

LISTEN TO YOUR NEW FAVOURITE PROPERTY PODCAST



PROPERTY INVESTING GLOSSARY

Here's our guide to common terms used in the world of property investing.

Cash flow The amount of money that flows in and out of a property. Positive cash flow occurs when you spend less money than you earn. Negative cash flow occurs when you spend more than you receive.

Capital gains A rise in the value of a capital asset (like real estate) that makes it a higher value than the original purchase price.

Capital improvement Adding a structure or making a repair to a property to improve the value and extend lifespan.

Commercial property Places used for business activity like shopping centres, office blocks and factories.

Depreciation The decrease in value of an asset particularly due to wear and tear.

Investment property A property purchased with the intention of earning a return on investment at some point, this could be through rental income or profit from a future resale, or both.

Negative gearing When the rental income of a property is less than interest repayments and other outgoing expenses.

Niche properties A specialised sector of the property market such as student accommodation, golf property and holiday houses.

Tax break A colloquial term referring to offsetting losses made on investments with tax deductions.

Residential property Real estate that provides shelter and living necessities like houses, units, flats and townhouses.



Photography Getty Images

For more real estate inspiration and information, visit bhg.com.au/property