

## March 2012 Update

### Buying In A Slow Market

Don't be afraid of the gloomy economic forecasts. Right now there are great bargains to be had for the astute property investor. A slowing of the economy and a decrease in demand for housing has created a once in a lifetime opportunity for buying solid investments in areas with strong growth drivers.

There are fewer buyers in the market place and more properties available for sale, which means that properties are taking longer to sell and vendors are dropping their prices in an attempt to move them on.

### TOP TIPS

**Locate the Demand:** Research ABS data to locate suburbs/ areas with a minimum of 2% population growth forecast, jobs growth, and infrastructure projects to match. You want to make sure your property is always in demand from renters.

**Locate short supply:** Check with the local council to find out if there are more housing developments proposed for the area. Is there a restriction on supply coming through? You want short supply.

**Rental opportunities:** Check with your property manager—what type of property is in the most demand from that suburb? Is it housing or units? Is it 3-4 bedroom house or 1-2 bedroom unit?

**Vacancy Periods:** Ask agents how many days properties are vacant before tenants are found? Get information in writing to ensure veracity. Lower vacancy indicates short supply and potential for rental growth.

**Quality construction:** Look for solid, long lasting, low maintenance materials for better capital growth.

**Use a cash flow analysis calculator:** Make sure you can afford to hold the property if the rate goes up by 2%-3%.

**Pay the right price:** Which property (if all other points are equal) gives the highest rent return?

## Investment Property of the month:



### Renovated and Ready!

3/1383 Nepean Hwy, Cheltenham

Set well back from the road and in a surprisingly quiet position this renovated apartment is sure to excite. The many features include 2 large bedrooms (both with double robes), a new kitchen, generous lounge area, bathroom with laundry facilities, separate w/c and a car park on title.

- \* Fully renovated
- \* Large living & bedrooms
- \* Well equipped
- \* Great location
- \* Rental expected of \$300 per week



## HAPPY EASTER!

From the team at Ray White Cheltenham/ Dingley Village, we would like to wish you all a Happy Easter and a safe holiday period with family and friends.

Keep in touch and up to date by following us on:

**Ray White**

Cheltenham / Dingley Village



Would you like to receive our weekly Market Update email? [Click here](#) to join our weekly email list where you will receive news of our new listings, current stock and up to date market information.

## Repairs, Maintenance And Improvements

Many landlords often ask, "What is the difference between repairs, maintenance and improvements in relation to investment property tax deductions?"

### What are repairs and maintenance?

When the ATO refer to 'repairs', they mean work to make good or remedy defects in, damage to or deterioration of the property.

For example:

- Replacing part of the guttering or windows damaged in a storm
- Replacing part of a fence damaged by a falling tree branch
- Repairing electrical appliances or machinery

When the ATO refers to 'maintenance', they mean work to prevent deterioration or fix existing deterioration.

For example:

- Painting a rental property
- Oiling, brushing or cleaning something that is otherwise in good working condition
- Maintaining plumbing

### Can you claim repairs & maintenance?

You can claim a deduction for the costs you pay to repair & maintain your rental property, in the year you pay them.

### What are you unable to claim?

You cannot claim the total costs of repairs and maintenance in the year you paid them if they did not relate directly to wear and tear or other damage that occurred due to renting out your property. These are capital expenses you may be able to claim over a number of years as capital works deductions or deductions for a decline in value.

### What are improvements?

When the ATO refers to 'improvement' they mean work that:

- Provides something new
- Generally furthers the income-producing ability or expected life of the property
- Generally changes the character of the item you have improved
- Goes beyond just restoring the efficient functioning of the property

### Can you claim the cost of improvements?

You cannot claim a deduction for the total cost of improvements to your rental property in the year you incur them.

## Some of our New Listings:



35 Woodland Drive  
Cheltenham



56 Olympic Avenue  
Cheltenham



24 Kubis Crescent  
Dingley Village



15 Fisher Mews  
Waterways

## Open For Inspection:

[Rentals](#)

[Sales](#)

Please click on the link/s above for our current  
Open For Inspection List

## UNTIL NEXT MONTH, HAPPY RENTING!

**Josh Bartlett**  
Getting your finance  
back on course...

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