

# Residential Property Investors Fact Sheet

## Description

Considering purchasing an investment property? We're here to help, with a choice of investment home loan options, repayment strategies and other great options for investors. We also have a range of tools to help property investors, including our free property value guide and free property reports in our information centre. This fact sheet also directs you to our website where there are dedicated sections for property investors and investments, including information on property investment and insurance, gearing, case studies, managing tenants, financial planning and more.

## Tools to help the property investor

### A dedicated section for Property Investors is available on [commbank.com.au](http://commbank.com.au)

If you're considering an investment property, we have a wealth of information especially for property investors, including our investment home loan options, plus information on property investment and insurance, managing tenants, financial planning and much more.

Visit [commbank.com.au/propertyinvestor](http://commbank.com.au/propertyinvestor)

### Case study

Read about how two people's investment portfolios can vary with their choice of investment home loan repayment strategy and investment into other assets.

Visit [commbank.com.au/propertyinvestorcasestudy](http://commbank.com.au/propertyinvestorcasestudy)

### The Commonwealth Bank Property Value Guide

Whether you're buying your first home, investing in another property, accessing the equity in your property to renovate, or simply checking the value of your real estate, our Property Value Guide is a great place to start. By using the latest data from RP Data, Australia's leading property information service, our FREE Property Value Guide provides you with all the information you'll need to understand an area. This includes up to date property prices from the area, a demographic profile and information on local amenities. The Property Value Guide has been developed to equip property purchasers and owners with timely and useful information when making decisions about investing in property. Simply click on the 'Commonwealth Bank Property Value Guide' in the tools and calculators section below:

Visit [commbank.com.au/pvg](http://commbank.com.au/pvg)

### Free property reports, newsletters and more in our Information Centre

See where you can maximise your rental returns and gain insights into areas where it has become more affordable to purchase a property than to rent, with our "Where is it cheaper to buy than rent" report, or which suburbs are generating rental properties at a profit, with our "Cash Flow Positive Properties" report.

Visit [commbank.com.au/info](http://commbank.com.au/info)

### Top rated NetBank facility

To top it all off, our award winning NetBank online banking facility allows you to manage virtually all your banking needs in the comfort of your own home. NetBank gives you a consolidated view of all your Commonwealth Bank accounts and allows you to manage your finances with ease in a secure environment (e.g. transfer money, pay bills, review transactions and view statements online). NetBank won the 2009 Consumer Finance Award in the category of Banking Website of the Year for the second year in a row.

Register at [netbank.com.au](http://netbank.com.au)

### One stop shop for all your investment needs

Whether you're looking to purchase an investment property or diversify into shares or managed funds, the Commonwealth Bank Group is a great one stop shop to meet all your investment banking needs. We have a comprehensive choice of investor-related products (e.g. managed funds, annuities, margin lending, life/income protection etc) as well as skilled professionals (e.g. financial planners, lending and insurance specialists) to help you build and protect your wealth.

Visit [commbank.com.au/investments](http://commbank.com.au/investments)

## Some great options for the property investor

### Split Loan

A great investment home loan option giving you the flexibility of a variable rate and the security of a fixed rate is our 'Split Loan Option'. The split loan option also gives you flexibility to have multiple loans secured against the same security, whether it be for purely for convenience (e.g. budgeting purposes) or to ensure your loans are structured in a way to make your tax accounting easier, for example, one variable rate loan to invest in shares and another variable rate loan to make improvements to the investment property, such as renovations.



## Some great options for the property investor

### Award Winning Package<sup>1</sup>

Our package option has a 5-star CANSTAR Cannex rating and was recognised as the Premium Banking Package of the Year in the AFR Smart Investor Blue Ribbon Awards 2009. For an annual fee of \$375 per year, our package option enables you to take advantage of fantastic savings on home loan interest rates, pay no upfront establishment fee or monthly loan service fees and get other great benefits such as annual fee waiver on an eligible Commonwealth Bank Credit Card.

A package also offers other 'investor' related benefits such as savings on insurance (e.g. home insurance, loan protection, life insurance and income protection).

For more information about our package option, please read the fact sheet available at [commbank.com.au/factsheets](http://commbank.com.au/factsheets)

### Interest off-set account (MISA)

Our Mortgage Interest Saver Account (MISA) option enables you to off-set funds in your MISA account against your Home Loan, potentially saving thousands of dollars in interest and cutting years off the term of your Investment Home Loan. This is a great option for investors because any funds deposited into your MISA does not actually reduce the investment loan balance (it only helps to offset the interest). As such, if you have surplus funds, you can deposit money into your MISA to help reduce interest charges on your home loan, yet have the flexibility to withdraw those funds at a later date without impacting the balance of your investment loan. You should speak to an independent financial/tax adviser to check whether this option is right for you.

### Property Share

Property Share is an innovative option for investors as it allows you to pool money with friends or family to enter the market as a property investor using any of our Investment Home Loan options. Together with a friend, partner or relative, you can borrow more funds than you otherwise could alone and purchase a property you want rather than settling for a cheaper alternative. Best of all, your finances remain completely separate, giving you total control over your loan and how you'd like to manage it. For example, you may take out a package and pay interest only on a Standard Variable Rate Loan, however your friend decides to take out an Interest in Advance Fixed Rate Investment Home Loan.

## Choose an investment home loan that's right for you

Choosing the most suitable investment home loan for you is the first step to any successful investment and as a long-term asset, it's important to manage and protect your investment property effectively.

We have one of the most comprehensive and award winning range of Investment Home Loan options available in the market. Whether you're looking for the flexibility of a variable rate, the security of a fixed rate, a line of credit, a low doc loan, or perhaps a mix of these options, the Commonwealth Bank has the solution for you. Speak to one of our Home Loan Specialists to see which investment home loan option is right for you.

## Choose your repayment strategy

### Interest Only

A popular repayment strategy is paying 'Interest Only'. With this option you need only to cover the interest component of your loan, which means that the principal loan amount will not be reduced. This could be an effective repayment strategy if you are seeking to pay down your owner occupied debt and/or seeking to maximise tax deductions on investment related debt. There are limits on the length of interest only periods.

### Interest in Advance

Another popular repayment strategy for the property investor is paying 'Interest in Advance'. This option enables you to pre-pay interest 12 months in advance (before 30 June of each year) and is a convenient way to consolidate interest repayments into a lump sum, in order for you to gain tax benefits sooner, for a specific taxation period.

Also, if you pay interest 12 months in advance you'll be able to save 0.20% p.a. on the standard fixed rate.

This option is only available on interest only Fixed Rate Investment Home Loans and the Interest in Advance period must equal the interest only and fixed rate period.

### Principle and Interest

Of course we also offer the more traditional home loan repayment method of Principal and Interest repayments, which cover the payment of the interest component of the loan in addition to a portion of the principal of the loan (the amount borrowed).

#### Things You Need to Know:

<sup>1</sup> Qualifying and ongoing eligibility criteria apply to package options. The Bank will not charge any upfront establishment fees on Home Loans or Investment Home Loans under a package. However, a deferred establishment fee may be payable if the Home Loan or Investment Home Loan was established prior to 21st March 2011 and is repaid in full within four years from the funding date of the loan but excluding repayment during a guaranteed interest rate period. Switching to another loan type permitted by us does not constitute repayment. For full terms and conditions please refer to Section 3 of the Consumer Mortgage Lending Products Terms and Conditions booklet.

This fact sheet is subject to change without notice. Applications for finance are subject to the Bank's normal credit approval. Full terms and conditions will be included in our loan offer. Fees and charges apply.

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