

MAKE THE RIGHT MOVE

INTEREST RATES ARE AT AN ALL TIME LOW, SEE IF INVESTING IN PROPERTY IS RIGHT FOR YOU

Find out more at our FREE Rental Property Seminar. See page 2 for more details



Account(able) Insight

Your future is our future

NOVEMBER 2015

BUSINESS NEWS

02

FREE - Rental Property Seminar

Take advantage of all time low interest rates

ACCOUNTING NEWS

03

Rental Property Analysis

FINANCIAL PLANNING NEWS

04

Buying a property in an SMSF -

Is it the right strategy for you?

CHARITY OF THE MONTH

05

Strawberries & Cherries Weekend

21st & 22nd November

EVENTS

05

Ballarat Races: "Support Cancer"

Fundraiser 22nd October

HOME LOAN NEWS

06

Borrowing to invest in property

What type of loan should I be looking for?

STAFF PROFILE

07

Michael Caruana - Senior Accountant

BUSINESS CLIENT OF THE MONTH

07

First National Real Estate

Bacchus Marsh

BUSINESS NEWS

BUSINESS NEWS

RENTAL PROPERTY SEMINAR – 3rd & 8th December, 6.30pm at our office

Due to the success of our “Rental Property Seminars” that we held last year and the demand from our clients wanting to know more about purchasing a rental property and the pros and

cons that come with it. We have decided to run two seminars in December. With interest rates at an all-time low, we feel it is the best time to see if investing in property is right for you. During the holiday period you will have more time to do your research and weigh up if it is an option for you. Of course our Accountants are always on hand to answer any of your queries in this area.

FREE Rental property advice seminar

MAKE THE RIGHT MOVE

TAKE ADVANTAGE OF ALL TIME LOW INTEREST RATES...

Hear from an Account(able) Director who has purchased an interstate property, the real life practical steps required when buying a rental property both locally or away from where you live.

Learn how to take the next step to build your asset and financial future.

Remember this is NOT a sales seminar but information and advice on making the right choices when buying a rental property.

Don't just dream about a strong financial future.
Join us to make it your reality,

SOME OF THE KEY TOPICS TO BE DISCUSSED ARE:

- Getting loan approval, estimating all the costs, decide on investment plan and set price limits
- Where to look for your buying area
- Obtaining suburb stats and information using Domain and realestate.com to search particular properties
- Speaking to real estate agents
- Doing your income and expenses numbers
- Specific property due diligence, offers and negotiations
- Settlement requirements
- Obtaining tenants and a good property manager

This invite is open to all - feel free to extend this invite to family and friends.



Account(able) Accountants
Pty. Ltd.

66 Grant Street, Bacchus Marsh VIC 3340

Phone for Bookings: 5366 1000

Seminar Dates:

**Thursday 3rd December 6.30pm
Bacchus Marsh Office**

- OR -

**Tuesday 8th December 6.30pm
Bacchus Marsh Office**

Bookings Essential Places Limited by Monday 30th November.

Presented by

ACCOUNTING NEWS



RENTAL PROPERTY ANALYSIS

Rental Property Deductions:

Account(able) is committed to working with clients to increase their wealth and investment portfolio, one of the ways we do this is to recommend the purchase of an investment property. It allows clients to negative gear that property (expenses exceeding income) which reduces their taxation liability. If you already own a rental property below is a list of items you should keep that will help your Accountant assist you in completing your tax return accurately.

Income: Total rental income – usually via an annual rental statement.

Deductions:

- Bank loan interest, Borrowing Costs – these are apportioned over 5 years. Advertising, Body Corporate Fees, Council & Water Rates, Insurance and Land tax
- Legal Expenses – including the drafting of lease agreements & enforcing rental payments.
- Repairs & Maintenance – this would be wear and tear on the property. If the expenditure relates to the property being improved beyond its original state, then it will be depreciated.
- Postage, stationery & telephone, Travel – only can be claimed in relation to the property eg inspection, Pest control,
- Capital expenditure – this would include items such as air conditioners, smoke alarms, carpets, fixtures etc.

Other Deductions:

- Expenditure for capital works (deductions for construction expenditure and structural

improvements) may be available for construction that commenced after 18 July 1985 on residential properties.

Account(able) strongly suggest the purchase of a quantity surveyors report so that you can claim the maximum amount of depreciation and capital allowances. The cost of this report is a deductible expense

Rental Property Cash Flow Report:

For clients who want to see how the negative gearing of a rental property can reduce their tax liability, Account(able) can provide you with a detailed cash flow report over a 10 year period, which provides you with various scenarios. Account(able) want to assist their clients make the right decisions when the time comes to purchasing a rental property. We encourage you to come and see our professional staff where we will show you what factors you should take into consideration in your decision making such as:

- Are you in it for rental income or capital growth?
- Land appreciation and building depreciation
- Ownership structure
- Tax consequences
- Buying price & rental return
- Location
- Property features
- Benefits of claiming depreciation & capital allowances
- Finance options

Account(able) Accountants are here to help you achieve your goals. Please call us on 5366 1000 to arrange an appointment to discuss any of the above.

FINANCIAL PLANNING NEWS



BUYING A PROPERTY IN AN SMSF - IS IT THE RIGHT STRATEGY FOR YOU?

The idea of setting up an Self Managed Super Fund (SMSF) to buy an investment property may seem like an appealing idea for many people; however evidence suggests that few actually go ahead with the strategy. This is often the result of weighing up the potential benefits against the complexities and potential pitfalls. So what is the attraction of buying an investment property through super? Here's a roundup of the pros and cons to help answer those questions.

What is the appeal?

- 1. You like property as an investment –**
Australians love property investments, particularly residential property. There is good reason for this. Property has a place in a well-diversified portfolio and can offer good income and capital growth over the long term. Property is also attractive to people who like to be able to see and touch their investment and get involved in the management.
- 2. Reduced or no Capital Gains Tax when you sell**
– Provided you keep your property investment in your SMSF until you are over 60 and retired, when you convert your SMSF into the pension phase, you will pay no Capital Gains Tax if you decide to sell.
- 3. Reduced or no income tax on rental income**
– You may also save tax on the rental income from the property. Provided you keep the property inside your SMSF, you will pay no tax on rental income in retirement and you will only

pay 15% tax on the rental income while you are saving for retirement. That can be a big saving on your marginal tax rate.

- 4. You own your business premises –** The great thing about this strategy is that you get rid of the tenants/landlord problems that plague commercial property and you may generate significant tax savings.
- 5. You want to leverage your super investment**
– If you decide to borrow money to buy your property inside super, you increase your exposure to the investment, thereby magnifying the gains (and the losses) from the investment.

What you should think about:

1. Are you better off buying the property outside super?
2. It can be complex and complicated.
3. It can be costly.
4. There are legal restrictions.

Buying property through your super can be a great way to build up your retirement savings, but it pays to think long and hard about whether it is the right strategy for you before embarking on this path. As always, before making any decisions about whether this strategy may be suitable for you, you should seek advice from our financial planners at Account(able) Financial Planners Pty Ltd.

**Australian Taxation Office (ATO): Self-managed super fund statistical report – September 2013*

Source: Capstone and BT.



STRAWBERRIES & CHERRIES WEEKEND 21st & 22nd November 2015

Account(able) is a proud sponsor of the annual Strawberries & Cherries weekend in Bacchus Marsh. The event celebrates the arrival of the sweet season with many of the market gardeners growing strawberries and cherries and it's an opportunity for Bacchus Marsh to share its natural beauty with extended visitors.

Now in its 9th year the event has grown from a small festival to having thousands of tourists coming into the town for the weekend. The town will be a hive of activity where visitors can follow the strawberry and cherry trail, visit the local farms and pick their own fruit. There will be loads of entertainment for all the family from horse carriage rides, jumping castles, live music to Saturday night fireworks.

Account(able) will be having a stall on Main Street just near the library for the first time, come along and say hi. Our staff will be there from 10.00am – 3.00pm.

Bring the kids we will have helium balloons, a colouring competition and a guess the lollies in the jar. Prizes to be won. If you would like to know more about what we do stop by for a free chat, if you have any queries regarding Accounting, Financial Planning & Home Loans we will be only too happy to assist. There will be lots of information on hand for you to take with you.

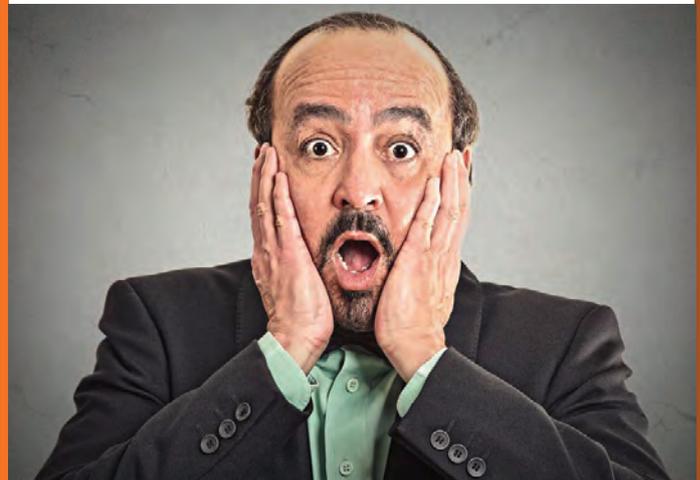
For more information on Strawberries & Cherries weekend go to www.visitbacchusmarsh.com.au



BALLARAT RACES 22nd October 2015

Staff celebrated the annual race day out at the Ballarat Ladies day. Our very own staff even featured in Fashions on the Field, look out Megan Gale. It was a fantastic day, all fun and laughs aside we had the great pleasure of raising much needed funds for "Support Cancer" as part of the big race day. Account(able) even had their very own race named after us.

TIME IS RUNNING OUT \$3000 CASH GIVEAWAY



Don't forget to keep referring us to your friends and family to go into the draw. \$3000 cash giveaway to be drawn on December the 18th



Property investment loans are similar to regular home loans; you can choose which loan best suits you. Typically you can choose from these options:

Variable interest rate

These types of loans the rate you pay will fluctuate typically in line with changes to the official cash rate. This type of loan tends to have a range of flexible features like redraw however as investors can usually claim the loan interest as a tax deduction there may not be much incentive to pay off the loan sooner. So the features of a variable rate loan may not appeal to investors as much as they do to owner occupiers.

Fixed rate

A fixed rate is often very useful for investors as it provides certainty of repayments. This can be helpful because the rent payments on a property will be fixed during the lease term, and even if market interest rates rise the landlord may not be able to raise the rent until the lease expires. By locking into a fixed interest rate investors have more certainty about the repayments on their property and a more manageable cash flow.

Split rate

Like home owners, an investor can choose to split their loan between fixed and variable rate components

THERE ARE TWO TYPES OF LOANS THAT TEND TO BE PARTICULARLY ATTRACTIVE TO INVESTORS:

Interest only

With most standard home loans your repayments are made up of interest charges plus a small repayment of the loan balance. In this way you slowly chip away at the original amount borrowed over the term of the loan.

Where an interest only period is present the loan principle remains the same unless you choose to make additional payments. You only have to pay the original amount borrowed if you sell the investment property or if the interest only period expires.

There are two main reasons this type of loan is useful for investors because during the interest only period of the loan:

1. Your monthly repayments are less than they would be if you were to pay off principal as well
2. You can get a tax deduction for the interest payments, but not for principal repayments

Line of credit

If you already own a property, a line of credit offers a way for you to tap into any equity you have built up in that property and, use it as a deposit for your investment property.

This type of loan is useful for investors because: A line of credit loan allows you to draw from a fixed amount at any time to pay for any additional expenses

It's kind of like a credit card with a big limit but the equity in your home acts as security for the loan *This type of loan is not often used, as banks & lenders will require a reduction in debt at some stage during the life of the loan, where the Line of Credit does not have this feature.

Account(able) Home Loans & Finance Pty Ltd can help

With so many loan options available it is important to have the loan in place that best suits your needs and investment strategy. That makes it worth speaking with Account(able) Home Loans & Finance who can look through hundreds of investment loans offered by a wide range of lenders to help you make the choice that is right for you.

STAFF PROFILE

Michael Caruana



Name: Michael Caruana

Position: Senior Accountant/Team Leader

Background: Prior to becoming an accountant I worked at the casino as a Blackjack Dealer and in the banking industry in a customer service role. I have worked in various accounting firms over the last 14 years. I joined Account(able) in 2014

Tell us how you help Clients? I enjoy the interaction with clients. Being able to help them achieve their goals and provide a solution to any issues they may be dealing with gives me great satisfaction.

Family: I am a father to 2 kids, a 21 year old daughter Tayla and 18 year old son Kyle. My daughter recently gave birth to a beautiful baby girl named Jayde so I am now also a proud grandfather.

Hobbies: I enjoy playing squash and follow the AFL – Collingwood supporter! Don't hold that against me.

Are you a messy or clean desk person? I like a clean desk area as it helps me operate more efficiently.

If you didn't have to work what would you do? I would love to visit my parent's birthplace in Egypt. I would also like to travel more with my partner.

If you could choose a Superpower what would it be? Definitely would be to fly. Superman is my favourite superhero.

BUSINESS PROFILE

First National Rayner



First National Rayner has been a locally owned and operated business since 1997. There is over 150 years of combined real-estate knowledge in our company. Our offices are open 7 days a week in both Bacchus Marsh and Ballan which is the only real-estate company to do so in the Moorabool shire.

All agents live locally and are all involved in the community of Moorabool whether it be sport, community projects, volunteering or making our community a better place to live.

Both sales and property management conduct open for inspections which we firmly believe will achieve outstanding results with your property. Rayner First National take pride in placing our clients' needs first, going the extra mile to guarantee delivery of our promise – We put your first!

First National Rayner

178 Main Street, Bacchus Marsh
5366 3600

REMINDERS FOR YOUR DIARY

NOVEMBER

- 21 Monthly Activity Statement for October 2015
- 28 Super Payable for October

DECEMBER

This office will close on Wednesday the 23rd at 5pm and re-open on Monday the 4th of December

OUR SERVICES INCLUDE

Account(able) Accountants are a one-stop-shop for all of your Business, Financial and Accounting needs. We offer a unique client guarantee, ensuring our service to you is beyond your expectations, we aim to achieve your business goals, desired lifestyle and financial well-being.

Give us a call on **5366 1000** today to find out how we can help you...

Account(able) Accountants Pty. Ltd.	Account(able) Financial Planners Pty. Ltd.	Account(able) Home Loans & Finance Pty. Ltd.
<ul style="list-style-type: none">-Individual and business income tax returns and compliance-Self managed superannuation funds administration (SMSF)-Business Coaching-Taxation planning-GST advice and compliance-Rental property analysis-Cash flow Management-Bookkeeping services-Superannuation	<ul style="list-style-type: none">-Financial Planning-Self managed superannuation funds-Retirement-Transition to Retirement-Wealth creation-Advice on centrelink issues-Estate planning-Life and income protection-Investment advice	<ul style="list-style-type: none">-Home loans & Refinancing- Vacant land & Home Construction Finance-Investment property purchases & refinancingCommercial Property Finance-Vehicle finance-Equipment finance-SMSF loans-Secured personal loans

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