

Display homes are a different strategy

adviser
spotlight



BUYING investment properties has been a building block to wealth for Savings & Loans Credit Union financial adviser Phil Butterfield.

He said direct property was a great investment choice – within a well-balanced portfolio – and one of his strategies was to buy display homes which are then leased back to the builder.

“Not only is it a guaranteed income, but a lot of the issues with residential properties are negated,” Mr Butterfield said.

“It’s in the builder’s best interest to keep the property in excellent condition and the rent paid on time.”

The key to making the most of the investment was to gear the property as much as possible, he said. That is, take out a loan to buy the property and claim an income tax deduction on the interest payments.

“The property is effectively cash flow neutral with the rent covering the loan re-



INVESTOR: Phil Butterfield.

payments, and the wealth creation comes from the capi-

tal gain.” He said good location would drive capital growth.