

# SHARES VS. PROPERTY

# A Summerised Comparison

3-minute read







### Liquidity:

- **Shares** offer liquidity advantages over property. With bustling share markets like the ASX, transactions are swift, settling within three days. The ability to diversify across various companies is easier with shares due to their lower unit prices compared to property.
- **Property** transactions can drag on for months and involve higher costs like agent fees and stamp duties.

## Tangibility:

- **Shares** are stored as electronic records and while representing ownership in a business, they lack that tangible presence of property.
- **Property** emerges as the more tangible investment. It's a physical asset that can be touched, customised, and enhanced through renovations.

### Tax Efficiency:

- **Shares** provide franking credits on dividend income, preventing double taxation. Shares investors can utilise margin loans for negative gearing.
- **Property** currently still offers negative gearing, allowing investors to deduct losses against taxable income, potentially reducing tax liability. Property investors benefit from depreciation claims

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#### Hands-Off Investment:

- **Shares** are more a hands-off investment. Once initial setup and research are done, managing a share portfolio requires minimal effort, especially when investing in index funds or ETFs.
- **Property** investment demands ongoing management, including property maintenance and tenant interactions, unless outsourced to a property manager.

#### Conclusion:

While both shares and property have their merits, the optimal choice depends on individual preferences and circumstances.

Shares offer liquidity, tax advantages, and hands-off management, making them favorable for many investors.

Property appeals to those valuing tangibility, active involvement, and potential rental income.

Thorough research and consideration are crucial in making an informed investment decision tailored to one's financial goals and lifestyle.

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