



NEWS - JULY 2012

Property Investing for Retirement

Around the end of financial year there is a lot of talk about superannuation and the effect that interest rates and economic changes are having on super balances. Australians are starting to look towards real estate investment as a more secure form of long term superannuation investment.

Property investment for retirement isn't necessarily an easy process, but it can be worth it if you do your homework and have good financial advice behind you. Firstly you need to have a self managed super fund set up and use it to take advantage of entitlements that come with investing through superannuation.

Buying an investment property through your self managed super fund instead of outside of it can have many tax benefits including:

- Lower tax rate on rental income earned by the property.
- Possibly more suitable for your retirement goals in comparison to shares or other investment opportunities.
- Lower capital gains tax if you sell the investment property after 12 months.

- If drawing a pension from your self managed super fund, capital gains tax can be tax-free.

Although the process is more complicated than buying an investment property straight up the benefits later in life can be well and truly worth it.

There are plenty of places throughout Australia that are investment hot spots - look for places with booming infrastructure and development such as in and around mining towns and low rental vacancy rates. Talk to your local Professionals real estate agent about investment opportunities available in your area.

Make sure you speak to your financial advisor about your plans and options before proceeding with any real estate transaction, and ensure you follow compliance rules and obligations.

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City versus Country Living?

Do you suit an urban lifestyle?

- If you love nightlife and dining in fancy restaurants, living near city centres sounds like your cup of tea.
- If you like shopping and large department stores, larger cities tend to have more of a selection of shops.
- If you prefer a city skyline at dusk over a sunset over the hills, suburban life might be more suited to you.
- If you like living in an apartment, taking public transport instead of driving and like to have a fast paced lifestyle, living in a city can certainly offer you all of these.

Do you suit a country lifestyle?

- If you crave space of your own and not be on your neighbours doorstep, acreage will take you away from things that might ruin the peace and quiet you want.
- You can see all of the stars at their brightest, so a retreat with a country feel is for astronomers and nature-lovers alike.
- If you enjoy travelling the open road and not being stuck in traffic jams, you're probably more suited to country living.
- If you like fresh air, the sound of farm animals or living off the land, you're likely to prefer a rural outlook.

There are of course homes in between the extremes of urban city living and rural country living, so deciding what's right for you depends on the lifestyle you want for you and your family, or the stage you're at in your career or life. There's a whole world of choice out there!



Renovating at 'The Block' Speed.

Watching 'The Block' on Channel 9 may make it seem possible to organise and carry out a renovation at record speed, but is it actually possible for the average homeowner?

Most, if not all, builders and renovators will tell you that a typical home makeover takes a lot longer than on the show, especially if you're renovating every room of your house, and if you're already living in the property. Why? Because renovating takes a lot of planning, budgeting and careful consideration and you should take the time to get multiple quotes, find the right builders, negotiate and then make sure that the building work is carried out to your satisfaction, not to mention getting engineering and council approvals where needed.

To renovate an entire home in around 10 weeks would take a very large team of professionals trades people, an immense amount of quick decision making and buying fixtures, fittings and furnishings, and of course a massive budget.

For the best renovating results it is best to take your time, consider your options, shop around and get the job done right. It may not be practical to rush through projects like on 'The Block', but it certainly offers some interesting ideas, tips and entertainment for those of us taking on the renovating challenge!



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