



In this issue:

- Property Investors: Are your financial records accurate?
- How to find out about off-market listings
- Downsizing options in 2025
- The benefits of renting

PROPERTY INVESTORS: ARE YOUR FINANCIAL RECORDS ACCURATE?

Tax gaps are an issue in most countries, and Australia is no exception. The Australian Tax Office (ATO) estimates it is owed multiple billions of dollars from businesses and individuals, and is working on reducing this amount.

One area it believes it is missing out on funds is investment properties, with the rental component of Australia's net tax gap reported to be \$1.3 billion.

In other words, many rental property owners are believed to be underreporting the money they make from their properties, which means there is a gap between what's owed and what is being collected.

The ATO has the power to check investors' financial activity through data matching, obtaining information from banks and financial institutions. It also recently announced it will collect rental bond data, use the information to match tenants with landlords, and then identify omitted or incorrect reporting of income.

Here's where landlords are making mistakes when it comes to tax and how to avoid scrutiny from the ATO:

ATO reporting: Where property investors are going wrong

Owning a rental property comes with the responsibility of financial and tax management. In addition to paying bills and fees associated with your investment property, you need to be aware of which expenses can be claimed and which parts of your income qualify as taxable.

When it comes to income reporting, common mistakes landlords make include:

- Missing lodgements: Failing to lodge a tax return related to the rental property
- Missing money: Failing to report all rental income
- Overstating deductions: Claiming more than is allowable for expenses, such as maintenance costs or interest on loans
- Having inadequate records: Not being able to prove spending and earning activities in relation to the property

It is easy to get things wrong, especially if you are an overseas resident or you have been leasing an investment as a holiday property a few times per year. However, when you file your tax return, the ATO doesn't distinguish between intentional and unintentional errors. Unfortunately, making mistakes may lead to [penalties](#).

How to simplify rental property tax compliance

There are two professionals who can help you avoid ATO scrutiny. The first is your tax accountant, who can help you prepare and submit an accurate tax return.

The second is a [skilled property manager](#). In addition to managing tenants and dealing with maintenance requests, a quality property manager ensures every financial transaction related to your rental property is properly documented and the information is stored correctly.

This includes:

- **Itemised rental income:** A property manager will collect rent and ensure payments are accurately recorded and traceable.
- **Detailed expense records:** Property managers are also involved in keeping receipts and itemised reports for maintenance and repairs so you can easily and confidently claim them as tax deductions.
- **Regular statements:** You will have access to detailed statements of income and expenses, which you can share with your accountant before they work on your tax return

Property managers also stay up to date with the latest tax regulations and can talk to you about how to legally minimise the tax you pay on your property (for example by obtaining a depreciation certificate). Your property manager can also share tips to maximise the value of your investment so you can charge a premium rent and boost your long-term capital gains.

Need a reliable property manager to help with financial record keeping? Reach out to your [local Professionals office](#) today.



HOW TO FIND OUT ABOUT OFF-MARKET LISTINGS

Most buyers start their property search online, scouring listings and refreshing real estate apps, but they're not always seeing the full picture of what's available.

Many properties are sold without ever being publicly advertised, and while these homes may feel elusive, they're not as out of reach as you might think.

Some sellers don't want to go public because they are in a rush and don't have time for a long campaign. Sometimes a high-profile individual is moving on from their home and doesn't want the news to reach the media. There are also occasions when a market is so hot that a buyer can be 'matched' with a property before the photos and description are uploaded online, saving the seller time and marketing costs.

These hidden opportunities are available, so how do you find them?

How to get access to off-market listings

Accessing off-market properties is about strategy and relationships. One of the most effective ways to uncover these homes is by building strong connections with a [real estate agent](#) who is active in your area.

Agents are the first to know when a seller is testing the waters with a private sale, and they play a key role in deciding who gets early access. By fostering a good relationship with your local property professionals, you increase your chances of being in the loop when a suitable property becomes available.

If you keep missing out on properties or you have a hunch the best places aren't being advertised online and in the newspaper, follow these five steps:

1. Create your brief

When you know exactly what you want, it's easier to find it (or something close). Be clear on the location, style of home and features you are looking for. Know your must-haves and non-negotiables.

2. Connect with local agents

Once you've chosen a neighbourhood where you want to buy, identify the real estate agents who are active in that area. These professionals will have the best knowledge of local off-market properties.

Get in touch and introduce yourself to explain what you are looking for and when you are hoping to buy. You will find most agents are very happy to have a chat when you visit an open home and share their suggestions.

3. Follow up

If you don't ask, you don't get. Keep in touch with the agents you meet and let them know you'd love to preview any suitable homes they have coming through their pipeline. Email them your brief and don't be a stranger. They will be more likely to think of you when the right place is on their radar.

4. Keep an open mind

While it's important to stick to your non-negotiables, remember that selling agents really are matchmakers who can sometimes tell when a home is right before you can. Your agent may ring you with something slightly outside of your brief that is selling off-market, but be open to checking it out because you could just fall in love with it.

5. Be purchase-ready

Many off-market properties sell because someone has come along just at the right time, offered a good price and had a deposit ready to hand over.

If you hesitate for too long because you are not sure or you're still organising your finances, the owner may decide it's worth going ahead with a public campaign. Before you know it, other buyers will appear to top your offer.

Many buyers assume they need a buyer's agent to access off-market properties, but that's not necessarily the case. If you build the right connections with selling agents, they can be the ones to tip you off about the latest properties coming up for sale.

Looking to explore the hidden side of the property market? Reach out to your [local Professionals office](#) and let us know your brief.



Downsizing Options in 2025

After many years of owning a larger home, older Australians start to look to downsizing as their ticket to freedom from endless housework, overwhelming maintenance costs and expensive insurance.

This step can open the door to a simpler, more fulfilling lifestyle, but it has to work for you and match your needs.

The good news is there are a lot of options to cater to all sorts of downsizing requirements and budgets. It doesn't matter if you are after low-maintenance living, a tight-knit community, or maybe even the chance to finally live near your grandkids, there's an option for you.

Have a look at some of the downsizing trends Aussies are embracing in 2025:

1. Retirement living

Retirement villages have evolved far beyond stereotypes. Think resort-style amenities: swimming pools, gyms, cinemas and social clubs where you can join a band, go line dancing or try Aqua Zumba. These secure, purpose-built units or villas are designed for over-55s, offering a blend of independence and support.

Why retirement living works:

- Built-in social life: Many "villages" organise activities like Tai Chi, walking groups or wine-tasting evenings.
- Less hassle: You don't have to worry about mowing lawns or fixing leaky taps; maintenance is often handled for you.
- Tailored care: Some villages offer assisted living services, letting you age in place without relocating later
- On-site services: Dine in the restaurant, enjoy Happy Hour, visit the village beauty parlour or drop by the movie theatre or games room.

2. Lock-up-and-leave urban apartments

If you love travelling or you prefer living closer to cafes, hospitals, theatres and family, an apartment near your city centres provides a low-maintenance urban lifestyle. When you want to take off somewhere, simply lock the door and hop on a plane. There's little need to worry about garden upkeep or security.

Perks of urban apartments include:

- Proximity to amenities: Walk to shops, healthcare and public transport.
- Modern designs: Many new builds feature accessibility upgrades, like step-free showers, elevator access or smart home tech.
- Financial flexibility: Downsizing can free up equity for travel or hobbies while trimming utility bills.

- Enjoy your urban village: You'll be close to the gym, council community centre and cafes where you can catch up with friends.

3. Multi-generational living

Sometimes you have the option to downsize without leaving your property. An option many families are exploring is a knock-down rebuild of the family home, pooling resources with family to build a duplex or add a granny flat.

Benefits of downsizing to a duplex:

- Cost savings: Split building costs while maintaining privacy.
- Increased land value: Two homes on one site is a capital gains boost
- Support network: Need help with groceries or tech? Family can be just a knock away.
- Emotional perks: Stay connected without sacrificing independence.

You don't necessarily have to build a duplex with your family. Knock down your existing home and build a duplex, then lease out the other home with the help of an [experienced property manager](#). You can also develop your block and sell both properties to maximise your capital gains and give you a bigger budget to downsize and retire with.

4. Tree change or sea change

Swap the city bustle for coastal breezes or country charm. Regional areas like the Sunshine Coast, Hunter Valley or Adelaide Hills offer larger homes than you will find in a major metropolitan centre, plus a slower pace of life.

Why regions are booming:

- Affordability: \$500,000 might buy a spacious villa in Rockhampton versus a cramped suburban unit closer to a capital city.
- Lifestyle perks: Think morning beach walks, vineyard tours, or joining a local craft group.
- Healthcare access: Many regional hubs now have top-tier hospitals and specialists.

Tip: Try a trial stay in your dream town before committing to relocate.

Looking for that perfect property to downsize to? Reach out to your [local Professionals real estate representative](#) today. We are always available for a no-obligation discussion to help you map out your next move.



THE BENEFITS OF RENTING

It's frustrating that renting tends to get a negative rap in Australia when there are so many benefits to this accommodation option.

At Professionals, we value our tenants and understand that renting has plenty of advantages. Take a look at why leasing a home can be the right choice for you.

Benefits of renting

1. Cheaper than a mortgage

People say that when you rent, you are "throwing away money", but the reality is that mortgage holders are doing the same thing when they pay interest on their home loan.

On average, a typical Aussie homeowner spends [\\$3,841 per month on their home loan repayment](#), while renting costs an [average of \\$2,715 per month](#). Mortgage holders pay a lot of interest, which is money they will never see again. The trade-off is that their home should rise in value, but this isn't always the case and it's possible for values to stagnate for several years.

When you look at it this way, renting can help you maintain a better lifestyle and save you from the 'dead money' of interest payments. Some people decide this choice makes sense after assessing their finances and personal goals.

2. Less stress over repairs and maintenance

Every home needs looking after and it is inevitable that things will break or stop working. Pipes burst in the middle of the night, ovens break and taps start to drip. When you rent, the cost of repairs will be covered by your landlord, and your property manager will arrange for someone to take care of things (they have a list of reliable and responsive contacts so you don't have to scour Google trying to find someone).

When you decide to rent, you're avoiding the [\\$5,000+ Australian homeowners](#) spend every year on repairs and maintenance. You also avoid paying strata fees and council rates, which can add up to thousands of dollars per year.

3. Flexibility to move where life takes you

You might not think flexibility is a big deal until that dream job in Brisbane comes calling while you're living in Perth. Once your initial lease has expired and you are on a month-to-month

contract, renting gives you the freedom to pack up and chase a new career opportunity without the hassle of selling a house or worrying about the property market.

Selling a home to relocate costs thousands of dollars, which is why [many Australians choose the benefits of renting](#).

4. Live in your ideal suburb

An ocean view apartment may be out of your reach to buy, but you could afford to rent and enjoy the lifestyle in your ideal area for a fraction of the cost.

What's more, if you rent in a quality suburb close to work, you'll be saving on transport expenses.

5. Try rentvesting

It's also possible to have the best of both worlds. Instead of tying up all your savings in one home, you can rent where you love and buy an investment home or unit elsewhere. This strategy is called rentvesting, and it's a great way to get your foot on the property ladder while living somewhere you love.

To rentvest, you'll need the help of an out-of-area agent who can help you choose the right property to buy in an up-and-coming area, and a property manager who can help take care of the place for you. It's a great option if you love where you live and don't want to move but you still have buying in your sights for the future.

How to ensure a positive rental experience

Renting brings more benefits when you lease a home with the help of a reliable and professional property manager. This expert will ensure your home is kept in good condition and that the terms of your contract are in accordance with local laws.

Need a reliable guide to help you make the most of renting? Reach out to your [local Professionals property management team](#) today.



Visit professionals.com.au