



## PROPERTY INVESTOR

# NEWSLETTER

JUNE  
2019

This newsletter has been designed to keep you updated on what is happening within the industry and our real estate agency

## BEWARE OF CGT

Are you thinking about selling an investment property? Don't forget to factor in Capital Gains Tax (CGT).

CGT is generally payable if the property has been tenanted, inherited, received as a gift or won as a prize and it is not your main residence. CGT is paid on your net capital gain at your marginal tax rate.

Your net capital gain is: Your total capital gains minus your total capital losses (including any unapplied net capital losses from previous years), minus any CGT discount and CGT small business concessions.

There are ways to reduce your liability by offsetting your capital losses that can be discussed with your accountant.

## SMART PROPERTY INVESTORS

### #5 MARKET INDICATORS

Most investors often have a story to share about their property and tenant experiences and have travelled the highs and lows of the market. However, there is more to successful investing than just buying properties. Following are five statistical indicators that smart property investors keep a close eye on when growing their portfolio.

1. Demographics and people: Know how and why the general population does what it does, so you can have a greater insight into the type of accommodation that is popular or in demand now and/or in the future. *For example, research has shown that more people are choosing to marry later, in favour of climbing the corporate ladder, which has resulted in an increased demand for inner-city property developments.*

2. Number of properties for sale and comparable properties: Know your investment market sales activity and number of comparable properties for sale, so you are educated, informed and confident when negotiating to buy your next investment or selling a property. Property prices often fluctuate with supply and demand. The greater the supply (or number of properties for sale) the stronger negotiating power you will have. Sales activity statistics can also reveal important data about vendor behaviours and market conditions.

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## INTEREST RATES

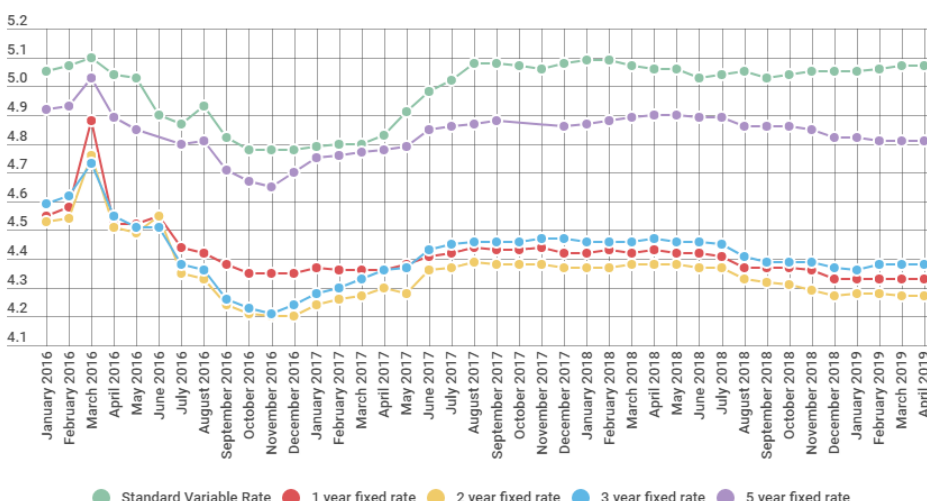
The Reserve Bank interest rate cuts have reached a historic low.

The featured graph shows the Australian Bureau of Statistics (ABS) recorded monthly averages for fixed & variable interest rates.

Are you getting the best interest rate deal possible? A 0.25% interest rate deduction over 25 years can save you almost \$20,000.

Now is the time to buy and speak with your bank to increase your investment wealth.

### ABS MONTHLY AVERAGES FOR INTEREST RATES



We are focused on maximising your rental income and optimising your capital growth

## #5 MARKET INDICATORS ... CONTINUED

3. Time on the market and the actual sold price: Know the real results, so you don't pay too much when buying a property and list your property at the right price when selling. There can be a vast difference between the vendors requested list price advertised and the actual sold price. 'Long time' on the market statistics, can reveal a downturn/slow market or a steady market with low vendor urgency/motivation. A reduced list price statistic compared to the actual sold price could reveal a seller's market.

4. Vacancy rates: Know the vacancy rate in the area you are looking to invest, so you are aware of any underlying concerns and reduce potential risk of financial stress due to long-term vacancies. A high vacancy rates can be indicative of several factors and you need to know why. It could be an over-supply of properties, increase in local property developments, a down-turn in the economy, seasonal influences or other local contributing factors.

5. Rental yields and medium property price comparisons: Know the status of the current market. If median house prices are steady, but yields start to decline, it could be a reflection that the tenants are not paying as much for rental properties because too many investors are buying in the area creating an accommodation oversupply. If rental yields are increasing, this could mean that there are more owner-occupier sales rather than investor sales.

Knowing the rental yields, medium property prices and other defining statistics, can provide valuable insight into the market you are looking to invest in and assist with smart investment decisions.

Climbing the ladder of property investment success is a step-by-step experience of learning, planning, adjusting, researching and never giving up on your wealth creation dream.

## TURN UP THE HEAT

It is that time of the year where many start to rug up for the winter season and turn up the heat in their car, home and workplace to feel more comfortable.

Does your property have adequate heating, is it energy efficient and has it been serviced?

Feedback from tenants suggests that one reason they vacate a property or choose a rental property over another, is due to a lack of efficient and affordable heating.

## SUDOKU COFFEE BREAK

Every row & column, and 3X3 box, must contain the numbers from 1-9. Good luck!

		1						
		2		3				4
			5			6		7
5			1	4				
	7						2	
				7	8			9
8		7			9			
4				6		3		
						5		

## INVESTMENT PROPERTY OF THE MONTH

40/124 Wellington St, ORMISTON  
O/O \$320,000  
(est. rent price \$350 p/w)



## TALK TO THE PROPERTY EXPERTS

### BUYING, SELLING & PROPERTY MANAGEMENT

Call us if you are thinking about buying or selling or know of someone who is

### Recently RENTED

- 27 Carinyan Dr, B/dale
- 2/1 Main Rd, W/Point
- 4 Collingwood Rd, B/dale
- 11 Musgrave St, W/Point
- 67 Riesling St, Thornlands
- 16 Frederick St, W/Point
- 38 Willard Rd, Capalaba
- 4/11 Burnett St, W/Point

### Recently SOLD

- 1/110 Main Rd, W/Point
- 548 Main Rd, W/Point

### Current LISTINGS

<http://www.patbarrettrealty.com.au/>

## NEWS Update

Ⓢ If you have been considering putting air conditioning in your investment property, winter is the time for great deals!

Ⓢ Want to download a previous newsletter? You can now download them from our website.

Ⓢ Congratulations to Peter Barrett & Kathleen Hyde for completing the Brissie to the Bay bike ride & raising over \$2,400 for MS research.

Ⓢ Help Kathryn Barrett-Edie raise funds for leukaemia.

<https://www.dryjuly.com/users/kathryn-edie>

