



HOLISTIC PROPERTY CHECKLIST

For investors

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Holistic Property Checklist

So you've decided to invest in property!

There are many things to consider when embarking on an property acquisition – these generally fall into 3 categories – Macro, Micro and of course the Property itself.

But before you start, there are some fundamentals you should understand and consider.

Checklist 1 - Fundamentals



Ownership structure - will you purchase in your name, joint tenants, tenants in common, in a trust, self managed super fund.



Land tax - what States or Territories should you consider in order to minimise your land tax. (A decision intertwined with ownership).



Property type - will you buy a Unit, Townhouse, Duplex, detached House, or maybe a development site?



New or established - will you buy a new or established property and why?



Portfolio alignment - how does this new acquisition fit in with your investment portfolio plan (and your life/retirement goals)?



Checklist 2 - Macro factors



Population growth - make sure the target state/city/town is growing. Growing population means growing demand.



Infrastructure projects - you want to make sure money is being spent on infrastructure, like roads, schools, hospitals, shopping centres etc. Investment should be from the government as well as private money.



Strong economy - make sure the target state/city/town has strong economic bones. Consider indicators like low unemployment, rising incomes and consumer confidence.



Government policy - policies, such as taxation and regulatory policies, can impact your decision on where to invest. For example, changes to tax laws or zoning regulations can affect the attractiveness of certain types of property investment.





Checklist 3 - Micro considerations

At this stage of your analysis and due diligence you are researching and deciding on suburbs. Some of the suburb checks to undertake include:

Affordability	Can you afford to buy in this suburb?
Vacancy Rate	Does the suburb have a vacancy rate of 3% or less?
Sales Data, Demand indicators	Is there strong demand in the area? Review data trends over time for indicators such as Listings and Sales, Days on Market, Stock on Market.
Demographics	What is the median age? What are the primary occupations? What % is in full time work? What % of the suburb have paid off their mortgage? What is the most popular dwelling? What is the socio-economic index for the area (SEIFA)? All these factors are important to understand.
Gentrification	Has the suburb been gentrified or is it in the process? What is happening on the ground?
Crime	Find out what the crime is like in the suburb. People generally like to live and rent where crime is low.

Checklist 4 - The Property



The quality of the asset itself and its location are of paramount importance. Below are just some of the property checks you should undertake.



Minimising major risks

- Check the property is not in a flood or bushfire zone
- Review Pest inspection report
- Review Building inspection report
- Review Strata report (if the property is in strata), and ensure you get the full report including minutes of Strata meetings
- Contract review by solicitor or conveyancer



Property location

- Check for close proximity to schools, and check school zoning
- Check proximity to public housing; avoid properties in locations with a high amount of public housing
- Review flight paths; avoid properties under them
- Avoid major new subdivisions on outskirts; land and thus supply tends to be more available in these locations, which can lower your growth prospects
- Check for any planned infrastructure projects in the neighborhood – these can have positive but sometimes negative impacts on your asset
- Check for any Development Applications in the close proximity of your property – your property may have a view that is about to be blocked
- Check for close proximity to shops, jobs, recreational spaces and public transport



Asset quality and features

- Inspect build quality and state of repair
- Review any approved building works
- Inspect and investigate any unapproved building works for risks
- Calculate the house to land ratio and make sure it isn't too high
- Determine if it has renovation potential. If this is an established property, renovations are a powerful option to have up your sleeve later in your investment journey
- Inspect all the features, fixtures, fittings included in your property. i.e. fans, air conditioning, solar, gas heating, security system, etc. and determine their condition
- Check if the property is on a busy road. It is preferable to be on a quiet, well-maintained street
- Inspect and experience the natural light entering the property. North facing property tends to be most favourable to live in and generally offer an abundance of natural light
- Inspect the layout; people tend to like a modern floorplan where the kitchen flows into the dining onto a back deck or alfresco
- Ensure the property has a courtyard, a yard or at least a balcony (for a unit)
- Determine if the property has an x-factor appeal – something unique that makes it stand out from the crowd. It could be an amazing street appeal for example



The all important \$\$\$

- Price – do your due diligence on the price you are prepared to pay. Review comparable recent sales, inspect other properties up for sale. Calculate the fair value of the property and do not overpay.
- Cash flow:
 - Calculate income, all estimated costs and depreciation.
 - Can you afford the property?
 - If your property has a tenant have they been paying on time? If it is untenanted, review recent rentals in the suburb

Checklist guidance

It can be difficult for a property to tick all boxes in this checklist, but ensure you never compromise on major risks, capital growth, cash flow, location and general quality.

The critical thing is that you do your due diligence and have the data that gives you the power to make the best, most informed decision at the time of your investment.

Using a Buyer's Agent

A professional Buyer's Agent can help you with all of these checks.

This can not only save you a significant amount of time, it can greatly enhance your chance of a successful investment, whilst minimising the risk of a poor quality one.

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