



Why add a new kid  
to an old block?

At Horizon Property Alliance we're passionate about helping people like you, to build wealth and financial security through sound property investment strategies.

With 25 years' experience, we excel at finding the right properties to meet our clients' personal and property goals. We do this while working alongside a team of independent Professional Advisors.

We understand that property investment is not a decision to be taken lightly. It calls for careful consideration and arming yourself with the necessary knowledge to make well-informed decisions.

***Michael Knights***



# Why add a new kid to an old block?

Is there sense adding a new build to a portfolio of established rental homes?

It is an age-old question most experienced investors will ask:

*'Should I buy a new property when the rest of my property assets are pre-loved?'*

And then the next logical questions follow:

*'If so, how do I know when and what to buy?'*





**First things first, clarify your current investment position including:**

- Do you want to diversify to become less exposed to market fluctuations?
- Do you seek greater depreciation offset against taxable income?
- Are you proactive about manufacturing capital value via renovations?
- What is your long-term property investment strategy?

**Clarifying your unique position and objectives makes it easier to know if buying a newly built investment property is right for you.**

Buying new has enormous benefits for many Australian investors; less so for others. Always start from this position.

**Next, there are three different ways to build an investment property:**

1. Buy a block of land, design a dwelling and engage an independent builder to build it
2. Buy a block of land, and contract a housing developer to construct one of its designer dwellings
3. Buy a house and land package



The advantages of investing in new property when you already own established property include:

### **Greater depreciation**

This is a huge perk for seasoned investors who often find tax depreciation benefits are lean once properties are older than 10 years.

***Always consult a professional tax advisor for your own individual and expert tax advice.***

### **Build to exact rental market needs**

Savvy investors know to ask local property managers what their target market wants and expects.

Armed with this information they can then customise colour, fixtures and fittings, removing the cost and hassle of retrospective upgrades, boosting rental returns and their property's ability to compete for quality tenants as soon as it reaches the market.

### **Often cheaper than existing properties**

Because you are starting with a blank slate there is great opportunity to negotiate and house and land packages often work out more affordable than established equivalents because developer buying power allows them to build great value into deals.

### **Possible scope for dual occupancies and/or equity gains**

Again, because this is brand spanking new, if building from scratch you may find you can position the dwelling on its block in a way that leaves room for future developments including a granny flat.

If you buy at a fair price and the market rises pre-settlement, you can always ask your lender to revalue it and use that capital gain to buy your next investment.

# How Horizon Property Alliance can help

Contact us today to tap our extensive understanding of the Australian property investment market.

We can work with you and your chosen financial professionals or can connect you to our network of industry experts.

We start by spending time with you to understand your property goals and personal dreams. We provide you various property options to suit your circumstances and educate you on the whole process.

We will help you choose a highly suitable investment property and share our knowledge through each step of the purchase process.

Our motto is "Your Choice on Your Terms at Your Pace."



## Get in touch

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