

Written by Liz Sterzel
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Real estate investments can go a long way towards helping baby boomers retire in a lifestyle they're accustomed to.

Blogger: Liz Sterzel, director, *Property Wizards Independent Buyers Agency*

It is no secret that superannuation isn't going to provide enough income for many baby boomers during their retirement, but it isn't too late for many of them to create a rosier future through real estate.

The baby boomers are still young enough to look at buying into great investment properties now to boost their retirement years and make sure they'll be able to continue the lifestyle they're currently enjoying.

While the first baby boomers became eligible for aged pensions in 2011, many of them are still earning good wages and, with their children mostly older and off their hands, have the disposable income to pour into property investments in areas achieving good growth.

If they can pick up real estate that will grow in value over the next 10 years or so, that could make a huge positive impact on the quality of their retirement.

They could either sell the property down the track and make a sizeable profit, or have some cash flow in their retirement years by collecting rental returns.

An example involving the purchase of a \$500,000 property proved real estate investing could put baby boomers out in front during their post-working life.

On a \$500,000 loan, the out-of-pocket cost to hold that property would be around \$150 a week on a rental of \$450 per week, depending on the investor's income, interest rates and the property management costs.

If the property grows at 8% per annum, which is the long term average growth rate for Perth, after 10 years the investor would have outlaid about \$102,000 from their own pocket, but have accumulated equity of around \$579,000.

The benefits of such an investment can have a massive impact on the financial position of your average baby boomer.

Baby boomers downsizing the family home as they moved closer to retirement would also be smart to re-direct the surplus cash into other property investments.

The baby boomers have shown themselves to have a love of real estate, staying in the property investment market when others are reconsidering their position.

This is probably due to the fact they're experienced enough to know the market cycle, but whatever the reason, if they stick to this strategy they're likely to enjoy a better lifestyle into their later years.

There are some key areas providing opportunities to make retirement smoother for baby boomers.

Coastal suburbs and those near the coast, river or city that have great access to the freeway and public transport systems, as well as sought-after lifestyle facilities, are proving strong and all indications are good for the years ahead.

Astute investors will also be seeking out the suburbs where there are plans to create more lifestyle attractions, such as marinas, shopping and restaurant or café strips.

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About Liz Sterzel



Liz Sterzel is an award-winning independent buyer's agent with more than 10 years extensive experience in property investment based on successful, profitable property acquisition.

Her local market insight, advanced financial knowledge and investment skills allow her to pinpoint the areas and property types that are the most likely to achieve superior growth.

Liz prides herself on finding growth opportunities for clients that would otherwise be unknown or unavailable to unassisted buyers, enabling her clients to get in ahead of other buyers and secure properties that outperform the market.

Her sophisticated research and analysis skills, gained during a decade of senior-level management experience, led her to develop advanced methods to identify and secure unique property opportunities.

"We look for property that will outperform the market."

Liz Sterzel, Director - Property Wizards Independent Buyers Agency www.propertywizards.com.au