Reach financial **freedom through** real estate

independent
PROPERTY GROUP

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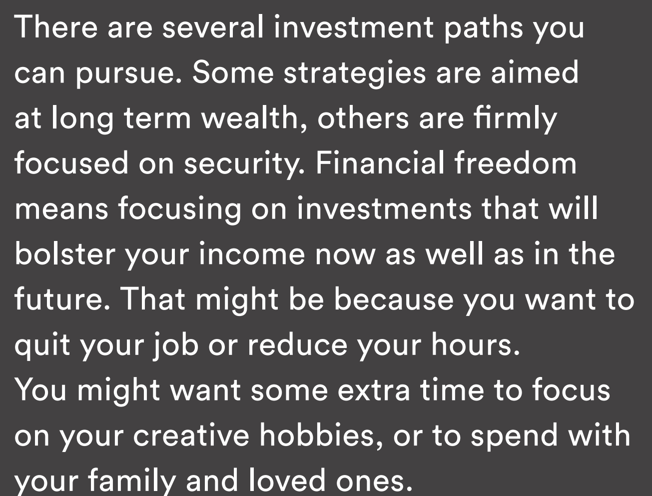
What's your
home worth?

Jonathan wakes up in his beachside townhouse. It's a lovely day, so he decides to go for a walk along the sand before settling down to work illustrating a new children's book. It's a far cry from ten years ago, when Jonathan spent his days commuting through peak hour traffic to spend his days doing tedious, repetitive work. Back then, Jonathan needed his pay cheque to meet his living expenses. Today, he has the financial freedom to do work he loves, when he wants to do it.

What is financial freedom? It's when you're earning enough from your investments and savings to meet your needs. Even if you don't want to retire, financial freedom means you have the freedom to choose the life you want.



There are several investment paths you can pursue. Some strategies are aimed at long term wealth, others are firmly focused on security. Financial freedom means focusing on investments that will bolster your income now as well as in the future. That might be because you want to quit your job or reduce your hours.
You might want some extra time to focus on your creative hobbies, or to spend with your family and loved ones.

For financial freedom, you need a positive cash flow strategy.

How does it work?

By investing in positive cash flow property, the rent from your investment pays for the expenses of the property with some left over for you. Eventually, that money replaces your current income so you can spend your time doing what you love.

With help from the real estate experts, we'll discuss the pros and cons of this investment strategy, show you how to choose the right property to achieve financial freedom, and offer tips on how to get the most from your new investment with good property management and tax depreciation.

Meet our experts

Wayne Harriden

Executive Director, Project Marketing

Wayne is a highly regarded professional and advocate for the property industry. Wayne is a multi-award winning professional, including the Australian Sales Person of the Year.

Chris Uren

Executive Director & Principal

Chris is one of Canberra's leading and most professional real estate agents. He has achieved multiple record sales across a wide range of suburbs within the ACT and has been recognised in the Top 10 Independent Sales Agents and Top Five Independent Established Listers in the ACT.

Alison Bleathman

Chartered Accountant, Chief Financial and Operating Officer

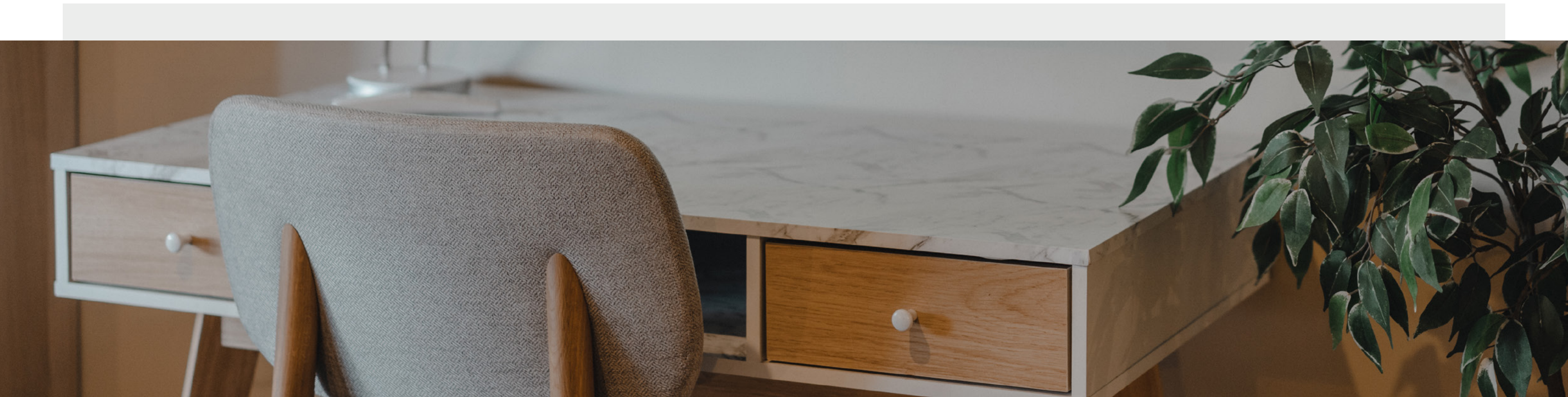
Alison has over 16 years experience as an accountant, during this time she has gained extensive experience in both the public and private sectors. Alison specialises in financial and management accounting, statutory financial statement preparation, financial viability assessment, business process improvement and taxation particularly in a family and small to medium business context.

What is positive cash flow property and how does it work?

Positive cash flow property means an investment property whose rental income exceeds your expenditure - usually after all tax deductions are taken into account

Imagine buying a property using zero dollars from your own pocket. Even better, that property then returns money to you — effectively paying you to own it. Sound too good to be true? Chosen wisely, that's exactly what a positive cash flow property does.

Over time, the equity you build up in your investment properties, plus the extra income that they offer, can be converted into further purchases. By building up a stable of investment properties, you're building an income stream. You'll be less dependent on your pay cheque so you can choose how to spend your precious days.



Positive cash flow property:

An investment property whose rental income exceeds the total annual expenses after all tax deductions and depreciation.

Positively geared property:

An investment property whose income exceeds expenses even before tax. Not all positive cash flow properties are positively geared, but all positively geared properties are cash flow positive.

Negatively geared property:

An investment property whose rental income does not exceed expenses. The loss you make from this type of property is deducted from your total taxable income. You pay less tax overall, but the property costs you money to run. Investors who choose this strategy are usually relying on capital growth to make their money back.

A positive cash flow property ‘pays you’ to own it. You make a profit right from the start, so it adds to, rather than reduces, your income. As rents rise and the mortgage goes down, the profit also goes up. So does the value of the investment.

“I always dreamt of being self-employed. Being able to make my own hours and choose my own work? Sign me up! While I was dependent on my salary it felt impossible to take the risk. I now own three investment properties which pay me enough rent to cover my basic expenses. That gave me the freedom to pursue my dreams and open my own electrical business."

- Max, electrician

HERE’S HOW THAT WORKS.

Step 1. - Calculate

i). Rental income:

When buying an investment property, most sales agents will be able to provide you with a rental appraisal that will tell you what the property is likely to rent for. You can also ask a property manager . As Wayne Harriden, Executive Director of Independent Property Group, explains. “Our property managers keep a very close eye on the current market as well as future trends. We’ll let you know what comparable properties are asking for and what the local demand currently is. That will give you a fairly accurate picture of what your new investment property might rent for and whether it’s a good investment.”

Once you have the figure, multiply it by 51 weeks to get the annual income (allowing for one weeks’ vacancy per year)

ii). Loan repayments:

For an investment loan, you can often finance the total cost of the property plus purchasing costs such as stamp duty and professional fees. If you're doing this, make sure you calculate repayments on the total loan value, not just on the property price.

iii). Property management fees:

When seeking a rental appraisal, find out what these are and add a bit to cover things like letting fees and other contingencies. For example if the management fee is 10 per cent, make your calculations based on 12 per cent.

iv). Additional costs:

These include landlord insurance, strata and utility fees, rates and emergency services levy. You can find out how much these will be from the sales agent. Don't forget to add an amount for unexpected repairs. If you're buying an off-plan property, maintenance to the common property is covered in your strata fees, but you will still have some maintenance and repairs to do inside—although this is considerably less for a new property than an established one.

Step 2.

Add up number two to four from the above list and deduct the total from the figure at number one. This gives you cash flow before tax. Unless you've bought a positively geared property, this will be a negative figure.

Step 3.

Deduct depreciation from that amount. To find out how much you can depreciate, talk to a quantity surveyor like **Bradley Beer**, a qualified quantity surveyor and the Chief Executive Officer of BMT Tax Depreciation, Australia's leading provider of tax depreciation schedules. Bradley is actively involved in educating property investors and property-related organisations about the importance of tax depreciation. Bradley's experience as CEO of BMT, and personally as a successful property investor, has led him to become a regular keynote speaker and presenter covering property depreciation services on television, radio, at conferences and exhibitions Australia-wide.

Bradley Beer

CEO of BMT Tax Depreciation

Step 4.

Calculate the resulting amount by your marginal tax rate. If you're earning between $90,000 and $180,000 this will be 37 per cent. You will now have a rough estimate of how much you will either owe in tax or be refunded.

Step 5.

Add the number from Step 4 to your total cash flow before tax (the number you got in Step 2) to see your final cash flow.

Confused? Tax depreciation specialists can do this calculation for you. You can also seek advice from your accountant or financial advisor.

Purchase price (inc closing costs)	$950,000
Pre-tax cash flow	
Annual rental income at $480/week, vacancy rate at 1 week per year	$35,700
Less annual expenses (loan interest and rental expenses)	$25,000
Total loss before depreciation	**$10,700**
Less depreciation	$9,000
Total loss after depreciation (tax deduction)	$1,700
Post-tax cash flow	
Tax refund (37% tax rate)	$629
Net cost to own property per annum	$10,071
Net cost to own property per week	$194

Pros and Cons of cash flow positive property

Pros	Cons
Self-supporting	Some types of property are high risk
Use cash flow to accumulate investments	Lower capital growth
Ability to derive an income	Interest rates can affect cash

Cash flow positive property pays you to own it. That's as good as it gets, right? If you're wondering what the downsides of this particular strategy could possibly be, read on. There are some things to look out for to make sure you make smart purchasing decisions.

PROS

- **Self-supporting.** Because positive cash flow properties pay for themselves, they don't depend on you propping it up with constant injections of cash. You can maintain it even if your income drops. That gives you the financial freedom to take risks or weather downturns without jeopardising the investment.

- **Accumulate properties faster.** Additional cash flow means your income goes up, not down. You can use your equity to buy more properties sooner because you're not spending your income on maintaining them.

- **Long term sustainability.** You can derive an income from your positive cash flow property and enjoy capital growth for longer term profit. Strata property might appreciate more slowly than free-standing homes, but it does still go up in value. As a general rule, the longer you hold it, the more money you can make.

CONS

- **Can be high risk.** Beware of properties which show strong positive cash flow on paper but might not be borne out in reality, like hotel rooms or serviced apartments. Some developers offer 'cash flow guarantees'. Many are non-enforceable or have fine print restrictions.

- **Lower capital growth.** Don't be seduced by high cash flow projections without looking at the growth fundamentals. Units and apartments generally experience lower capital growth than freestanding houses, so take that into account before deciding on your purchase.

- **Interest rate rises can affect cash flow.** That property might be cash flow positive now, but what if interest rates rise? Make sure you have an income buffer against the possibility so you don't get caught out.

"It is always safest to have a buffer or funds in reserve to cover for market fluctuations." Alison explains.

“Travelling is my biggest passion. When I was younger, I looked for seasonal work so that I could take a couple of months off at a time to explore new places. Then I got older, took on a mortgage and found myself trapped in the same old 9-5 as everyone else. I realised the only way I could still do what I loved would be to create a passive income stream with positive cash flow property. The rental income supports my lifestyle so I can work during the winter and take off every summer. This year I’m headed to Peru!”

- William, IT consultant

Where to find positive cash flow properties

Look for positive cash flow properties in central locations. Advantages include:

- **Higher rental demand**
- **Versatility of use**
- **Greater security**
- **Strong growth potential**

Properties that pay you to own them? Yes please! But these good things don't just come to those who wait. You'll have to go on the hunt.

Where will you find positive cash flow properties?

A popular approach is to look for off plan or other new built apartments in capital or major regional cities.

- High demand from renters due to their central location
- Versatility — centrally located apartments are popular for short term and airbnb rental as well as traditional leasing arrangements
- Greater security, as cities are economically diverse
- Strong growth potential — nobody is releasing new land in a CBD, so land is more likely to go up

Another strategy is to look further out in regional areas, which often have high rents as compared to property prices. Be careful with this strategy, though. Regional areas which rely heavily on mining or tourism often have very high rents as compared to property prices, which looks very attractive on paper. However, areas with one main economy are also high risk. If there is a mining downturn, or a slump in tourism, you might find that demand dries up fast.

No matter where you look for your investment property, remember that it has to be attractive to tenants. The higher the demand for your space, the better your returns will be.

How to choose a rental property

Choose a rental property with:

- A great location
- A nice kitchen and bathroom
- Amenities like a pool or gym in the complex
- Low maintenance finishes and grounds
- No surprises thanks to due diligence

1. Focus on location

If you want to attract tenants, location is key.

The perfect location depends on the type of property and what type of tenant you're looking for.
A stylish new off-plan apartment for young professionals, for example, will be more attractive if it's close to the city, good restaurants or entertainment. If your purchase is a four-bedroom house in the suburbs, attract families by choosing somewhere close to schools, parks and public transport.

Wayne Harriden, Executive Director, Independent Property Group, explains. "The tenant demographic in Canberra is so diverse that every property will appeal to someone. Still, if you're looking to buy, it's worth thinking about what the property is going to lend itself to. If you want to attract families, do you need to be in particular school zones? If it's a one bedroom apartment that will appeal to young professionals, is it easy to commute to the CBD?"

2. Put yourself in the tenants' shoes

Once you've got the location down, think about what the property has to offer.

Before you buy, ask yourself what you'd want if you were a tenant. Remember that most tenants don't plan on staying somewhere forever, and don't have the same attachment to the property as a live-in owner.

"There are definitely things that tenants look for when they're choosing a property," Wayne says. "A nice kitchen and bathroom are a huge plus. But as long as it's fairly modern and presents well, there's no need to go overboard. Air conditioning and good heating are practically mandatory these days. Nobody wants to shiver through a Canberra winter!"

Complexes with a swimming pool or a gym are also in high demand since they give tenants access to extra amenities without the upkeep. "Parking is an increasingly important consideration," Wayne adds. "A lot of people rent as a couple and own two cars, but their apartment might have only one parking spot, or none at all, so it's an important aspect to consider."

3. Look for something low maintenance

You don't want to spend every weekend over at your investment property doing repairs and your tenant doesn't want you there either. A property that needs a lot of maintenance can eat into your bank balance, your time and your peace of mind.

"A brand new property is ideal for investors," Chris explains.
"It's ready to move into, and everything inside it will be under warranty for the first few years."

If you do have a higher maintenance property, though, there are things that can be done.

"When we deal with properties that are higher maintenance, we often negotiate with tenants to help meet their needs," Wayne says. "For example, a property with a large garden or a pool. Those are technically the tenant's responsibility, but if they don't want the hassle, we can negotiate a little bit extra in the rent to pay for a gardener or cleaner to come in.
That way the property remains in good condition and the tenant gets the benefit of the extra amenities without the hassle."

4. Don’t jump in feet first

Do your due diligence before putting in an offer, every single time. It does not matter if you’ve fallen in love with a particular property, or you made a promise to yourself to buy before the end of the financial year. The extra time and care taken will always reward you. Some things you should do before signing on the dotted line include:

Reading your building reports carefully. In the ACT it is mandatory for the person selling you a property to provide you with a building report, pest report, compliance report and energy efficiency report. It’s a lot of paperwork but it’s worth reading carefully. Those reports will give you a lot of insight into whether the building needs attention or if there could be problems down the track.

Checking for other developments in the area. That lovely view might be under threat from a huge new shopping centre, or there might be planned infrastructure that can really help your property value. You can ask your selling agent for this information or check your local government webpage. In Canberra, you can start with City Services. Local council websites also have an abundance of information about planning in their area.

Check the neighbours. “The property might be lovely, but if next door looks like a junk yard it may put potential tenants off,” Wayne cautions.
“Also, make sure that there are no ongoing disputes.”

The seller may not have to disclose a bad neighbour situation unless it’s progressed to the courts, but it’s worth asking the real estate agent — and your friendly local search engine — what they know.

“We’ve got a broad view of what’s out there and what’s coming up,” Chris explains.
“If there are plans for a new shopping centre, or that eyesore next door is about to get knocked down and rebuilt, we’ll know about it before anyone else does.”

5. Be prepared to negotiate

"The problem for investors is that they're up against live-in owners in a tight market," Chris says.
"People are buying to live in the property are often prepared to pay more. They see the property and form an emotional attachment to it. That's worth some money to them, so they make a higher offer. Investors, on the other hand, want a good deal so that they can make a profit right off the bat."

What does that mean for you? You can always prepare yourself for paying more. But Chris' advice is to look for properties that don't come with the same emotional investment. "An off-plan property always attracts investors," he says.
"They don't have the same quirks that lend them rarity, and you can take your pick of options."

6. Get loan pre-approval

Loan pre-approval puts you in a far stronger position. Especially if you're buying at auction, where the contract is unconditional, you need to make sure that you're not promising money you can't actually pay. Get the paperwork done ahead of time and you can raise your hand with confidence.

In the market for a positive cash flow property? Take our checklist with you:

- Is there strong economic growth in the area?
- Is the vacancy rate under 3 per cent?
- Do surrounding suburbs have higher prices?
- Is the rental return 5 per cent or higher?
- Is the property new and/or off plan?

How to increase your cash flow with depreciation

Claiming depreciation deductions can save you thousands of dollars each year. New builds including off plan purchases generally attract higher deductions than established property

Most positive cash flow properties only return money after tax. To maximise your deductions and improve your bottom line, you need to appreciate the power of depreciation.

What is depreciation?

Property depreciation is the natural wear and tear of a building and the assets within it over time. The Australian Tax Office (ATO) recognises that these assets lose value over their natural life and allows owners of income producing properties to claim this as a tax deduction. It has predetermined rules on just how much a property and the assets within it decrease in value.

There are two types of depreciation you can claim. Generally, for both types, owners of new properties will find they can claim more than established homes.

1. Capital works deductions (Division 43)

Capital works (Division 43) is the building itself and items considered to be permanently fixed to the property. It includes:

- Building materials like tiles and timber
- External additions like an outdoor entertaining area, carport or balcony
- Internal improvements like a new bathroom or renovated kitchen

Capital works can be claimed at a rate of 2.5 per cent over the life of the property (forty years). As a rule, any residential property in which construction commenced prior to the 15th of September 1987 will not qualify with exceptions when a substantial renovation is completed. Buy a brand new off plan property, however, and you will still be claiming deductions in your retirement.

Capital works deductions in action:

Sarah is a patent lawyer in her late 30's. She exchanged on an off-plan apartment in Turner three years ago. The apartment cost $400,000 and was completed two years later. Sarah has used the apartment as a rental property continuously since then.
Sarah's annual capital works deduction is calculated at $290,0000 (cost of the capital works component) with a claimable rate of 2.5 per cent. That gives her an annual deduction of $7250, which reduces her taxable income by the same amount.

2. Plant and equipment depreciation (Division 40)

Plant and equipment deprecation (Division 40) are the items which are easily removable from the property or mechanical in nature. These assets are claimed a rate based on the diminishing value or prime cost method and the effective life of the asset which varies depending on the asset and type of use.

Examples include:

- Carpet
- Split system air conditioners
- Hot water systems
- Curtains and blinds
- Ovens

There's more good news for purchasers of off plan properties here.

Legislative changes made in 2017 meant that investors could no longer claim depreciation on second hand plant and equipment assets. That means if you purchase a property which has previously been owned, the carpets, appliances and fittings that were already there are second hand and not claimable. Your brand new off plan property, however, is filled with brand new items so you can claim the lot if you have only used it for rental purposes.

Plant and equipment depreciation in action:

Charlie, a consultant with the Department of Defence, has been renting out his recently finished townhouse for the last year. In addition to claiming the capital works deductions, Charlie is also keen to claim depreciation on the carpet in the property. According to the ATO carpet has an effective life of eight years. Since the carpet cost Charlie $5,000, he can use the diminishing value method, which nets him a deduction of $1250 in the first year, then $938 in the second year and dropping down to $297 by year 6. As a new owner, this helps him maximise deductions at the point where his costs are likely to be highest.

Alternatively, using the prime cost method, under which he can claim a deduction of $625 a year over eight years.

Whichever method he chooses, depreciation offers a significant saving.

Tracking depreciation through a depreciation schedule is a crucial part of your wealth building strategy. Talk to a trusted quantity surveyor to access and assess your property and even deduct the surveyor's fees from your rental income.

Since quantity surveyors can generally find deductions that total more than their fees, this service is literally putting extra money in your pocket and the cost of a tax depreciation schedule is also 100 per cent tax deductible.

Bradley Beer (B. Con. Mgt, AAIQS, MRICS, AVAA) is the Chief Executive Officer of BMT Tax Depreciation. Please contact 1300 728 726 or visit bmtqs.com.au for Australia-wide service.

Short stay or traditional leasing?

Short stay rental properties attract higher rental income and offer more flexibility. Overheads and management fees are higher and income can fluctuate.

Short stay rental properties are an increasingly popular way to get positive cash flow from the get go.

Short term rental can have a lot of advantages. A higher rental income than long term leases means more cash in your pocket so you can pay down the property faster or use the money to add to your portfolio. When long term rental demand is low, short stay properties can be the ideal solution for investors.

Pros	Cons
Highly lucrative per night rates	You pay utilities and overheads, which are often higher
Flexibility to use the property yourself	Less reliable income as demand fluctuates
Ability to respond to market fluctuation	Not all properties are suitable for short-term rental
Professional management to do the work for you	More time required to manage guests (Guested can help with this!)
Tax depreciation on furnishing costs	Landlord protections through Residential Tenancies Act don't apply
Residential Tenancies Act doesn't apply so you don't need to (for example) allow pets	

Benefits to short stay

Flexibility of use.
Want to spend holiday weekends in that blissful beach house? Or offer overseas friends a private place to stay when they visit your city? With short term rental, it couldn't be simpler to block out some time to use the property yourself.

Responsive pricing.
Short term rental pricing can respond quickly to fluctuations in the market. When demand goes up (during school holidays, for example, or when big events are on), you can raise prices accordingly. Long term landlords, by contrast, are hamstrung by legislation. You can't raise the rent during a lease period (generally 12 months), and you are limited to a rise of 10 per cent above CPI when renewing a contract.

Less wear and tear. You may hear that there is more wear and tear on short stay rental properties. However, the opposite is often true. Long term tenants need to move in their own furniture and white goods, causing scrapes and dents to your walls and floors. They might keep pets, or make modifications to the property. With short stay rentals, on the other hand, you're the one providing the furnishings. People come for a few days at a time, and are often out and about seeing the area for the majority of their stay.

Do as much of the management as you choose.
Short stay management companies like Guested can handle all the work if you prefer to be hands off. From advertising to vetting guests, organising key handovers, cleaning between guests and day-to-day repairs, they'll do the lot. However, some owners really enjoy being hands on with their short stay rentals. You can meet people from all over the world, stay active and keep an eye on your beloved property. You choose!

Drawbacks to short stay

Can be time consuming.

If you do choose to take on the day-to-day management, be aware that short stay rentals take more work than long term rentals. You'll need to organise cleaning between each stay as well as periodic deep cleans, respond to enquiries, organise key handovers, replenish toiletries and other supplies, deal with maintenance requests and handle all the administration and finances. If you don't have time to do the job well, you risk negative reviews. These can put off potential guests and lower your returns.

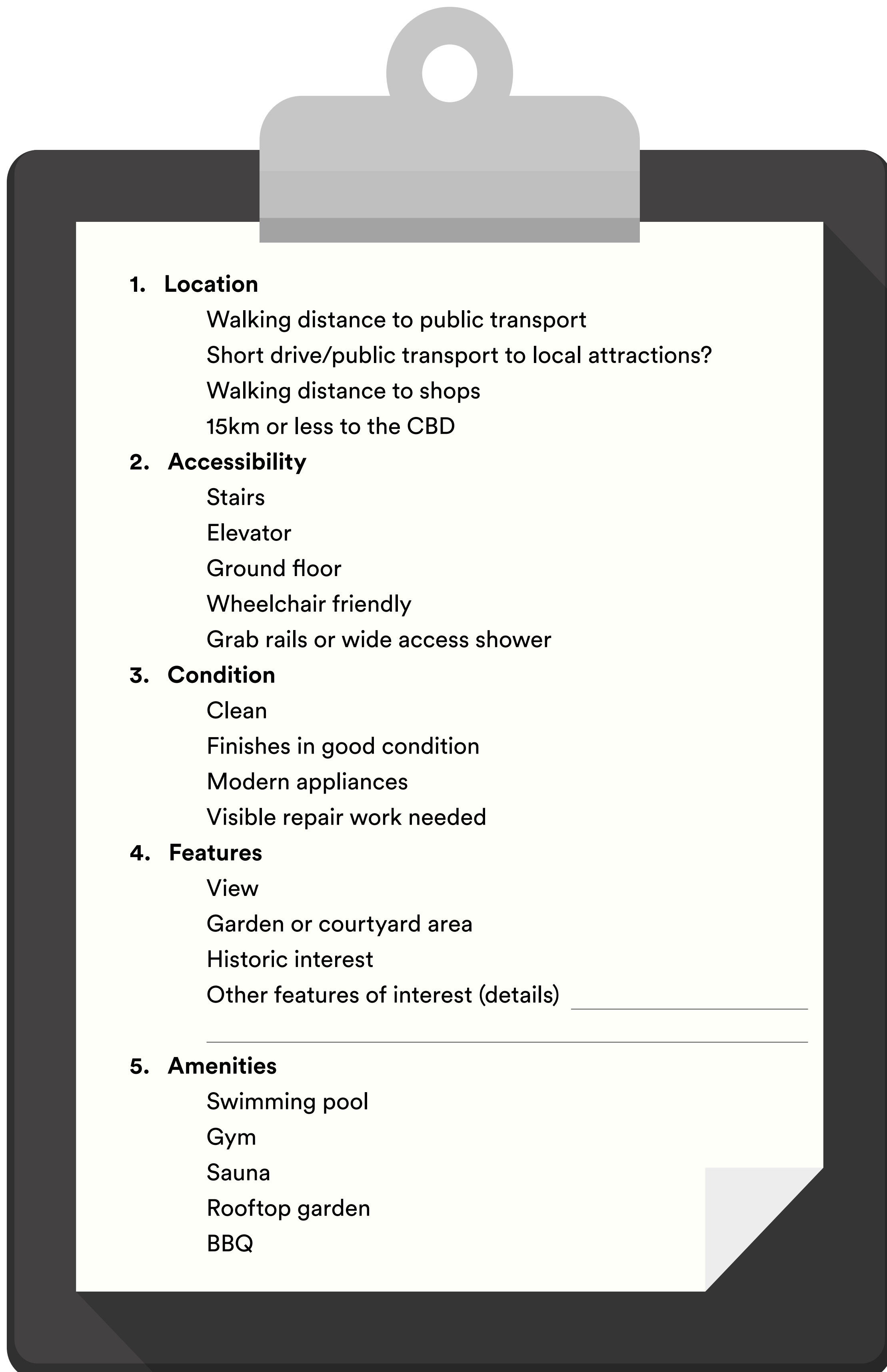
You'll need to stay up to date with legislation.

Short term rentals are a fast growing segment of the property market. In fact, in the 12 months to March 2022, the short stay occupancy rate held steady at 78 per cent in Canberra. It is worth keeping in mind that since short stay is a newer concept than traditional lease arrangements, legislation is constantly changing as governments play catch up. You'll need to make sure you're up to date with your rights and responsibilities as a short stay landlord.

Income is variable.

On the upside, you can increase your nightly rate in high demand periods like summer holidays or during popular events. The downside is that for less popular times of year, you may not be able to command as high a rate. You could also face periods of vacancy during the year. For most short term rentals, the nightly rate is so much higher than a standard weekly rent that it more than makes up for those slower periods.

If you are interested in buying a property for short stay rental, take our checklist with you when you inspect property so you don't forget a thing.



Why you need a good property manager

A property manager can help you improve your investment by:

- **Keeping up to date with market rates**
- **Being proactive with maintenance**
- **Developing relationships with trades**
- **Keeping up to date with tenancy legislation**

A good property manager is more than just a person to pay the bills and collect rent. Done right, property management is an essential part of your wealth building strategy. Their skills and knowledge can help you increase cash flow and contribute to the financial freedom you're seeking by:

Keeping up to date with market rates.
Price your property too high and you won't get any interest. Price it too low and you're leaving money on the table, as Wayne explains.
"If you already have a tenant, it's in your interests to keep on top of market trends because legislation stops you from raising rents too much at once.
Gradual increases are important so that you don't get left behind."

Engaging in proactive maintenance.
"It's not difficult to call up a plumber when your tap needs a washer replaced or to call in a handyman to fix a squeaky door.
What is hard is being aware of potential problems and pre-empting them before they escalate," Wayne explains.
"At routine inspections we ensure tenants are taking care of the property but also look for what improvements owners can do to save money in the long term through preventative maintenance. We can prevent more costly repairs down the track by taking a proactive approach before the property declines."

Developing relationships with trusted tradespeople.
The best way to ensure repairs are carried out thoroughly is to hire the right person for the job. This means building relationships with honest, reliable and skilled tradespeople. "Asking a friend or relative for a referral is always a good place to start," Wayne advises.
"If you engage one of our property managers to look after your rental property, they can also recommend a tradesperson from their pool of trusted contractors."

Keeping up to date with changes in tenancy legislation.

"There is a lot of legislation around property in Canberra that affects owners and landlords, so being up to date with changes to the law is crucial. When selling or leasing out property, most people don't really know what they are getting themselves into and how much baseline knowledge is required," Wayne says.

For example, recent proposed changes in the Residential Property Act mean that landlords can't unreasonably deny a tenant's request for a pet or a request to make minor reversible changes to the property. Although great for tenants, these changes reduce your autonomy over the property as an owner.

As Wayne points out: 'It is literally our job to know the legal side of things and we make it a priority to educate our staff whenever legislative changes occur that will affect tenant or landlord rights. Our staff then educate and advise our clients on these changes."

"I like my job, but I don't want to still be doing it when I'm 65. My partner feels the same. We sat down with a financial adviser and drew a roadmap, if you like, to get us out of the rat race and into early retirement. At the moment we're on track to retire completely when we're 50. I'm already looking forward to long lie-ins and catching up on my reading."

- Evie, government solicitor

Choosing the right property manager

Look for a property manager with:

- Knowledge of the local market
- Good reviews
- Competitive management fees
- Great communication skills

The right property manager can increase your return and offer peace of mind that your asset is in the hands of a professional. But what should you look for?

1. Local knowledge.

"A property manager should know your local market," Wayne says. "They'll understand what price you can ask because they're familiar with comparable properties and what the demand is like. If they're managing other units in the same development, they will also be able to give you advice on proactive maintenance. If we've been asked to replace a hot water system, for example, we can probably guess that the other hot water systems in the building are also due to be replaced. So we can give the owners a heads' up about that."

2. Good reviews.

Word of mouth is the best information out there. Ask your prospective property manager to refer you to some of their current owners so you can see what they think. Online reviews are also a great tool, although you should bear in mind that disgruntled people are far more likely to bother writing a review than their happy counterparts!

3. Competitive management fees.

Be careful here: not all property managers offer the same services, so make sure you're comparing apples with apples. Property management fees are generally divided into a few categories. There is the:

- ongoing management fee
- property management leasing fee
- a range of miscellaneous fees and charges.

"Some companies will offer an all-inclusive fee," explains Wayne. "That means that they're bundling the cost, often including a letting fee into the monthly charge, instead of charging for it separately as it arises."

Choosing the right property manager

4. Good communication.
A good property manager should be able to effectively communicate with you at all times. Make sure you find someone who will keep you up to date on repairs and maintenance, let you know when there are potential tenants interested and if there are any issues to be attended to.

Six questions to ask a property manager

1. What are your qualifications?
2. How many properties do you manage as a company?
3. How many properties does each manager handle?
4. What are your fees and what is included in them?
5. How do you communicate with clients and how often?
6. What marketing strategies do you use to attract tenants?

Bringing 60 years of real estate knowledge to work for your investment property

- Comprehensive tenancy agreements
- Investment property health checks and rental appraisals
- Regular and long leases offer flexibility and housing stability
- Proactive management and maintenance solutions
- Detailed guides for landlords and tenants
- Electronic record keeping
- After hours emergency line

How to choose an off-plan property

Developers use display suites and 3D renders to show you what your off plan property will look like when it's built. Choose from different floor plans and finishes to get the home you want

Interested in buying an off-plan investment property but not sure how it all works? You wouldn't be the first buyer to wonder how on earth you can choose a property that doesn't exist yet.

When you buy an off-plan property, you are signing a contract to purchase a property that hasn't yet been built. Therefore, of course, there is no physical property to inspect.

That's where display suites come in. A developer will create a model, or demonstration property, that gives you an ideal of what the final build will look like. The display suite is large enough to walk into, but not an exact replica of the apartment or townhouse they're trying to sell you.
The developer also uses floor plans and 3D renders to showcase all the options. You'll get to see a variety of layout options, finishes and apartment sizes so you can choose the one that's best suited to your investment needs.

Book a display suite appointment here to see some of the great developments on offer in Canberra today or check out our video series explaining the process here.

Key questions to ask when visting a display suite

It's easy to get overwhelmed when you visit a display suite; these beautifully styled spaces offer an enticing look into what the future could hold. And while it's an experience that should definitely be enjoyed, you need to go in with a clear agenda to help you decide if this is the off-plan purchase for you.

So step away from the suite's perfectly styled cushions and shiny appliances and ask the agent the following questions.

Get to know the team behind the development

1. Who is the
   - developer
   - architect
   - landscape architect
   - builder
2. Can you tell me about other developments that this developer has finished?
3. Who will be my main point of contact throughout the buying process? How often will I hear from them?

Understand the options for the specific apartment or townhouse

7. Are there any fixture and fitting upgrade options?
8. Where does this specific property sit within the development site?
9. What colour schemes can I choose from?

Learn about the building as a whole

4. What communal amenities will be included?
5. Is there a restricted-access carpark and what is the street parking like?
6. Are the lifts, lobby and any other common areas restricted access?

"You can visit a display suite as many times as you need to get an understanding of the project and make sure it's going to be the right fit for you.

There's always the option to book a private viewing, as the agent can sometimes be quite busy during inspection times."

Nicholas Jacob,
Sales Consultant

"At times there will be incentives a developer will offer for that specific project, such as part deposit repayments, gift cards, furniture packages or blinds packages. Always ask the agent if there are any offers in addition to government incentives."

Wayne Harriden, *Executive Director, Project Marketing*

Understand the financial aspect

10. At which stage will I pay my deposit?
11. How much is the initial deposit and can it be invested?
12. If I pay a deposit, is it secure if something happens to the developer?
13. Is the developer offering any incentives or discounts?
14. How much are the strata fees?

Know what the development timeline is

15. Is this development DA approved?
16. When is this development slated for commencement and completion?
17. When I move in, will the development be 100% completed or will construction continue?
18. What happens if my apartment isn't completed on time/when is the sunset clause?
19. What happens if I don't settle on time?

Notes:

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