

*This newsletter has been designed to keep you updated on what is happening within the industry and our real estate office*

FROM OUR PROPERTY  
MANAGEMENT TEAM

**HAPPY  
NEW  
YEAR!**

It was a very quick year where many of us blinked and we now find another new year upon us.

We would like to thank our valued clients for your trust and confidence in allowing our agency to manage your investment.

2016 is going to be our best year ever and we wish you a year of **prosperity and growth**.

Here is to a Happy New Year 'cheers' for a great year ahead for everyone.

TALK TO THE PROPERTY  
EXPERTS

BUYING, SELLING &  
PROPERTY MANAGEMENT

Call us if you are thinking about buying or selling or know of someone who is.

Do you own another investment property? We are here to help.

**SELL, STAY OR REFINANCE?**

The current property market conditions are different for everyone. There are investors snatching up bargain buys, people moving into new homes and some who are juggling their needs and investment commitments.

Do you need a cash injection? Are you thinking about selling or refinancing your property?

Often investors can make rash decisions when under pressure.

Following is an overview of the pros and cons of selling and refinancing.

**Selling**

The Pros

1. Benefit with cash from the sale of the property.
2. Use the cash from the sale to reinvest in property or other investment strategies.
3. Reduce personal debt.

The Cons

1. You will most likely pay capital gains tax on the capital growth you have achieved.
2. You will pay fees associated with the sale, i.e. real estate agent fees, solicitor fees, etc.
3. You will no longer be able to make further investment purchases with the equity from the investment property.

**Refinancing**

The Pros

1. Use the capital gain amount as equity to refinance the purchase of further investments or simply redraw the cash equity.
2. As the rent continues to increase, your serviceability for the loan will also improve allowing for further investment purchases.
3. Achieve a better interest rate or loan package.

The Cons

1. Increased exposure to interest rates with higher debt levels.
2. Associated costs with re-financing.

It is important to focus on what your goal is. Do you want to make a quick profit from your investment property? If so, then selling may be the best option.

However, if your goal is to build a wealth portfolio then you may wish to refinance.

There is always a solution and a right decision for you.

Make sure you seek professional advice always in a timely manner.

P.T.O>

**IMPORTANT:** This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - [www.ppmssystem.com](http://www.ppmssystem.com)

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- Are you going on holidays this year?
- Avoid mistakes and be a smart investor
- Properties recently rented & sold





## ARE YOU GOING ON HOLIDAYS THIS YEAR?

### Just a thought to create additional income

More and more home owners are exploring the option of home stay websites to create additional income. It is not a concept that suits everyone as you are inviting people into your home. However, if you are going away on holidays for an extended period of time and have a property in a sought after area you could earn over \$500 per night.

Interested to find our more visit Airbnb or Stayz.

## Avoid mistakes and be a smart investor

Property investing can be referred to as risky business if you are not well informed. It is important to do your research, know the market, plan, establish a budget and not make hasty or emotional decisions. Following are three mistakes that property investors can make, which can lead to risky purchases.

- Mistake One: Evaluating a property by the actual price, and not by the value of the property to you. As you invest more and become more used to looking at valuations and interpreting what the banks are telling you, you'll start to see, which properties are going to give you the greatest value in terms of growth and overall returns over time.
- Mistake Two: Buying based on rental yield alone. Before you can say that a property is cash flow positive, you really need to know how much the property will cost to maintain on a weekly basis and then compare the rent to that. Rental yield alone is not enough to say that a property is cash flow positive.
- Mistake Three: Using a poor financial plan to structure your finances. You need to ensure you can continue to borrow again and again in order to be able to build a property portfolio. Many people get stuck at one or two investment properties because they did not structure their finances correctly in the first instance.

We always recommend that you do your research and seek professional advice before investing in properties.



**Properties Recently Rented!**  
Keeping you updated on the local rental market

**HOUSES**

**Coronata Court, Narre Warren** \$360p/w  
3 Beds, 1 Bath, Double Garage

**Applewood Drive, Knoxfield** \$430p/w  
4 Beds, 2 Bath, Double Garage

**Sylphide Way, Wantirna South** \$450p/w  
4 Beds, 2 Bath, Single Carport

**UNITS/TOWNHOUSES**

**Cullis Parade, Bayswater** \$305p/w  
2 Beds, 1 Bath, Single Garage

**Boronia Road, Boronia** \$275p/w  
2 Beds, 1 Bath, Single Garage

**Properties Recently SOLD!**  
Keeping you updated on the local sales market

**13 Pendelton Place, Lysterfield**



**69 Talbot Road, Mount Waverley**



**NEW SALES LISTING!**  
**3 Brett Place, Ferntree Gully**




**WE ARE FOCUSED ON MAXIMISING YOUR RENTAL INCOME AND OPTIMISING YOUR CAPITAL GROWTH**

