



PAT BARRETT
REALTY

Serving the Redlands since 1973

PROPERTY
INVESTOR

NEWSLETTER

MARCH
2025

INVESTOR MYTHS

- Higher rent always = higher profits – Setting rent too high can lead to longer vacancies and tenant turnover. It is better to price the rent competitively to attract and retain reliable tenants, creating a steady cash flow.
- Negative gearing is the best strategy – While negative gearing can reduce tax liabilities, relying on it alone isn't always wise. Positive cash flow properties can provide steady income and long-term financial stability.
- Once you have a tenant, you can forget about the property – Regular inspections and maintenance are essential to ensure the property remains in good condition and prevent minor issues becoming costly repairs.
- Landlord insurance is optional – Home insurance doesn't cover rental-related risks like tenant damage or rent defaults. However, landlord insurance provides crucial financial protection.
- If you own property, banks will always lend you more money – Lenders assess income, debt, and market conditions before approving loans. Simply owning a property does not guarantee access to more finance.
- Buying the cheapest property is the best investment – Location, tenant demand, and potential for capital growth are far more important than just buying cheap.
- If you renovate, you can charge significantly more rent – Upgrades can justify a rent increase, however, there's a limit to what tenants will pay.
- Real estate is a set-and-forget investment – To be successful requires ongoing strategising, proactive planning, research, and regular market reviews.



BE ONE STEP AHEAD

END OF FINANCIAL YEAR IS FAST APPROACHING

As the end of the financial year (EOFY) fast approaches, property investors have a valuable opportunity to maximise tax benefits and set themselves up for financial success. Strategic planning now can be the difference between a well-optimised tax return and missed opportunities.

One smartest move an investor can make before June 30 is to address property maintenance. Many expenses related to repairs and the upkeep of an investment property can be claimed as immediate deductions, reducing taxable income for the current financial year. However, not acting in a timely manner can impact investors as demand for tradespeople surges leading up to the EOFY. A shortage of available professionals can lead to delays, potentially pushing claimable expenses into the next financial year, resulting in missing out on timely deductions.

Beyond maintenance, the EOFY is the perfect time to review depreciation schedules. Many investors are unaware that wear and tear on their investment properties can be claimed over time, significantly reducing taxable income. If a depreciation schedule has not been updated recently, consulting a quantity surveyor can help ensure every eligible deduction is claimed.

Additionally, reviewing loan structures and interest payments before June 30 is crucial. Investors may consider making extra repayments on deductible loans to maximise interest deductions or refinancing to a more tax-efficient set-up. With interest rates fluctuating, EOFY presents an opportunity to reassess financing strategies that align with long-term investment goals.

A proactive approach to tax planning can also include prepaying expenses, such as insurance, rates, or professional fees, if you need to reduce your taxable income.

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BE ONE STEP AHEAD... CONTINUED

Those with negatively geared properties may benefit from strategies that offset rental losses against other income, effectively lowering their overall tax burden. We strongly advise consulting with an accountant or tax advisor before lodging returns to ensure compliance with Australian Taxation Office (ATO) rules.

Property investors can take full advantage of available deductions by planning early, addressing maintenance needs promptly, and reviewing tax strategies while avoiding last-minute stress.

If you want to claim taxable deductions in this financial year, now is the time to act.

TOP FIVE PROPERTY UPGRADES

For property investors, small but smart upgrades can make a big difference in attracting quality tenants.

While major renovations can be costly, several affordable improvements can instantly enhance a property's appeal and potentially justify a fair market rent increase if smart choices are made.

Following are our top five property upgrades:

1. Fresh paint for a modern look

A simple coat of paint can transform a property, making it feel clean, fresh, and inviting. Neutral colours work best as they appeal to a broader range of tenants, making spaces look brighter and more spacious. Touching up walls, skirting boards, and even the front door can create a great first impression.

2. Upgrade fixtures and lighting

Old, outdated fixtures can make a property feel tired. Swapping out old tapware, cabinet handles, and light switches for modern alternatives is a quick and inexpensive way to add value. Good lighting is also essential. LED downlights or stylish pendant lights in living areas can create a more attractive and energy-efficient home.

3. Air conditioning and heating

Climate control is a must-have for tenants, especially in areas with extreme temperatures. Installing a split-system air conditioner can significantly increase tenant demand. If the property already has air conditioning, servicing the unit before re-letting can assist with long-term preservation.

4. Kitchen and bathroom refresh

A full renovation isn't always necessary, but simple updates to kitchens and bathrooms can make a huge impact. Replacing benchtops, updating splashbacks, or installing new cupboard doors can modernise a kitchen without breaking the budget. In bathrooms, swapping old shower screens, regrouting tiles, or adding a new vanity can give a fresh, clean look that tenants love.

5. Outdoor appeal and low-maintenance gardens

Outdoor space is a major selling point for tenants, especially in family-friendly areas. A tidy, low-maintenance garden with fresh mulch, easy-care plants, and a well-maintained lawn adds instant appeal. Creating an inviting outdoor area with a deck, patio, or fire pit can significantly boost rental value if space allows.

Investors can increase their property's rental appeal without overspending by focusing on cost-effective upgrades.

A well-maintained, home attracts quality tenants, reduces vacancies, and maximises rental returns, which are all crucial factors in smart property investing.

Recently Sold

- 17 Hoskins Dr, W/Pt
- 28 Makaha Dr, Birkdale
- 3 Rye St, W/Pt

Recently Rented

- 7 Belford Dr, W/Pt
- 4/522 Main Rd, W/Pt

Current Listings

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

NEWS Update

ⓑ We will undergo staff training with the REIQ, on 27th March for upcoming legislation changes.

ⓑ Our office will be **closed** for the Easter public holidays from 18th April, returning on Tuesday 22nd April 2025

FOR SALE

38 Surman St, Birkdale

O/O \$1,050,000

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