THE TEAM HOWE

Home Investor's Guide

Building a Property Portfolio on the Lower North Shore

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Welcome

Property investment is a long-term discipline, not a single transaction. Over thirty years on the Lower North Shore I've watched investors who built real wealth and investors who didn't — and the difference was rarely the property they bought. It was the process they followed to choose it, hold it, and eventually act on it.

This guide isn't a sales pitch, and it isn't tax advice. It's the framework I'd give any investor — the questions worth asking, the evidence worth gathering, and the discipline worth applying — regardless of who you ultimately work with.

> *Good decisions are built on evidence, not opinion.*

A note before you read on. This guide provides general information only and does not constitute financial, legal, or tax advice. Property investment rules — including taxation, lending, and regulatory settings — change regularly, including at each Federal Budget. Always seek advice from a qualified accountant, financial adviser, or solicitor before making investment decisions, as your personal circumstances will determine what applies to you.

It Starts With One Question

Every investor asks the same question: "*Will this property go up in value?*"

It's understandable. It's also incomplete — because price growth is only one part of the return, and it's the part you have the least control over.

The better question: *What will this property cost and return, every year I hold it, regardless of what the market does?*

Cashflow, yield and holding cost are things you can model with real numbers before you buy. Capital growth is something the market decides afterwards. Build your decision on the part you can know.

1. Know Your Numbers Before the Market Does

It's easy to fall for a property at an open home. The numbers don't fall for anything — they either work, or they don't. Run them conservatively, before you let the property talk you into anything.

What to model before you offer

- **Likely rental return,** based on recent comparable lettings, not optimistic guesses.
- **Holding costs** — rates, strata, insurance, maintenance, property management, and loan repayments at a buffered interest rate.
- **Vacancy risk** — what happens to your cashflow if the property sits empty for four to six weeks.
- **Your break-even point** — the rent (or growth) required for the investment to wash its face.

A note on policy settings

Government settings on taxation, lending and property investment shift — sometimes significantly — at each Federal Budget and in response to housing policy reviews. These changes can affect deductions, holding costs, and after-tax returns. Don't anchor your investment case to today's settings; build in a margin so the numbers still work if settings move. Speak with your accountant about how current rules apply to your situation before you commit.

2. Choosing the Right Property

Not every property that performs well to live in performs well as an investment. The criteria are related, but they're not identical.

What experienced investors look for

- **Land content** — land typically appreciates, buildings typically depreciate over time.
- **Tenant demand fundamentals** — proximity to transport, schools, employment hubs.
- **Low maintenance liability** — newer builds and strata properties carry different risk profiles to older freestanding homes.
- **Renovation or improvement upside** — can value be added, and at what cost relative to return.

> *The best investment property is rarely the most exciting one at the open home. It's the one that performs.*

3. Financing Your Investment

Get your finance structured before you shop, not after you've found something you like. Investment lending is its own discipline — distinct from owner-occupier lending — and the difference between what you can borrow and what you can comfortably service is where most investor stress comes from.

A broker or lender who specialises in investment lending will think about serviceability, structure and future borrowing capacity differently to one who mostly writes owner-occupier loans. That distinction is worth seeking out.

Questions to take to your broker or lender

- How does this loan structure affect my serviceability for a future purchase?
- What's the right mix of principal-and-interest versus interest-only for my strategy?
- How exposed am I if interest rates move two percentage points?
- Should this be held in my own name, jointly, or through another structure? *(Refer this one to your accountant or solicitor — not your agent.)*

4. Understanding Risk and Holding Period

Property is a long-duration asset. Transaction costs — stamp duty, agent fees, legal costs — are high relative to most other asset classes, and short holding periods rarely work in an investor's favour once those costs are factored in. Property tends to reward patience and punish impatience.

Diversification matters too. Concentrating all your wealth in one property, or one suburb, leaves you exposed to a single market's fortunes. Experienced investors think about how a property sits alongside the rest of their position, not just how it performs in isolation.

What happens at exit deserves the same rigour as what happens at purchase. Capital gains and other tax consequences are real and material — and they should be modelled with your accountant *before* you sell, not after the contract is signed.

5. Working With the Right Team

No single adviser has the full picture. Your real estate agent understands the property and the market. Your accountant understands your tax position. Your financial adviser understands your broader portfolio and goals. Your solicitor or conveyancer understands the legal risk.

Investors who get this right treat these as a team, not a sequence of people consulted only when something goes wrong.

Four questions I ask every investor

- What's the goal — cashflow now, capital growth later, or a balance of both?
- What's your investment horizon?
- How much risk and volatility can you genuinely tolerate, not just on paper?
- Who else is on your team, and have you spoken to them about this before talking to me?

Our Promise

I'll always tell you what the data shows about a property and the market it sits in — and I'll always be upfront about the limits of what I can advise on. Property strategy benefits from a market specialist; tax and financial strategy need a specialist of a different kind. I'd rather refer you to the right person than guess at advice outside my expertise.

> *Building wealth through property isn't about one great purchase. It's about a disciplined process, repeated.*

Let's Talk

If you're considering an investment property on the Lower North Shore, we'd welcome a conversation about the market, rental demand, and what's currently performing well for investors in our area.

General information only. Not financial, tax or legal advice. Please consult your accountant, financial adviser or solicitor.

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