



PROPERTY INVESTMENTS

**A ONE STOP SERVICE TO
PROPERTY INVESTORS**

Summary of Services:

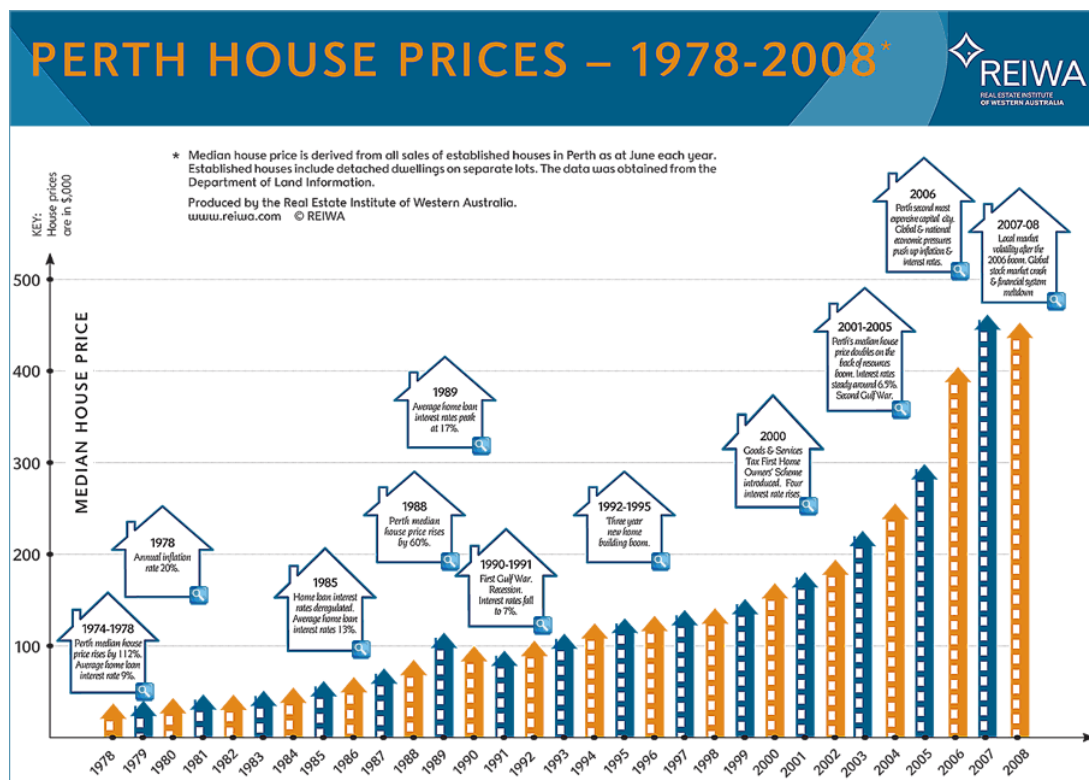
- House and Land Packages

For over 18 years, the Directors of Vogue Property Investments (VPI) have helped people realise their dream of investing in property. VPI are here to help you by doing all the hard work and taking the confusion out of property investment.

HOUSE AND LAND PACKAGES

Financial professionals will recommend a varied portfolio and many would support real estate as an integral part of a balanced investment portfolio.

You will see from the chart below (sourced through the Real Estate Institute of WA) that properties tend to double in price over a 7 – 10 year period and therefore investment in Real Estate should be considered a medium to long – term investment option.



On average, Real Estate grows by approximately 7.5% per annum, but remember, it's only when you buy your second property that you start to move ahead of the pack and build your wealth.

Consider this:

You may have a property now that you live in worth say, \$400,000. In 10 years time, you may sell that property for \$824,000 but in most cases, you will be looking to move into a comparable or higher value property at that time. Therefore you will not be able to utilise the growth in that property.

Look what happens when you own one or more investment properties

No of Investment Properties	End Year 1	End Year 5	End Year 10	End Year 20
1	\$ 430,000	\$ 574,252	\$ 824,413	\$ 1,699,141
2	\$ 860,000	\$ 1,148,504	\$ 1,648,826	\$ 3,398,282
4	\$ 1,720,000	\$ 2,297,008	\$ 3,297,652	\$ 6,796,564

Based on this analysis, after 20 years, one investment property will be worth 1.7 million notwithstanding that there have been holding costs over that period of time.

You may think you're young and you don't have to think about investing for your future or your retirement just yet but wealth creation through property investment gives you the freedom to choose when you retire. Why work full time until you are 65 when you could work part time or retire earlier and still afford an enviable, stress free lifestyle?

Did you know the Government supports and assists Property Investors?

In WA 33% of households are renters. Only 5% of these are through State Housing with the remaining 28% private renters. Should the private rental sector cease, the WA Government would not be in a position to fill the gap and construct some 199,000 additional homes to fill the shortfall. For this reason, the Government want Property Investors to provide the community with investment properties and make these available to renters. In order to encourage Property Investors to do this, the Government offers incentives (in the form of various tax concessions) to the investor.

These Concessions include:

A Tax Deduction for expenses associated with the property e.g.

Loan for Investment Property	<u>\$ 400,000</u>
Interest on the Loan (at 6%)	\$ 24,000
Management Fees, Rates/Taxes Maintenance/Depreciation	<u>\$ 10,000</u>
Total Expenses	\$ 34,000
Less Rent Income (\$350 p.w.)	<u>\$ 18,200</u>
Taxation Loss (Deductible from Personal salary income)	<u>\$ 15,800</u>

This is called Negative Gearing

Depreciation on Chattels (carpets, curtains etc). This reduces the amount of tax payable without any outlay from you, the investor.

Building Allowance. This is a deduction that enables investors to offset construction costs of the investment property against their assessable income (only applicable on properties constructed since July 1985).

Many investors complete a tax variation application, which enables them to use their tax deduction to reduce the amount of tax deducted from their regular salary payments rather than wait for the end of the financial year.

We would recommend you seek advice from your accountant in order to take full advantage of the tax benefits available.

Let the Tenant and Tax Department pay for your Investment Property

By now, you may be starting to see that investing in Real Estate might be an interesting option; the investment is safe, something you can see, touch and walk around. The banks like property investment too!

House and Land Package Versus Established Property

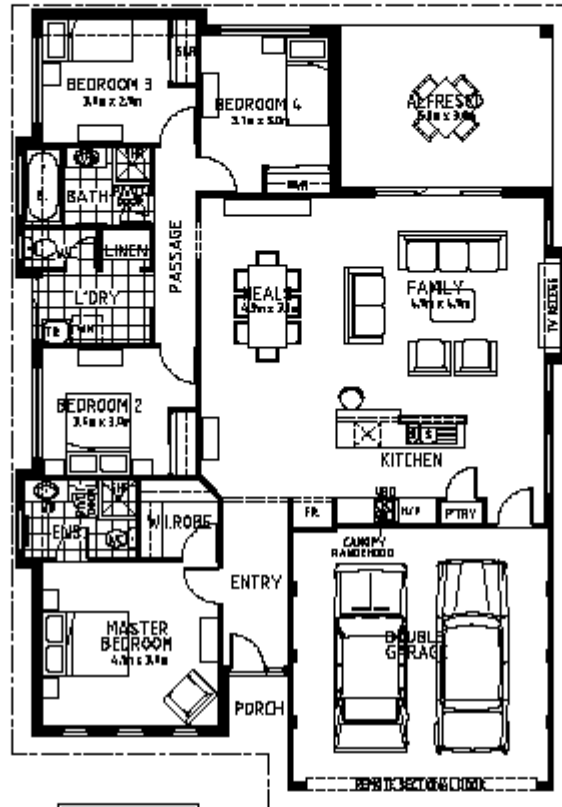
You may be wondering why we would suggest a new home rather than an older established property:

- ❖ When purchasing a House and Land Package, you only pay Stamp Duty on the land; this saves approximately \$8,000 to \$14,000.
- ❖ A new home would attract lower maintenance costs with fixtures and fittings being brand new and under warranty. There is also a Builders Maintenance period.
- ❖ We are able to organise a comprehensive Depreciation report which will provide information allowing your accountant to take full advantage of the tax deductions available for you.
- ❖ Tenants prefer new homes with modern layouts and of course, new homes will attract a higher rental income.
- ❖ Our new homes are constructed in line with the latest energy efficiency requirements and have all the “mod-cons” such as Air Conditioning, Dishwasher, Alfresco area etc.
- ❖ At VPI we co-ordinate, along with the Builder, a full fit out of your investment property including floor coverings, window treatments, letterbox, clothesline etc. When completed the home is ready for its new tenant.
- ❖ Through our close association with Acquest Real Estate, we will ensure the property is advertised at “lock up” ensuring a minimum vacancy at completion.

The homes are constructed by a family owned and operated building company with over 15 years experience in the local building industry. Over the years they have completed various types of projects including offices, warehouses, recreational facilities, retirement villages, restaurants retail and residential housing.

We also have access to the services of many industry professionals such as the Real Estate Institute of WA, The Valuer Generals Office, Landgate and RP Data.

Typical House plan for a standard block



AREAS	
HOUSE	153.31 sqm
PAVING	52.82 sqm
ALFRESCO	18.00 sqm
PORCH	1.90 sqm
TOTAL	226.03 sqm



MAXI 89 MK1

House and Land Package Standard Inclusions List

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| <ul style="list-style-type: none"> • HIA Fixed Price Contract and Indemnity Insurance • Building Licence and Water Corporation fees • Builders standard 100mm reinforced concrete floor slab • Builders standard Termite treatment • Double clay brick construction using Builder's standard range of Austral bricks • Builder's standard single colour range brick paved driveway and alfresco • Paved Crossover • Powder coated aluminium window and sliding doors with flyscreens • Colorbond roof cover, gutters and downpipes • Double garage with concrete floor and Colorbond automatic sectional door including 2 remotes • Front and rear garden taps • Builders standard 300L roof mounted Solar Hot Water system • White dual flush toilet suite and ceramic vanity basins • Builders standard stainless steel cooktop, fan forced oven and rangehood. • Alder Star chrome tapware and bathroom accessories as standard. • 1 ¾ bowl stainless steel kitchen sink with chrome flickmixer • Postformed benchtops and flat panel doors to kitchen, ensuite and Bathroom cabinets • Builders standard cabinet handles throughout. Nest of 4 drawers to kitchen including cutlery drawer. • Stainless steel dishwasher plumbed in ready for use • Full power, water, sewer, gas and phone connections • Reticulation and landscaping to front and rear gardens • Boundary Fencing, gate and side return • Letterbox and Clothesline (Fixed Head Hoist) | <ul style="list-style-type: none"> • Security Screen to front door • Builders standard gyprock ceiling lining with 75mm Westcove cornice • Nominal R3.0 Roof insulation • Built in robes with shelf and rail standard to all bedrooms • Built in Linen with 4 white lined shelves • Quality door furniture throughout including double deadlock to Entry door • Privacy latch to all bathrooms and WCs • Solid entry door from Builder's standard range • Exhaust fan to all bathrooms and separate WCs • Hardwired Smoke Detectors as per current regulations • Full height metal beads to all internal corners • Builders standard 200mm x 200mm floor and wall tiles to Ensuite and Bathroom, including 1 row skirting tile and 180mm shower recess • Ceramic soap dish to showers • Builders standard range 200mm x 200mm floor and wall tiles to Laundry, including 1 row skirting tile and 2 rows above trough. • Builders standard range 200mm x 200mm wall tiles above Kitchen cabinets • Clear glass fully framed shower screen with pivot door and framed mirrors to all bathrooms • Full paint finish external and internal • Air Conditioning (Ducted, reverse cycle) • Floor coverings (wood laminate to living areas and carpet to bedrooms) • Window Treatments (Vertical Blinds) • Light fittings • Thorough clean prior to tenant occupation |
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One of our Directors often quotes a proverb by Confucius to us;

“Man who stand on hill with mouth open will wait long time for roast duck to drop in.”

It's true, in most cases it is up to us to make the first move towards our goals. At VPI we want to help you achieve your goals to create wealth for the future.

If you are interested to hear more about Investment in Real Estate, why not come along to one of our informative **Free Property Investment Seminars**. We run Seminars during the day and in the evenings and there is no obligation but we do ask people to pre book in order that we can cater for numbers. Alternatively, one of our consultants will be happy to explain our services to you at your home or in our office. Please don't hesitate to call for more information.

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