

Questions to Ask Before Buying an Investment Property

Purchasing an investment property is exciting, but at the same time complex too. After all, you are putting a lot of money on the line and need to be sure you are making the right decision.

To help you understand which property you should invest in, we have put together a check list with questions that you should ask when you are buying an investment property. As follows;

- Why are you buying an investment property?
- What are your financial goals?
- What is your budget?
- Can you afford the extra expenses associated with a rental property?
- How long do you want to keep the property for?
- What is your capital growth strategy?
- What is your cash flow strategy?
- Are you looking for a positive geared property?
- Can you utilise the benefits of negative gearing?
- How many years of depreciation does it have left?
- Which area is right for you?
- How much are similar homes selling for in the area?
- How much did the seller pay for the home?
- Why are they selling?
- How long has it been on the market?
- What kind of sale is it?
- What are the local schools?
- What's the nearest hospital?
- Where are the local shops & restaurants?
- How is the neighbourhood?
- What type of person would rent the home?
- What is public transport like - and how far away is it?
- Are there any major projects happening in the area?
- What is the availability of new land in the area?
- Is the property in a known flood zone?
- What is the zoning of the property?
- Is there potential for this zoning to change in the future?
- How does the council view future development?
- What are the property taxes?
- Is the neighbourhood anticipating a change?
- What is the suburb median rental yield?
- What is the property's rental yield?
- How many renters (%) in the area?
- What is the vacancy rate in the area?
- What is the suburb's median house price?
- What are the local auction clearance rates?

How long has the property been on the market for?
What is the average "days on market" (DOM) in the area?
Is any property discounting happening in the area?
What is the population growth forecast in the area?
What are the local demographics?
What is the current market rent?
How old is the property?
What is the average age of properties in the area?
How many car parks are there?
Can you safely park on the street?
What are the rules on pets?
What are the monthly maintenance fees?
Are there body corporate fees? How much?
Is there a recent strata report on the property?
Would tenants pay more rent to have air conditioning?
What improvements would tenants pay more rent for?
How old are any major renovations?
Is there documentation on work done to the house?
Is anything NOT included in the sale of the house?
Does the property need work? If so what work?
Is there leak, or asbestos?
Are there wiring or plumbing issues?
Were there any additions or major renovations?
Is there documentation and permits for renovations?
Are there covenants, caveats or any regulatory issues?
Does everything match what is on the Certificate of Title?
Is there a development application (DA) for the property?
How old is the roof?
How old are the appliances and major systems?
What's the history of past insurance claims?
Has the vendor got a building and/or pest report?
Exactly what is included in the sale?
What fixtures and fittings are part of the sale?
Has the owner purchased elsewhere?
How desperate does the owner need to sell?
How many owners has the property had?
What price do you think the owners would accept?
Have they had any offers so far?
Has the property been valued by a registered valuer?
Is the property currently under lease?
Has anyone attempted to purchase the property and failed due to finance?
How much will you pay in closing costs?
Will the vendor pay or contribute to closing costs?