



TIPS FOR EXPANDING YOUR PROPERTY PORTFOLIO

Buying your own home is an emotional experience. You have a firm idea of the area and the features you want, but really, when it comes down to it, your final decision will be based on whether it's 'the one'.

On the other hand, building a property portfolio requires your utmost dedication to the path of logic. If you have ever watched that British show on Foxtel - Property Ladder - you will know that investors are prone to making a mess of things the minute they fall in love with the investment property, or even worse, see its 'potential'.

Building a property portfolio will always be one of the most enriching and exciting ways to secure your financial future,

just as long as you satisfy a few key criteria in the process.

Diversify to spread the risk

In the very first stage, you can consider investing in a unit if you already have a house, and vice versa. If you have a number of properties already, look at the balance in the portfolio and what you want in the new property. This will take into account growth vs income, and of course

the weighting of strata fees, land taxes, rates and location.

Location. Of course.

Don't think you need to invest near to where you live. Sure it might feel safe, but remember, you need to remove emotion from this exercise. According to The Eureka Report, an investment property should be between 2 and 12 kilometres from the CBD of a major capital city to



HOT SITES



Savings Guide Australia is one site that definitely has something for everyone! It is full of articles, tips, and tools to help you save money on everything from credit cards and loans to general spending and shopping.

Don't miss the Budget Planner either - it's a ready made spreadsheet that will take the pain and procrastination out of your finances.

DID YOU KNOW?

Kissing at the conclusion of a wedding ceremony can be traced to ancient Roman tradition where a kiss was used to sign contract.

<< benefit from high demand, high land values and growth.

Protect yourself

We discussed in a previous issue that Australians are one of the most underinsured nations in the developed world. That doesn't just relate to Landlord Insurance. Income protection is a must, and it is so easy to incorporate in your superannuation that you would have to be mad not to make this a mandatory part of your financial strategy.

Think about the tenants

After all, you are buying a property for other people to live in, so have it clear in your head exactly what kind of people you want to live there. Build a picture around possible professions, transport needs, number of tenants and features of the property.

These considerations will help you attract quality tenants and secure a longer lease.

Make a plan and stick to it

Just like any business venture, a property investment carries opportunity and risk. The most successful investors always document their objectives, financial projections, timelines and contingency plans so it is much harder to get swept away by emotional bias. And the really clever ones give their plan to a trusted friend or adviser and have them challenge any decisions that might be heading off track.

This is really just the beginning of this topic but we hope you find these tips helpful. Please don't hesitate to contact us if you would like more detailed advice on building your portfolio.

ECO TIP

Buy a small composting bin for the garden - contrary to popular opinion they don't smell and the food wastage breaks down to provide fantastic gardening material.