



## WHY SHOULD YOU INVEST IN THE SOUTH AUSTRALIAN PROPERTY MARKET?

Adelaide is a great place to invest your money, particularly if you are an interstate investor looking for somewhere to spend your money outside of your own state. Adelaide is a beautiful place and provides safety and affordability, it is a world-class city that is home to over 1.3 million people. Not only is it Australia's most affordable capital city, but it also has plenty to offer – from beautiful beaches to spectacular wineries.

*"Adelaide exhibits good potential for investors who want to buy and hold" says John Lindeman, one of Australia's leading property market experts. "It's a property market that combines liveability and affordability with long term growth, consistency and price stability."*

Adelaide property has a lot to offer investors, as it is reliable, slow, and steady. Adelaide has shown itself to be capable of withstanding market shocks, making property investment a safe option. Its also very affordable compared to Sydney or Melbourne, Adelaide offers the second cheapest units in the country, and the fourth cheapest houses. That means it is ideal if you want to start a property portfolio.

Realestate.com crowned Adelaide the top performing capital for property price growth at the end of 2019, with two-thirds of its suburbs recording growth of 5% or more. Not only is it a safe option due to growth, but the rental demand in Adelaide is very high, with rental properties quickly getting snapped up.



## PROS TO BUILDING AN INVESTMENT PROPERTY

### 1. You can build it for the market

One of the number one pro's of building an Investment Property, is you can tailor the home to suit the needs of the property market and build it to your personal preference if it is something you may move into in the future. Doing your research and speaking to professionals can help you gain a thorough understanding of what the market is after.

### 2. Depreciation

When you build a new property, you get to depreciate the cost of the construction of that building over several years, you also get to depreciate the internal fixtures and fittings because everything is brand new, and you can claim maximum depreciation for those items.

*Always see a professional accountant for anything to do with Tax.*

### 3. They can end up cheaper than an existing property

Finding a good land and build deal could result in the overall price being cheaper than buying an existing property! And with HPG we have teamed up with land developers to bring you the best options.

Not only will the land and build be cheaper, but when building a home in South Australia, you only pay stamp duty on the land value, in comparison when you buy an existing property you pay stamp duty on the full amount.

## WHY BUILD AN INVESTMENT PROPERTY WITH HPG?

HPG are your investment specialists, we offer a fixed price, turnkey house, and land package option, meaning there are no surprises when it comes to building. Everything is complete including blinds, letterbox, and rear landscaping, making it a hassle-free experience. We also guarantee the build price and do not sting you with variations once you have signed the build contract. Another reason to build with HPG is our complete investment solution, along with a fixed price contract we offer a depreciation schedule, a rental valuation and we connect you with a property manager who will have your first tenant ready to move in on completion of the home. Did we also mention we are an Award-Winning Builder, so your property is in safe hands!!



## DIFFERENT TYPES OF PROPERTY INVESTMENT IN SOUTH AUSTRALIA

### Positive cashflow property

A positive cashflow property refers to when the rental income made from the home exceeds the costs of running it, including your outstanding home loan and maintenance expenses. The property will be running at a profit, with an excellent rental yield.

### Negatively geared property

A negatively geared property is the opposite of a positive cashflow one – the property operates at a loss, with the interest on the home loan and other expenses exceeding the rental income. The reason why people choose this option is due to tax deductions, which will eventually result in profit in the form of long-term gains. This is a popular tactic across South Australia, largely due to rapidly rising rents, especially in the larger cities such as Adelaide.

### Tax benefits

Some of the costs that come with operating a South Australian investment property can be offset through tax deductions. You may be eligible for breaks in management fees, repairs costs, legal issues, and mortgage expenses. The Australian Taxation Office offers a complete list of tax deductions that can be applicable when running a rental property.



### Disclaimer

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