



# Common methods of investment property ownership

<b>Ownership</b>	<b>Pro's</b>	<b>Con's</b>
<u><i>Individual</i></u>	<ul style="list-style-type: none"><li>• Simple to arrange no establishment costs</li><li>• Receives CGT Discount</li><li>• Individual can negative gear</li></ul>	<ul style="list-style-type: none"><li>• Income taxed at individuals marginal tax rate</li><li>• No asset protection exists</li><li>• Can not income split</li></ul>
<u><i>Partnership of individuals</i></u>	<ul style="list-style-type: none"><li>• Receives CGT Discount</li><li>• Low establishment costs</li><li>• Partners can negative gear</li></ul>	<ul style="list-style-type: none"><li>• Income taxed at partners marginal tax rate</li><li>• No asset protection exists</li><li>• No income splitting ability</li></ul>
<u><i>Company</i></u>	<ul style="list-style-type: none"><li>• Potential tax savings on rental income</li><li>• Separate legal entity</li><li>• Survives death of one or more owners</li></ul>	<ul style="list-style-type: none"><li>• Requires set up time and cost</li><li>• Does not receive CGT Discount</li><li>• Losses are retained in Company</li></ul>
<u><i>Discretionary - Unit Trust</i></u>	<ul style="list-style-type: none"><li>• Potential tax savings</li><li>• Receives CGT Discount</li><li>• Separate legal entity</li><li>• Ability to income split</li><li>• Survives death of one or more owners</li><li>• Can stream capital gains to beneficiaries that have capital carry forward losses</li><li>• Asset protection (family court may be exception)</li></ul>	<ul style="list-style-type: none"><li>• Requires setup time and cost</li><li>• Losses are retained in trust</li></ul>
<u><i>SMSF</i></u>	<ul style="list-style-type: none"><li>• Income generally taxed at 15% or less</li><li>• Received CGT Discount</li><li>• Separate legal entity</li><li>• Asset protection (family court may be exception)</li><li>• Separate legal entity</li></ul>	<ul style="list-style-type: none"><li>• Requires setup time and cost</li><li>• Losses are retained in SMSF</li><li>• Borrowing is more restricted IE: Can't borrow to build</li></ul>