

Where and how do I start, when it comes to property investment, it has been a proven that real estate is a sound investment for security wealth? However for the first time investors it can be a frightening experience

Here are a few things to be consider when deciding to take the necessary steps to financial freedom..

## **What is capital gains tax?**

Capital gains tax (CGT) is the tax you pay on any capital gain you include on your annual income tax return. It is not a separate tax, merely a component of your income tax. You are taxed on your net capital gain at your marginal tax rate.

Your net capital gain is:

your total capital gains for the year

minus

your total capital losses for the year and any unapplied net capital losses from earlier years

minus

any CGT discount and small business CGT concessions to which you are entitled.

I would recommend that you seek a out a good accountant to explain it fully, if you are unsure. ( <http://www.ato.gov.au>)

## **Rental income**

This is the full amount of money you earn when you rent out your property. You must include any bond money retained in place of rent or kept because of damage to the property requiring repairs. An insurance payout for lost rent or a reimbursement of any rental expenses you claim in 2006-07 or claimed in an earlier year must also be included as income.

Is the property rentable?

Choose the kind of property you want and need to assist your endeavors. Single-family houses are generally less expensive than apartment complexes because of pure size, but generate less income. Apartments, on the other hand, can require more upkeep. If already tenant with respectable agency is a good start

## **Others things to consider purchasing a property investment,**

Number of bedrooms

Numbers of bathroom

Kitchen condition

Parking availability

Land size

Location – metropolitan

Regional

City or and suburbs

Schools

Transport

Shop

Back yard

Need works

Type of property i.e. townhouse

You're the budget

Consider going the extra mile do a Comparative sale analysis on the area of your choice there are many available internet sites which can assist you today some will ask for a fee however you may save thousands also check out the local council site often the council will have a reasonable up to date information on the growth and improvements that to occur within the area .

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