Do you plan on targeting families, university

students, professional couples or holiday makers? At this point, you’ll need to start thinking from a specific tenant’s perspective and consider what features will attract them.

Many features will appeal to all groups, such as good home security, off-street parking and good proximity to shops. However, families are more likely to be looking for space, multiple bedrooms, being close to schools and parks and having a big back yard and secure boundary fencing. In contrast, a professional couple might be more interested in apartments and townhouses in fashionable suburbs, modern household features and being close to good cafes and restaurants. Knowing who you prefer to attract will help you decide what type of investment property to purchase. It’s also a good idea to look at the property’s history. If it’s been rented before, check out the tenant record to see if there are any rentals concerns or unexplained vacant periods.

“There are *different* investment loans *available* to suit *specific* needs.”

#### YOUR INVESTMENT LOAN

There are different investment loans available to suit specific needs. The type of loan you choose will be based on your financial situation and your investment goals. Your accountant or financial advisor will help you work out the benefits of investing for capital growth, negative gearing, tax deductions or a steady retirement income, and they'll direct you to a loan that suits your needs.

#### TAX DEDUCTIONS

While your investment property is being rented, you're able to deduct property expenses from your gross income. These costs can include repairs and maintenance, council rates and government charges, advertising costs, agent management fees and interest repayments and loan fees

#### PURCHASING YOUR PROPERTY

Once you've worked out your investment strategy, chosen the investment property that has rental appeal and worked out your finances, you'll be ready to make an offer. How your property is being sold- whether by private treaty or public auction-will determine how you go about making an offer. Please refer to the 'Buying Your Dream Home' section in this guide to find out more about the steps involved in purchasing your new property.





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#### PROPERTY MANAGEMENT

Good property management could be the difference between a good investment and a bad one. Using an experienced property management service will allow you more time to focus on the important things in life.

At Elders, we'll look for the best possible tenant for your investment property, manage rental payments, reports and reviews, conduct comprehensive inspections and organise property repairs and maintenance through licensed and insured tradespeople. We'll provide annual detailed financial statements for you and your accountant showing exactly how your investment is working for you in the current market. Whatever property management involves, we do it.

No matter what type of investment property you're after, Elders Real Estate can assist in maximising the return on your investment. Leading in real estate for over 180 years, our experienced specialists can help you from the purchase stage right through to your property's day-to-day management. And since we already manage over 60,000 properties.

Australia-wide, we know exactly how to maximise income for our investors. Call a local Elders Real Estate specialist in your area today to see how we can help turn your investment dream into your investment reality.

For more information about Elders Real Estate visit [eldersrealestate.com.au](http://eldersrealestate.com.au)

