

5 reasons to invest in early 2022



Now's the time to take action and grow your portfolio

As we approach the end of the year, you may be wondering if 2022 is the right time to purchase your first investment property or expand your portfolio.

Of course, it depends on your specific circumstances but here are some reasons to purchase an investment property in the first half of 2022.

Prices are forecast to settle

After a surge in 2021, experts are predicting that prices will be steadier in 2022, so you can shop with more confidence about your price range.

Rental prices remain strong in many areas

If you invest strategically, you can take advantage of high demand from renters so your holding costs are lower.

Interest rates are tipped to rise

Interest rates are at record lows but there is increasing talk of them going up after mid-2022.

To get the best deal on your loan, you need to act ASAP.

Borders are set to reopen

After two very quiet years, Australia is soon to welcome international students, migrants and travellers once more. These people will be seeking a home to rent.

A crash is highly unlikely

With housing supply still tight in Australia, investing in property remains one of the best strategies for growing your wealth.

A well-planned property portfolio can deliver returns that provide financial flexibility later in life. If you want to start investing or add to your portfolio, it can take some time to get organised and know your budget.

Start planning now so you have pre-approval from your lender and can make an offer with total confidence.

As the end of the year 2021 is approaching, we would like to notify our value clients in advance that our office will be closed from 24th December 2021 and will resume business on 10th January 2022.

We are wishing you all the best in this coming holiday season.



Hendra Wijaya
Principal

RECENT RENTALS

320/140 Maroubra Road, Maroubra	2 Bed 2 Bath 1 Parking	\$560 pw
205A/507 Wattle Street, Ultimo	2 Bed 2 Bath 1 Parking	\$600 pw
32/336 Sussex Street, Sydney	2 Bed 1 Bath 1 Parking	\$550 pw

RECENT SALES



8/2 Botany Street, Randwick
2 Bed | 1 Bath | 1 Parking
Price Undisclosed



5/15-17 Green Street, Maroubra
2 Bed | 1 Bath | 2 Parking
Sold for \$890,000



Which is the best investment – an old or new property?

It can be quite a daunting task to try and evaluate what property to buy when building up your investment portfolio. Do you buy new properties or old properties?

Do you buy a unit or a house?
Do you buy in an established area or a new development?

Of course all of the answers to these questions can only be answered by your personal preferences but there are a couple of important things to remember when entering the property market for investment purposes:

- Always buy a property that other people would want to move into, in an area that they would want to buy or rent. Of course remember how you present your property determines the type of tenant you will attract.

Tenants will be attracted to a property that presents value for money, has security, in a good location, is clean, has good sized bedrooms, low maintenance and offers heating or cooling facilities with off road parking.

- Always do your research beforehand. Use statistical information to find high growth areas and look for high rental yields in your price range. Identify the potential returns on your investment and ensure it covers your loan repayments.

- Try and buy in a suburb that is experiencing a growth spurt rather than buying at the peak of the growth.

- Don't buy a property that needs a lot of upkeep.

- Your investment should be tax effective and provide you with good depreciation costs.

- If you have more than one property in the same area, it may be prudent to have one property manager making the process easier and more streamlined.



**YOU'D BE
BETTER OFF
HAVING A
TENANT
LOCKED IN
QUICKLY
RATHER THAN
SIT VACANTLY
LOSING MONEY**

3 common **investor mistakes** to avoid

Not increasing rents

Many property investors fall into the trap of not increasing the rental price when renewing a tenant's lease. If you do this, you can end up in a situation where you need to increase your rent by at least \$50 to catch up on past stagnant rent prices. When your leases come due for renewal, consider increasing the rent by \$10 or \$20. These small increases are more palatable tenants, and your rent will grow in line with market growth.

Leaving your property vacant due to high rent

Just a week of vacancy can undo any of the gains you might have seen through a lofty increase in your rental prices. Be smart about the prices you set for your rental properties and talk to your property manager for their recommendation. You'd be better off having a tenant locked in quickly rather than having your property sit vacantly and losing money.

Managing your own property

It can be tempting to think you can manage your investment property yourself. However, there are hundreds of little tasks and processes that go into efficiently managing a rental property. There are a number of legal obligations that you must follow or you could miss entirely. Leave the management of your property with a professional so you can focus on your investment strategy.

