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Positive Cash Flow Investment Property

- 8-12% average return on your capital.
- \$125,000 tax free income over ten years.
- Security of government backed bricks and mortar.
- Set and Forget Property investment.
- Strong Demand from Tenants and Investors.
- Highly Tax effective.

For years and even today negative gearing has been promoted as a sure way to build your wealth through property investment. For this strategy to be successful you must have a good cash flow to prop up the short fall as well as capital growth that exceeds the annual losses. Both are not guaranteed.

The Holy Grail of property investment has always been positive cash flow property. With rental yields generally less than interest these were difficult to find or alternatively only available with properties for which you would expect little or no capital growth. This has all changed with the NRAS Scheme.

Demand

The demand for NRAS property is high for tenants and investors. As NRAS approved properties are available to all investors across Australia, properties are regularly being sold. For this reason our stock is constantly changing. Ask us today how we can fit the best investment home to suit your current circumstances as well as dovetail into your future investment plans.

Who Are We

Beachsea (Pty) Ltd is a privately owned Australian consulting company that specialises in sourcing excellent investment property that are then offered exclusively to our clients. Our stock includes an extensive range of NRAS approved investment homes, House and Land Packages, Modern Apartments, Villas and Town houses.

We provide for our clients the time, resources and knowledge that is required to successfully establish a performing property investment portfolio. Our primary objective is to know your needs and objectives so clearly that we are able to recommend the most suitable properties.

It is upon a relationship of trust that our knowledge and experience combined with a well thought out property investment strategy can be transferred into excellent returns for you our client.

Background of NRAS

So what is NRAS? The National Rental Affordability Scheme or NRAS was launched for the purpose of providing assistance and funding to increase the supply of affordable rental dwellings, reduce rental costs to low to mid income earners and to encourage investment on a large scale to provide more affordable housing. NRAS is expected to deliver up to 50,000 affordable rental homes by 2014.

The investor is required to reduce the rent by 20% (may vary according to incentive provider) of the market rent, and in return the government will provide a **Tax-free** incentive of \$9,524 per annum (\$7,143 from Federal and \$2,381 from the State governments for 2011/12). This payment increases in line with rental CPI.

Eligible tenants are determined on an income basis with the service industries such as police, teachers and nurses targeted as potential tenants.

Why NRAS Is Not Social Housing

NRAS is geared to key workers (service industry), over 55's and families. To qualify for social housing tenant can earn up to \$58,292 whereas an NRAS tenant can earn up to \$125,960. With NRAS there is control with tenant selection. Advertising for tenants is as in any other normal tenancy arrangement. With social housing there is no control over the rental rate charged- the government subsidises the rent and sets the amount, whereas with NRAS the rental rate is set by the market rent and is valued by an independent valuer.

Benefits of NRAS for Investors

There are many benefits for the investor as listed above, other benefits include improved rental yields and strong capital growth potential.

The minimum annual \$9,524 National Rental Incentive for each rental dwelling will improve rental yields over conventional residential investment properties. This national Rental Incentive is income tax free, indexed to the rental component of the Consumer Price Index (CPI) and is complemented by existing taxation arrangements including depreciation.

NRAS approved housing is located in growth areas close to existing infrastructure and in general dispersed amongst owner occupied housing. This ensures opportunity for strong capital growth.

Reduced Risk Profile

Approximately 75% of all people currently renting will qualify for NRAS approved housing. As the rents will also be 20% below market value there will be a high rental demand and a large pool of eligible tenants for NRAS property. These factors will ensure Investors can expect low vacancy rates. Further there is the certainty of contributions from the Australian and State governments for a period of 10 years.

Roy Hall

Roy is a qualified Engineer (Graduated University of Cape Town 1989) and holder of an Accounting Degree, Financial Planning Diploma (PS146) and Principal Real Estate Licensee for Beachsea. This background ensures that you our client are well guided through the financial and accounting process of real estate and property investment.

Stuart Greenway

Stuart has over 24 years experience in the building industry specialising in custom designed homes and building for investment. He is a successful developer and investor who has a passion to see people grow their wealth and improve their lifestyle through property investment. Having a degree in education and extensive experience in property Stuart is well equipped to educate and assist you to make informed decisions required to reach your financial goals.