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# THE INVESTOR

## BUYING NEW VS OLD PROPERTIES

Like most decisions that we make, there are always pros and cons.

The benefits of buying a new property can include higher depreciation deductions (reducing your tax payable), limited to no renovation works, and lower costs for repairs and maintenance, as everything is brand new.

However, that doesn't mean that buying 'new' is always the best option.

Often, you can pay a premium for a new property. If it is part of a large complex or a development, there can be an oversupply of similar properties hitting the market simultaneously, possibly causing a drop in the asking rental price in the initial stages.

Additionally, depending on the developer, mass production of new properties can compromise the quality of fixtures, fittings, and finishes, and may result in poor floor plans and smaller room sizes.

In contrast, older properties are generally solidly built and located in more established areas with the surrounding infrastructure already in place that tenants desire, while providing the ability to add value with renovations, subdivisions or re-builds.

However, poorly presented and unmaintained old properties can increase maintenance costs and attract less quality tenants.

At the end of the day, when investing, the choice is yours.

Just make sure you do your research, know your numbers, and seek professional advice.



## HOW TO BUILD EQUITY IN YOUR INVESTMENT PROPERTY

Building equity is one of the most powerful ways for property investors to grow long-term wealth and financial stability. Equity opens doors to refinancing, reinvesting, or simply reducing debt.

Following is a thought-provoking list of practical ways to build equity:

1. Make Extra Mortgage Payments – Reduce your loan balance faster by paying above the minimum.
2. Switch to Principal & Interest Repayments – Builds equity steadily over time compared to interest-only loans.
3. Refinance to a Better Rate – Lowering your interest rate means more of your repayment goes to the loan principal, which will grow your equity faster.
4. Create Ways to Increase Rental Income – Renovate or improve the property to justify a higher rent.
5. Renovate Kitchens & Bathrooms – These areas typically offer the best return on investment.
6. Create Open-Plan Living Spaces – Improves functionality and appeal, boosting market value.
7. Install Energy-Efficient Features – Solar panels and LED lighting can increase value and lower ongoing costs.
8. Improve Outdoor Living Areas – Decks, patios, or gardens, enhance lifestyle appeal.
9. Subdivide or Develop – If zoning permits, creating additional dwellings increases equity and income potential.
10. Add a Granny Flat/Studio – Generates extra rental income and adds value.

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## HOW TO BUILD EQUITY... Continued

11. Improve Street Appeal – Fresh paint, tidy gardens, or a new front door can add instant value.
12. Revalue Your Property After Improvements – A new valuation may reflect increased equity.
13. Convert Unused Spaces – Garages, basements, or attics can be transformed into usable living areas.
14. Upgrade Fixtures and Fittings – Modern taps, lighting, or flooring can give a premium feel without major cost.
15. Stay on Top of Maintenance – Prevents deterioration and preserves value over the long-term.
16. Keep Quality Long-Term Tenants – Consistent small rent increases in accordance with the market, reduces a tenant's financial stress.
17. Reduce Vacancy Rates – Keep great tenants through good communication and property upkeep to ensure consistent rental income. Vacant properties = lost income.
18. Reduce Property Expenses – Shop around for insurance, utilities, and services to save money and redirect it toward equity-building.
19. Hold Through Market Growth – Property values generally rise over time; patience is a powerful equity builder.
20. Leverage Equity to Invest Wisely – Use built-up equity to fund another smart investment and grow your portfolio strategically.

## BUYING YOUR NEXT PROPERTY – RED FLAGS AFFECTING CAPITAL GROWTH

Investing in property can be a safe and sure way to build wealth and financial security. Property prices fluctuate in cycles, which generally results in substantial price increases every 7-10 years. Investing in property for the long term will almost always result in healthy capital growth 'cash or equity in your bank' if you avoid some common red flags.

- Oversupply of New Developments – Too many similar properties in one area can suppress price growth for years.
- Lack of Infrastructure Investment – Areas with little to no planned upgrades may lose appeal over time.
- Poor Public Transport Access – This can reduce buyer and tenant interest in the long term.
- High Crime Rates – Perceived safety issues can discourage growth and reduce resale appeal.
- Environmental Hazards – Properties in flood, bushfire, or erosion-prone zones carry added risk and insurance costs.
- Zoning Restrictions or Negative Changes – Future planning changes may block development or reduce property values.
- Lack of Amenities – Areas without schools, healthcare, parks, or shops tend to stagnate in value.
- Poor Rental Yield History – Weak rental returns may deter future investors and limit value growth.
- Inconsistent Capital Growth History – Areas with erratic past performance often lack the drivers for long-term gains.
- Low Owner-Occupier Rate – Investor-heavy suburbs can be volatile and harder to sell in downturns.

If you are investing in property, don't just consider the weekly rent and sale price. Astute investors take the time to research the area, know what is happening in surrounding areas, and become knowledgeable about potential future planning or zoning, as these factors can change and impact the rise or fall of property prices in an area.

## PROPERTY MARKET

### Rented in July

18 Orchard Pl, **Eight Mile Plains**

4 Bed, 2 Bath, 2 Car

\$590

22 Aratula St, **Sunnybank Hills**

3 Bed, 2 Bath, 2 Car

\$580

52 Atherton Cct, **Forest Lake**

4 Bed, 2 Bath, 2 Car

\$720

23 Chippeway St, **Durack**

3 Bed, 1 Bath, 1 Car

\$570

2 Amara Cr, **Forest Lake**

3 Bed, 1 Bath, 1 Car

\$650

2 Charles Pl, **Runcorn**

4 Bed, 3 Bath, 1 Car

\$780

20 Harrison Cr, **Forest Lake**

3 Bed, 1 Bath, 2 Car

\$620

## SUDOKU BREAK TIME

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