

# LET'S TALK ABOUT PROPERTY INVESTING



**LOVE**PROPERTY  
AUSTRALIA™



# WHY?

Many Australians have an obsession with property - and for good reason. It's our favourite way to create wealth.

As opposed to investing in shares, property is something we can see and feel. It's bricks and mortar, it's real and, on the surface, it's easier to understand than shares, franking credits and dividends.

And, when done well, it can reap terrific rewards.

The secret is to make sure it is done well and we'll take a look at those secrets, tips and strategies for success in the coming pages.

There is a well known saying that "the best indicator of future performance is past performance", but whilst this can give us a good insight into property, it's just one part of the picture and we need to take many other factors into account.



[www.loveproperty.com.au](http://www.loveproperty.com.au)

# PAST PERFORMANCE

In many property markets around Australia, research shows that values double every 7-10 years. That's a pretty tried and tested formula under normal conditions.

However, the last two years have been anything but "normal" particularly when we're talking about property values, rental demand, regional and interstate migration, immigration and a swag of other factors that have changed without warning.

2021 saw:

- significant growth - a 22.1%\* increase in the national median house value. That's been called a "once in a generation boom".
- major swing to regional living thanks to working from home and no longer being tied to the office or the cities.
- lack of availability of properties has been a major driver of price growth as demand has far outweighed supply.
- zero immigration which has had a big impact on rental demand.

So now we need to see what 2022 and beyond brings.

\*Source: CoreLogic

[www.loveproperty.com.au](http://www.loveproperty.com.au)

# FUNDAMENTALS

During all this change and uncertainty, the fundamentals of investing remain the same.

We need to look at:

- Infrastructure investment
- Population growth
- Employment
- Investing strategy

## INFRASTRUCTURE INVESTMENT

Where there is government and/or private investment in infrastructure, such as transport links, hotels, shopping centres, hospitals, schools, etc there are jobs and people.

This increases rental demand and, in time, property value.

**THIS IS OFTEN THE NUMBER 1 INDICATOR WE LOOK FOR WHEN SCOPING INVESTMENT OPPORTUNITIES.**



## POPULATION GROWTH

With the re-opening of international borders, we're expecting to see significant population growth this year and perhaps next year before it settles down back into its normal pattern.

The greatest change will be the return of international students and the impact they will have on rental demand.

## THE REAL QUESTION HERE IS WHERE WILL PEOPLE BE MOVING TO?

Will the regional migration continue? Will the influx to the Sunshine State and the promise of a more relaxed lifestyle continue to be so appealing? Will inner city living demand return to pre-pandemic levels?

There is no doubt that population growth will be a major factor for investors to consider in the coming years, it just depends on where people will be choosing to live.

## EMPLOYMENT

This is always a big consideration when you're deciding where to invest. People need to have access to jobs in the areas they are choosing to live.

However, working from home has changed that significantly as, in many cases, people can now work from anywhere.

We'll still need local workers in hospitality, construction, education, health care etc, so this is our most accurate indicator that we can rely on.

## INVESTING STRATEGY

Just as we all have different goals, aspirations and financial positions, we should all have different investing strategies. Taking a "one size fits all" approach isn't the most effective way to achieve your goals.

Factors that need to be considered are:

- Budget
- Timeframe
- Cashflow
- Access to finance/equity
- Tax position
- Goals - one property or 10?

[www.loveproperty.com.au](http://www.loveproperty.com.au)

# CONSIDERATIONS

Once we have the fundamentals covered, there are considerations to take into account:

- The pros and cons - of investing in general and of the locations and properties you're interested in.
- The costs of investing - and not just the purchase price but the holding price. Where, what and how.

## PROS AND CONS

Writing a pros and cons list is always a good exercise when you're making a big decision. Pros of investing include rental income, tax deductions, capital growth, less volatility than other types of investments, and a physical asset.

Cons include holding costs, interest rates, high entry cost, long timeframe, periods without tenants, possible decrease in value and the fact that it's one large asset - you can't sell off part of it - it's all or nothing.

When you've worked through that list and narrowed down to a short list of properties, then you need to do the pros and cons of the actual properties.

## COST OF INVESTING AND OWNING AN INVESTMENT PROPERTY

It's vital to consider the other costs of investing other than the purchase price of the property. These costs include:

- stamp duty
- conveyancing fees
- building/pest or completion reports
- mortgage costs
- change in interest rates
- property management fees
- insurance
- strata fees
- council and water rates
- land tax
- repairs and maintenance.

If these costs aren't part of your investing equation, you may be forced to sell the property early if your circumstances change.

Having a best case and worst case financial scenario is always a smart idea so that you know the parameters you can work within.



[www.loveproperty.com.au](http://www.loveproperty.com.au)



## WHERE, WHAT AND HOW

Where are you looking to invest? Inner city, suburban or regional? Local to where you live or wherever the numbers are telling you to look?

Do you prefer a house, a house and land package, townhome or apartment? New property or old? Will the property type change depending on the location you're looking at? Do you know the financial implications of different property types?

How will you find the right investment property? Will you pound the pavement or ask your friends? Will you listen to that guy at the BBQ who thinks they're the investing expert? Or will you scour the internet for information and do the hard yards?

Alternatively, you could always get right to the point, save a whole lot of time and ask a professional for up to date, relevant guidance based on sound research on a wide variety of property investment options.

# ADVANTAGES OF ENGAGING A PROFESSIONAL

As an investment property consultant, my days are spent watching the property market, talking to developers, researchers and investors, doing my own independent research. I travel to the areas that are triggering my interest so I can get a look and feel of the location, which allows me to talk from first hand experience rather than taking someone else's word for it.

**THE BENEFIT TO YOU IS THAT I'VE DONE THE HOMEWORK FOR YOU. THE ADDED BONUS IS THAT I WILL PROBABLY DO EVEN MORE THOROUGH RESEARCH THAN YOU EVER WOULD.**

In a nutshell, Love Property Australia offers:

- researched investment options that meet **your** investing strategy and goals
- an independent viewpoint
- a variety of locations and property types
- detailed cashflow on various scenarios
- referral to trusted professionals - eg mortgage broker, conveyancer, etc

In the same way that real estate agents are paid, our fees are paid by the vendor, so there is no charge to you for our services.

[www.loveproperty.com.au](http://www.loveproperty.com.au)

# PROPERTY HIGHLIGHTS

## WEST END, NEWCASTLE, NSW

1 bed, 1 bath, 1 parking, 83 sqm apartment  
\$561,000 – \$617,000

2 beds, 2 baths, 1 parking, 103 sqm apartment  
\$889,000 – \$929,000

Completion scheduled for 2024

Once the beating heart of the Newcastle's heavy industry, the West End has emerged as the city's newest cultural hub. With affordable median property prices, strong rental returns, a surge in infrastructure development and a seismic shift in attitudes to work from home, Newcastle is set for its best decade of growth for investors and the West End is the place to be.

Offering spectacular views as far as the eye can see and capturing the essence of the rejuvenated West End, every space in this apartment building is full of style and effortless chic. Every finish is high quality and every aspect of design has been well thought out.

Beautiful communal spaces are a prominent feature and will create a true sense of community for residents.

## NORTH MELBOURNE, VICTORIA

1 bed, 1 bath, 69 sqm apartment  
\$458,500

2 beds, 2 baths, 1 parking, 86 sqm apartment  
\$679,500

Scheduled for completion in 2023

Combining New York style warehouse living with the warm comforts of home, this is the epitome of modern living.

Whether you're travelling by car, train or bike it's just minutes to the CBD, airport, university and medical precinct. Plus the bars, cafes and restaurants that are in the neighbourhood make it a hub of cosmopolitan living.

The development itself is beautiful, with a luxurious combination of features both within the apartments and in the common areas.

Distinctive living spaces framed by white oak timber floors and exposed concrete ceilings. Light, bright kitchens of refined joinery, SMEG appliances and natural stone benchtops. The roof terrace features a landscaped entertaining area with views of the city complete with fire pit, seating pods, dining areas and a pool. There is also a resident's lounge with a central fireplace.

The entire project is 100% renewable powered and features leading energy efficiency initiatives.

[www.loveproperty.com.au](http://www.loveproperty.com.au)

## BUDERIM, SUNSHINE COAST, QUEENSLAND

1 and 2 bedroom townhomes  
Pricing yet to be confirmed

High rental demand location and design

Construction to start September 2022  
Scheduled for completion end 2023

Buderim is perfectly located on the Sunshine Coast, close to beaches, schools and universities, hospitals and shopping centres.

The Sunshine Coast has been titled the “largest per capita infrastructure investment of the top 20 population centres in Australia”, with an approach to sustainable economic growth and opportunities that are unrivalled anywhere in the country.

Property demand is high and rental yield is strong as people seek the “Sunny Lifestyle”.

This development meets those needs and more, with each townhome maximising natural lighting, with private courtyards or balconies and secure garages.

Every detail has been considered to create a modern, low maintenance retreat with flawless details right in the heart of the Sunshine Coast.

Natural textures and earthy tones combine to create a fresh perspective on coastal living in this limited residence release.

[www.loveproperty.com.au](http://www.loveproperty.com.au)

# Let us help you start or build your property portfolio today



**Michael Rogers**

Owner/Director

Love Property Australia

1 Buckingham Street, Surry Hills NSW 2010

0416 049 226

[michaelrogers@loveproperty.com.au](mailto:michaelrogers@loveproperty.com.au)

[www.loveproperty.com.au](http://www.loveproperty.com.au)



We recommend that you seek independent financial advice before making investing decisions. All information provided herein is correct at time of publication but is subject to change. Images used are renders or artist's impressions rather than actual images of completed properties.