The Difference

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7 reasons to hold onto your investment property

Changes to Australia’s investment property tax reforms have prompted many landlords to reconsider their next move.
Changes to capital gains and negative gearing will impact future investment decisions; however, well-performing property may continue to deliver long-term financial benefits.
Strong rental demand, an ongoing housing shortage and the potential for long-term gains mean there are still plenty of reasons to hold onto existing stock. Retaining an investment property can allow landlords to continue earning rental income while potentially benefiting from future rental growth.
Let’s take a closer look:

1. Don’t let tax drive the decision

Potential policy changes could increase the cost of holding an investment property, but selling isn’t free either. Before deciding, weigh up selling costs, capital gains tax and your long-term investment goals.

2. Vacancy rates remain low and rents are rising

Rental markets remain tight across much of Australia. Low vacancy rates and rising rents can help offset higher ownership costs over time and improve the cash flow of an investment property.

3. Focus on the quality of the assets

If negative gearing becomes less generous, investors are likely to become more selective, focusing on properties with strong rental demand, good locations and manageable holding costs rather than exiting the market altogether.

4. Good property is hard to replace

Quality investment properties are even harder to replace. Selling today could mean paying more to re-enter the market later, particularly once stamp duty and other transaction costs are taken into account.

5. Take a long-term view

Property has historically rewarded investors who take a long-term approach. While policy settings may change, the fundamentals of a well-located investment property often remain strong over time.

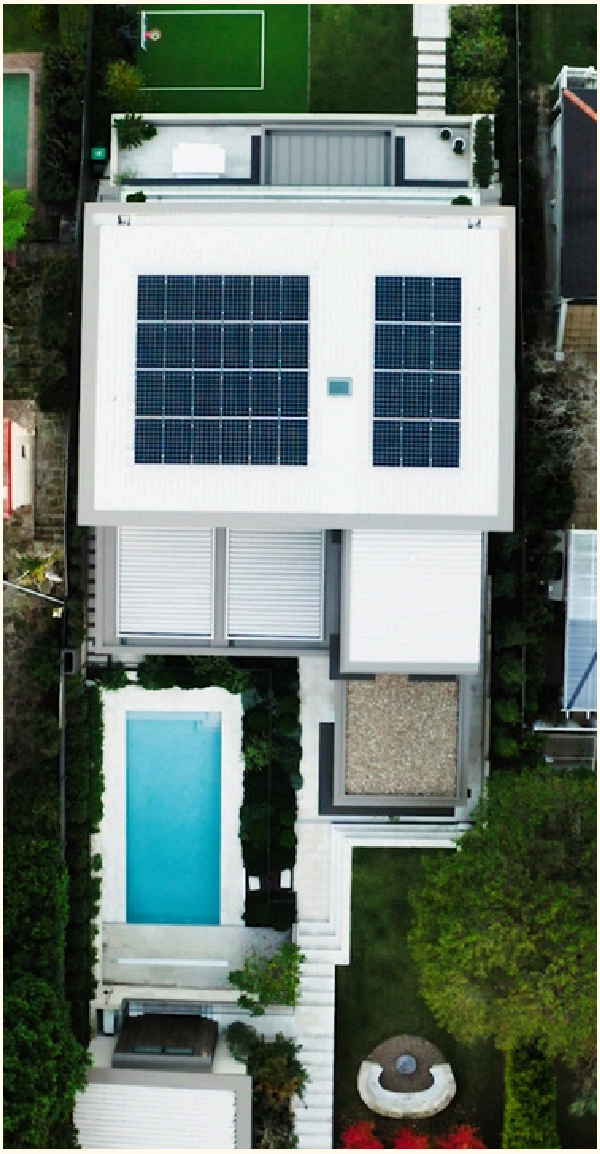
6. Grandfathered negative gearing

Properties acquired before the Federal Budget (12 May 2026) are protected from changes to negative gearing. Landlords can continue to offset their rental losses against personal income to reduce their tax burden.

6. Capital Gains Tax protection

The 2026 Federal Budget reforms replace the 50 per cent CGT discount with an inflation-based indexation method and a 30 per cent minimum tax rate for new property investments. Holding onto your pre-Budget property allows landlords to split the CGT; any capital growth accrued prior to 1 July 2027 retains eligibility for the 50 per cent discount.
If you are unsure about your rental performance, organise an appraisal with your local LJ Hooker agent. Always seek independent financial advice to maximise the benefits of property investing and ensure you are meeting tax obligations.

Why going green is becoming a smart investment for landlords



Australian tenants are increasingly embracing energy-efficient homes, giving property investors more reason to consider both the short- and long-term benefits of installing sustainable features.

The most recent Residential Audience Pulse survey from realestate.com.au shows renters have greater interest in green upgrades than homebuyers.

The report found that, with weekly median rents at record highs, those living in leased accommodation are actively seeking additional ways to save money. The main motivation is to cut regular energy bills (77 per cent), reduce environmental impact (56 per cent) and avoid bill shock (54 per cent).

Renters ranked solar panels as the most highly rated energy-efficient feature, followed by quality insulation, draught-proofing, cost-saving lighting and double-glazed windows.

Cathie Crampton, LJ Hooker's Head of Property Management Australia and New Zealand, said small practical eco-improvements can enhance a property's appeal and help to reduce utility costs.

"In a competitive market, some simple green changes can help a property to stand out from the crowd," she said.

"Not every tenant will pay significantly higher rent for energy-efficient updates, but it may sway them to choose one property over another if it promises lower running costs and a more comfortable home."

Affordable, easy-to-make changes include LED lighting and draft-proofing strips for doors and windows.

Upgrading to energy-efficient appliances, adding ceiling fans and installing reverse-cycle air-conditioning are also beneficial.

Around 40 per cent of household water comes from the bathroom. Rental properties in NSW must ensure that all taps and toilets are leak-free at the start of a tenancy, and that showerheads, internal cold-water taps and kitchen and bathroom mixers have a water flow rate of 9 litres per minute. Toilets must also have a dual-flush with a minimum three-star Water-Efficiency rating and Labelling Standards (WELS).

"Always talk to your property manager, who can advise on state-based legislation and what green upgrade will have the most benefits," Ms Crampton said.

"In the short term, sustainable features can attract quality tenants and reduce vacancy periods by lowering household running costs. Over time, they can future-proof an investment property, meet tenant expectations and enhance its market value."