

BASIC RULES OF PROPERTY INVESTMENT

It is important to set the ground rules before you start and the stick to them, so prior to handing over your hard earn funds consider these basic points..

Who is going to be responsible for the property, management, and loan - etc?
Set a budget and be realistic

Finance - find your preferred lender and make sure you have covered all the associated costs

Decide the on a property type, that you want to invest in and educate yourself ie if the property has a body corporate fee etc

Discipline and be in control at all times

Here are some of the types of property to be consider
Commercial – shop, offices, large residential blocks, show rooms etc
Industrial – factories (manufacturing), yard type industries, etc
Residential – houses, units, townhouses, duplexes, etc
Rural – land and properties outside gazetted city limits

Here are some different titles of property to be consider
Torrens – stand alone house title
Unit (strata) – title within a cluster complex
Company – a share of a title own by a company – right to use of your share.
Timeshare – a title for a time period

Things you may need to consider concerning financing
House and unit titles – good security and most financial groups accept
Company title – limited acceptance, hard to finance
Time share – usually cash or on unsecured loans

Consider the purpose of the investment
To renovate and resell
To renovate and rent
Positive gearing
Negative gearing

Don't forget about location, location
Best residential – beaches, rivers, waterways, inner city, views, outer city, flat rural.
Best commercial – CBD, large shopping precincts, new growth suburbs
Best industrial – near associated services e.g. transport terminal next to large manufacturing complexes

Consider what your target will be
Drive around the preferred areas
Scan the newspaper / internet for media reports
Talk to a real estate agent

Found a property
Does it suit your criteria?
Does the property Visualize need renovations or repairs required
Scan for major faults – if in doubt get the experts to inspect
Do not buy for emotional reasons it is an investment "remember you are not going to live there"

There are different ways to purchase
Auctions'
Sole or exclusive agency
Open listing
Private sales
Direct approach
Mortgage sales
Option to purchase

Things to remember
The agent acts for the seller – not the buyer
Auctions – make sure you have done your research first
When it comes to offers – be bold and be in control - if the money not right then walk away
Cover yourself do a building and pest inspections (when required)

When it comes to paperwork
There are always forms to fill out
Know your rights read all necessary paperwork
Check the contract conditions don't get caught out
Talk to your conveyancer reference to the necessary paperwork they required
You have signed then you are obligated

The big day settlement
Long settlement
Do you required early access
Do you required to renovate or carry out repairs after financial approval

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