

— PROPERTY INVESTING AFTER THE BUDGET —

The New *Rule Book.*

The budget rewrote the game — negative gearing banned on established property, the SMSF door closed. The great news: our game plan has not changed one bit. Fewer, better, brand-new, cash-flow-positive properties were always the way through.

29
YEARS IN PROPERTY

100S
REVIEWED WEEKLY

2–3
THAT PASS

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— TEN SECTIONS —

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— THE SITUATION —

The game that built a generation of portfolios is *over*. The budget ended it.

For two decades the formula was simple: borrow heavily, run the property at a loss, and let negative gearing and a self-managed super fund carry the rest. That formula is finished. From July next year, negative gearing applies to new housing only — established property no longer qualifies. And the government’s deal with the Greens has shut the door on new mortgages inside self-managed super funds.

The lenders did not wait for the start date. Borrowing capacity for established investment property has already been cut hard. Australia’s 2.3 million property investors are switching strategy in real time — and the one lane deliberately left open is brand-new housing.

WHAT’S CLOSED

Negative gearing on established property

New mortgages inside an SMSF

Buying second-hand for a tax loss

Full borrowing power on established stock

WHAT STILL WORKS

Cash-flow-positive from week one

Brand-new builds, full depreciation

Dual income under one title

Assets that fund themselves

*The smart money is not waiting for July. It has already **pivoted**.*

Reflects federal budget measures as announced at the time of writing; legislation, transition rules and start dates may change. General information only — not tax or financial advice.

— THE HONEST MATHS —

Negative gearing was never the win. It was the *cost of waiting* for one.

Strip away the language and negative gearing means one thing: you are losing money, and the tax office refunds a slice of the loss. To claim the deduction, you first have to bleed for it. And from July next year, on an established property, even that consolation is gone — the deduction is abolished outright.

If a property runs four hundred dollars a week negative, that four hundred dollars leaves your pay packet every week, in real time. You feel it on the first of the month, not at tax time. The refund arrives later, and it is only ever a fraction of what went out.

You worked for that deduction. You funded it before anyone gave a cent back. That was never a strategy — and on second-hand stock, the law no longer even pretends it is one. A median-priced established purchase now leaves an investor more than \$700 a week out of pocket, with nothing coming back.

THE REAL COST — ILLUSTRATIVE

Out of your pay packet, every week -\$400

Funded by you across a year -\$20,800

Returned — a fraction, months later part-back

You financed the loss in full, in real time. The deduction only softened the landing. Cash flow does the opposite — it pays you while you hold.

Figures are illustrative only and assume a property running \$400/week negative. Actual outcomes depend on rent, rates, finance, your marginal tax position and the final form of announced legislation. General information — not tax or financial advice. Confirm your position with a licensed accountant or adviser.

— ON SELF-MANAGED SUPER —

An asset should be *dynamic*. Property in super never was.

Holding residential property inside an SMSF was always an unappealing place to put it — and now the question is closed. The government’s deal with the Greens has ended new mortgages inside self-managed super funds. Even before that, most major banks had withdrawn from SMSF lending around 2018 and 2019, leaving a handful of lenders charging a higher rate, and often a much higher one.

Then there is the inflexibility. The equity you build up in that property is stranded. You cannot draw on it, and the banks will not let you borrow against it — and even where one will lend, the terms are punishing. Worse still, you cannot touch the asset itself until you reach preservation age.

For me, an asset has to be more dynamic than that. Money you cannot move, equity you cannot use, and a property you cannot reach for decades was never the vehicle I wanted to build wealth in.

THREE LOCKS ON SUPER PROPERTY

Higher rate

SINCE ~2018

The majors exited SMSF lending. What is left costs more — often much more.

Trapped equity

CAN'T USE IT

The growth is real, but you cannot redraw it or borrow against it to move again.

Locked away

UNTIL PENSION AGE

You cannot touch the asset until you reach preservation age — decades, for most.

General information only, reflecting the author’s view of the SMSF lending market and announced federal changes at the time of writing. Lender appetite, rates and superannuation rules change over time and vary by fund and circumstance. Not financial, credit, tax or superannuation advice — obtain licensed advice before acting.



— THE PIVOT —

Buy brand-new.
Buy for cash flow.
Let the building *pay*
you twice.

The path forward was always the better one — now it is the only one the tax system supports. Negative gearing survives on new housing alone, and a brand-new build still carries roughly \$20,000 a year in depreciation a second-hand house cannot offer. Positive cash flow means the asset funds itself. Depreciation means the tax office helps you build it. Investors have already noticed: the pivot into new builds is underway.

01

BRAND-NEW

The full depreciation schedule, available only on new.

02

CASH-FLOW FIRST

Rent carries the loan. Nothing leaves your pay packet.

03

DUAL INCOME

House plus granny flat — two rents under one roofline.

— DEPRECIATION, USED PROPERLY —

New versus established property.
Same house price. \$498 a week apart.

Weekly costs for an investor on the top marginal tax rate. Identical value, rent and expenses — but under the new rules only the new build keeps its deductions, and the gap is \$498 a week.

WEEKLY COST COMPARISON	New property	40-year-old property
Property value	\$1m	\$1m
Annual rental income	\$36,400	\$36,400
Estimated expenses	\$73,500	\$73,500
Depreciation deductions	\$19,000	Nil
Before-tax shortfall	\$713 per week	\$713 per week
Tax benefit	\$498 per week	Nil
NET SHORTFALL AFTER TAX	\$215 per week	\$713 per week

Source: JKB Property, Cotality, ATO. Illustrative example for an investor on the top marginal tax rate. General information only — not tax advice. Speak to your accountant about your circumstances.

— THE COMPOUNDING EFFECT —

Two or three of these, and you are paying *minimal tax*.

One dual-income asset shelters a meaningful slice of your income. Stack two or three, held together, and the deductions begin to erase the tax on a strong professional salary — legally, with entitlements you are owed, on properties paying you rent the whole way.

One property	A foothold. The bleed is gone — the asset funds itself.	\$18–25k
Two properties	Momentum. Each asset funds the next.	\$36–50k
Three properties	The bulk of a high income, sheltered — and still cash-flow-positive.	\$54–75k

Cumulative figures are illustrative, based on \$18,000–\$25,000 indicative depreciation per dual-income asset in early years. They are not a forecast of your tax outcome. Depreciation does not reduce tax dollar-for-dollar — it reduces taxable income. Confirm everything with your accountant.

— ON TIMING —

“Be fearful when others are greedy, and greedy when others are fearful.”

— WARREN BUFFETT

Look around. Sentiment is negative. Headlines are pessimistic. Most buyers have stepped back and gone quiet. Guess what that means for the disciplined investor.

Fewer buyers means less competition. Less competition means a better price and room to negotiate. The crowd buys at the top and freezes at the bottom — the patient investor does the reverse. The best windows never feel comfortable. They feel exactly like this one.

FEWER BUYERS · LESS COMPETITION · A BETTER PRICE

— HOW WE FIND THEM —

Between 80 and 120 properties cross my desk every week. Most weeks, *one to five* make it through.

I scan every market in the country. Builders, developers and agents send me stock constantly — eighty to a hundred and twenty opportunities in an average week. I reject almost all of it.

Some weeks I find five. Some weeks, one or two. Occasionally none — and that is a perfectly good answer. What survives meets a narrow brief: an emerging market, often a suburb you would never call a trophy address, with a confirmed piece of major infrastructure coming, paired with a genuinely high-cash-flow asset.

80–120
OFFERED WEEKLY

»

1–5
THAT I'LL PRESENT



THE FILTER — ALL FIVE, OR IT'S A NO

- 01 An emerging market, not a trophy suburb
- 02 A committed piece of major infrastructure
- 03 A genuinely high-cash-flow asset
- 04 Brand-new build, full depreciation
- 05 Dual-income potential where it stacks up

A growth driver, paired with cash flow. Everything else is noise.



— A NOTE FROM RON —

29 years in the real estate *trenches*.

QUALIFIED PROPERTY VALUER · DEVELOPER · FREEDOM PORTFOLIO
CREATOR

I'm an investor, just like you. I have made my share of mistakes along the way — and I am going to show you the right way to go about it.

Twenty-nine years in the trenches — as an agent, a qualified valuer, a developer, and the owner of a rent roll — taught me the one lesson that never changes with the cycle. People are not chasing more property. They are chasing freedom. Freedom from unnecessary tax. Freedom from mortgage stress. Freedom to retire stronger, earlier, and with real choices.

So I keep the intake small and deliberate. I would rather bring you one property that is right than ten that are merely available. If I would not buy it myself, I do not send it. Selling houses does not change lives. Building freedom does.

*Hard decisions, easy life. Easy decisions, hard life.
Choose your hard.*

Ron Coleman

FOUNDER · COLEMAN INVEST

— YOUR NEXT STEP —

Stop *thinking*.
Start *building*.

The pivot is already underway. Every week you wait, the window the fearful left open narrows a little further. Put a time in my calendar and we will map your first move together.

BOOK YOUR STRATEGY CALL

REF · TCP / 02 / MMXXVI



*Scan to book a time
in my calendar.*

Point your phone's camera at the code and pick a slot that suits. No forms, no phone tag — a time that works, straight into my diary.

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WITH
Ron Coleman

CASHFLOW FIRST · FEWER, BETTER · FREEDOM FOLLOWS

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