

# Golf residential investment



**By Rod Dry**

AS we move through 2005, it's time to reflect about what you've done over the last five years in investment.

## **Step 1**

Calculate how much tax you have paid over the last five years.

Be sure these statistics don't put you off your putting. They probably will.

Currently almost 80 per cent of Australian retirees live on a pension.

Fifty years ago there were 16 working people for every one retired person.

Now it's about three working people for every one retired person and it will probably be one for one within the next few decades.

And it's not going to get any better because we have six million baby boomers in Australia with one turning 50 every six seconds.

So what is going to happen to your dream of retiring comfortably and spending your time on the golf course?

**Answer:** Buy your retirement home now.

Use the equity you have in your home to buy your retirement home on a golf course now as an 'investment' property.

## **Step 2**

Use and enjoy it now as a holiday and weekend retreat.

Set up a financial structure that enables you, together with your family and friends, to use your new property as a holiday and weekend getaway.

It also generates rental income for the periods you are not using the property

yourself to make sure that you can cover all of the costs and outgoings associated with owning the property.

## **Step 3**

Get the taxman to chip in and help.

Between now and when you retire, maximize the tax deductions available from your new 'investment' property to reduce the tax you are paying on current wages

## **Step 4**

Double your potential for capital growth.

Owing two properties (your home and your investment property) means you have doubled your opportunity of achieving increased wealth through capital growth

## **Step 5**

Retire to your home on the green.

Move into your 'freehold' retirement home when you retire by selling your current home and using some of the proceeds (these should be capital gains tax free) to pay off any outstanding loan you have on your 'investment property'.

You can then invest the balance of the cash to help fund your retirement income.

And an added bonus is that you won't have to pay back the tax deductions you have received because you are not selling your investment property because it's now your home.

If you would like some more details contact Rod Dry [rod@financialfreedom.com.au](mailto:rod@financialfreedom.com.au) or phone (08) 81003333.

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