



Investment Property Strategies

House and Land Packages

Through our property consultants in Queensland we are able to help you locate a great investment property in the booming South East Queensland. There are great 4 bedroom house and land packages starting at just \$289,000 available in areas such as:

- Redbank Plains
- Springfield
- Burpengary
- Caboolture
- Toowoomba

We also have many Townhouses and Units in Brisbane and the Gold Coast. Our qualified Property Consultants in Queensland will help you locate great investment opportunities.

Why is an Investment Property a Good Strategy?

Most people like property because they can see it, touch it and watch it grow in value over a period of time. If bought in the right area (location), it can offer good returns in capital growth in future years. Also, the depreciation, coupled with rental income, makes this method an easy way to get into property and make it an attractive proposition.

If you already own a property it makes getting into an investment property much easier as you can use the equity in your home as a deposit towards an investment property.

Negative Gearing

Negative Gearing is the situation when an investment such as property is purchased with the assistance of borrowed funds and where the rental income after the deduction of expenses (such as interest, bank fees, insurance and strata fees) is less than the interest commitment in the course of a financial year.

For tax purposes this negative net income can then be offset against any positive income from other sources. This is a very handy tool in minimizing tax.

Capital Gains Tax

Capital gains are the profits made on selling assets. Your primary place of residence is exempt from any capital gains tax. An investment property sold at a profit will attract a capital gains tax on the profit. The amount will be added to your regular income and taxed at your marginal rate. However, depending on your situation at the time of selling a property, the capital gains tax could be adjusted to be reduced by way of new investments put in place. You should get advice on this matter before selling so that you can structure it correctly.

Product Features

- Interest Only Loans
- 100% Mortgage Offset Accounts
- Redraw Facility
- Split Loans

Interest Only Loans

An Interest Only Repayment Facility is usually available on Investment Loans. The interest is calculated on the original borrowed amount and requires no principal reduction. An ideal borrower is an Investor looking to maximise his tax & negative gearing benefits by simply paying the interest on the loan.

100% Mortgage Offset Accounts

A Mortgage Offset Account gives you all the features of a normal transaction account, but instead of earning interest, you can use the account balance to offset the interest charged on the home loan. Any money you put into the offset account is deducted from your home loan balance before the interest is charged. A great way for a borrower to use their savings to reduce the interest charged on their home loan.

Redraw Facility

When a borrower pays extra or additional repayment on their home loan they have the ability to redraw or withdraw the extra repayments that they are in advance. A Redraw Facility works similar to an, 'all-in-one' facility. The borrower deposits all of your income and savings into the loan and then they can withdraw the money from the home loan account for all your day-to-day expenses.

Another excellent way to save interest on your home loan is to make your day-to-day purchases on an Interest Free Credit card and 'redraw' the full balance of the card at the end of the interest free period to pay the card off in full.

Split Loans

A split loan is ideal for a borrower who wishes to have two loan products rather than one. An example is a borrower who wants to take advantage of fixed rate loan products in combination with a variable rate loan product. The borrower can fix in portion of their loan to provide stability of interest rate and repayment but still allowing themselves the flexibility to make additional and lump sum repayments on the variable portion of the loan.

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