



Motivation for Real Estate Investment

Despite the diverse demographic profile of investors, by far and away the most common reason for investing (66%) is to provide a secure long-term investment.

Less frequently given reasons seem to be age related. For example, 45 per cent of investors under 45 years of age invested for negative gearing benefits. The importance of this, as a reason, declines as investors move through the age ranges until at over 65 years, investment income becomes the prime motivation factor (30%).

There was also a group of 'reluctant investors' who were only waiting for their properties to sell.

It's That Time Of Year Again!

Tax Savings Associated With Owning An Investment Property

Property represents a very secure and sound, long term form of wealth creation. It's a good option as part of an investment portfolio, particularly for investors who do not need immediate access to their money and wish to protect themselves against inflation over the long term.

A well managed investment can offer many advantages including income and capital growth. Many investors may also be able to use their investment to reduce tax payable on their assessable income.

Some of the following can be claimed as a tax deduction:

- Commission/Management fees paid to your Real Estate Agent
- Council and water rates
- Land Tax
- Insurance
- Repairs and maintenance
- Depreciation on fixtures and fittings and, if appropriate, on the building
- Travelling expenses to inspect the property
- Accounting fees
- Interest on loan and bank fees
- And the often overlooked borrowing costs – conveyancing costs, stamp duty, establishment fees, Solicitors costs which are also claimable, can be written off.

While the decision to purchase an investment property should not be solely based on negative gearing benefits, they should become one of the issues including income and potential for capital gain.

