

ISSUE

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THE INVESTOR

WARNING ATO JUMPS IN BED WITH AIRBNB

If you have ever registered and signed in with Airbnb to rent out all or part of your property, you should have recently received an email from Airbnb warning all owners that their details have been shared with the Australian Taxation Office (ATO).

Whether you are hearing about this for the first time now or you have received the email warning, there are going to be some nervous tax payers who may not have declared their income.

If this is you, we strongly recommend that you consult with your accountant to discuss the necessary course of action to reduce or avoid penalties and fines.

And don't forget, if you have not declared your Airbnb income with the ATO, it is more than likely that you have not allowed for any deductions on your tax return, including any entitlements to claim depreciation, which could reduce your taxable income by thousands (depending on the circumstances) and help offset any potential liability should the ATO audit you.

Regarding the law, it can also become a little more complex if you are renting out part of your home or during select times of the year, generally being holiday seasons.



YOUR PROPERTY PORTFOLIO

WHERE TO INVEST... LOCAL OR INTERSTATE?

NEW RESEARCH HAS REVEALED that most property investors buy properties within the suburb that they live in. This data was analysed from 1,150,000 mortgage applications and showed that two-thirds of investors are buying local properties.

However, if you take a moment to think about smart investing, minimising risk and increasing the potential of short and long-term capital growth, it can often be achieved outside of your local area or even interstate.

Purchasing properties in different states around Australia is an important consideration if you want to reduce or eliminate your land tax payable and take advantage of varying growth cycles when it comes time to sell.

Economic experts who researched this data analysed that most property investors simply favoured the familiarity of their local area, as well as the convenience of being able to self-manage (with 20% of investors self-managing) even though financial returns can be greatly increased by appointing the right property manager/managing agent.

This researched fact of buying local properties, also suggests that investors are involving a level of emotion in their investment choices, which isn't a characteristic trait of successful investors.

You need to buy investment properties with a business mind not an emotional one, taking into consideration research, area demographics, infrastructure, vacancy rates, average rents, general statistics, trends, returns on investment, re-sale values, property price growth and black and white bottom-line numbers.

For most people, investing in property is one of the biggest financial decisions they will make and often includes a significant debt and financial risk element.

For this reason, it is important for property investors to understand what makes a good investment opportunity, how to compare investments and how to plan their strategy to ensure they achieve their objectives.

It should not matter where the property is located... just if the numbers stack up.

P.T.O.

BE IN THE KNOW WITH PROPERTY INVESTING STATS*

Have you ever considered how many investment properties there are in Australia, what the average age of an investor is or how many properties investors own (to name a few)?

We have taken the time to compile a diverse range of statistics from different sources* that we hope you will find interesting. In particular... the stats of just how few property investors there really are. Did you know that there are *only* approximately 4% of investors who own four or more properties, which is less than 85,000 of people Australia wide?

In fact, if you are an investor you are part of a very rare club. Keep building your investment property and wealth portfolio to be part of the less than 1% of the population.

MEDIAN HOUSE PRICES

(Based on mid-year comparisons)

	2019	2018
Adelaide	\$ 540,473	\$ 532,955
Brisbane	\$ 559,167	\$ 569,660
Canberra	\$ 741,947	\$ 742,646
Darwin	\$ 502,521	\$ 517,787
Hobart	\$ 474,423	\$ 456,443
Melbourne	\$ 818,237	\$ 886,806
Sydney	\$1,032,338	\$1,135,501
Combined Capital Cities	\$ 750,721	\$ 801,638

AVERAGE WAGES

(Based on ordinary time earnings of a full-time adult)

Weekly wage	\$ 1,634
Annually wage	\$ 84,968

AVERAGE LIFE EXPECTANCY

82.5 years

MEDIAN STATISTICS

Monthly mortgage	\$ 1,755
Home loan nationally	\$ 348,387
Weekly rent nationally	\$ 436
Weekly rent capital cities	\$ 465

GENERAL STATISTICS

Population	25.4 million
Females	50.7%
Males	49.3%
Medium age	38
People per household	2.6
Private dwellings	10 million
Owner occupied properties	2 million
Investment properties	8 million
% of home occupier properties	20%
% of investment properties	80%

INVESTING STATISTICS

No. investors in Australia	2.1 million
Top investors age groups	25% 55-64 years
	24% 45-64 years
	22% 35-44 years
	15% <34 years
Properties owned by investors	73% 1 property
	17% 2 properties
	6% 3 properties
	4% 4 or more
	<1% 6 or more
Household types	71.3% family
	24.4% single
	4.3% group

Family types

44.7% couple families with children,
37.8% couple families without children
15.8% one parent families

Source: ATO, CoreLogic, ABS 2016 Census & the Internet. * Statistics are approximates and will vary slightly depending on the source of the research/data. Some statistics have been rounded off and some % have exclude the other option

DO YOU KNOW A FIRST HOME BUYER?

GOOD NEWS, GOVERNMENT INCENTIVES TO MAKE IT EASIER FOR FIRST HOME BUYERS

The First Home Loan Deposit Scheme is a new initiative from the Australian Government designed to support eligible first home buyers purchase a home sooner. The National Housing Finance and Investment Corporation (NHFIC) will provide a guarantee for eligible first home buyers on low and middle incomes so that they can purchase a home with a deposit of as little as 5%. The Scheme will support up to 10,000 home loans each financial year, starting from 1 January 2020, through a panel of participating banks and lenders.

First home buyers typically needed to save at least 20% of the property's value in order to secure a home loan and avoid paying Lenders Mortgage Insurance or Low Deposit Premium or to avoid relying on a guarantor. Under the First Home Loan Deposit Scheme, you will now be required to contribute a minimum of 5% of the property's value towards the deposit. The NHFIC will then provide a guarantee covering up to 15% of the property's value.

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RISTIC NEWS

From our family to yours, wishing you a safe, happy, healthy & prosperous Happy New Year full of amazing new memories. Thank you to our incredible team members for 2019, our valued clients and respected network of supporters – see you in the new decade!



Welcome back:

A warm welcome back to Georgia who returns from maternity leave this month.



SUDOKU COFFEE BREAK

Every row & column, and 3X3 box, must contain the numbers from 1-9

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Fusun Ristic
 Director of Property
 Management
 PH: 9436 0888