

# COLLINS HOME LOANS

## Property Investment Checklists



### PROPERTY INVESTMENT

Investing in property is a sound wealth creation strategy, but it is important to ensure you understand all the aspects of what it takes to successfully invest in property.

We have put together two handy investor checklists to help you navigate the investment landscape. The ***Getting Started in Property Checklist*** and the ***Investment Costs Checklist***.

Just scroll down to review the various tips and strategies to help you successfully secure and manage your investment property.

Good luck and don't hesitate to [contact us](#) at Collins Home Loans if you have any questions.

All the best with your property investment journey!

# 'Getting Started in Property' Checklist

## 1. MAXIMISE YOUR BORROWING POWER

This is a fancy way of saying Save, Save, Save....By this we mean assess your finances and look at ways that you can reduce your spending and increase your savings. [Click here](#) for more tips.

## 2. ESTABLISH YOUR INVESTMENT GOALS

This is a good time to consider meeting with an Accountant or Financial Planner to help nut out your investment strategy. Your goals should be divided up into short term (3-6 months), medium term (1-2 years) and long term (5+ years). *Always get independent legal and financial advice before buying or selling a property.*

## 3. ARRANGE YOUR PRE-APPROVAL

This is an important step that is sometimes overlooked by many first time investors. Securing a pre-approval for a home loan gives you confidence, as you will know what your spending limit is. It also demonstrates that you are a serious buyer - that you have done your homework and are ready to proceed with a purchase. [Learn more here](#) or [make a time to speak to a mortgage broker](#) today.

## 4. IDENTIFY COSTS

Review the **Investment Costs Checklist** on the next page for an overview of what costs you can expect to incur when buying an investment property.

## 5. SHORT LIST SOME PROPERTIES

By shortlisting a number of properties at the same time, you have the opportunity to compare costs and benefits of each and weigh them up against each other. You will want to consider such parameters as location, access to amenities such as schools, shops and public transport, distance from the CBD, [suburb profile](#), comparative sales in the area.

## 6. IDENTIFY MAINTENANCE SCHEDULE AND DEFECTS

Sometime referred to as a Due Diligence check, this process will assist you to understand any issues that will affect the property if you purchase it. Your maintenance obligations are specified under the Tenancy Act (which differ from state to state). Learn more about your landlord obligations [here](#).

## 7. SECURE OR RE-SIGN A TENANT

Retaining an existing tenant at settlement can be an advantage, as it can reduce the cost of change over (property management fees etc.) and you can start drawing a rental income right from settlement.

## 8. SET UP YOUR TAX STRUCTURE

It is recommended to always seek independent legal and financial advice before buying or selling a property. This is even more important when there are tax implications such as negative gearing and land tax.

## 9. BE PREPARED FOR THE UNEXPECTED

Never assume that things will stay the same when it comes to property. Interest rates may rise, tenants may suddenly leave, you may incur unexpected maintenance costs or property [investor regulations](#) may shift. So it is important to have a contingency and plan for the worst-case scenario.

# 'Investment Costs' Checklist

## LAND PURCHASE

Item	One-off costs	Ongoing costs	Annual Amount
<input type="checkbox"/> Purchase price	✓		\$
<input type="checkbox"/> Stamp duty	✓		\$
<input type="checkbox"/> Building inspection / property report	✓		\$

## MORTGAGE COSTS

<input type="checkbox"/> Establishment fee	✓		\$
<input type="checkbox"/> Valuation fee	✓		\$
<input type="checkbox"/> Conveyancing/legal fees	✓		\$
<input type="checkbox"/> Mortgage repayments		✓	\$
<input type="checkbox"/> Financial Planner/ Accountant - investment advice	✓		\$

## TENANCY COSTS

<input type="checkbox"/> Advertising costs	✓		\$
<input type="checkbox"/> Agent or Property Manager's commission (for managing the property OR if self managed, website fees.		✓	\$
<input type="checkbox"/> Repairs and maintenance (house and garden)	✓	✓	\$

## RATES AND TAXES

<input type="checkbox"/> Council rates		✓	\$
<input type="checkbox"/> Land tax		✓	\$
<input type="checkbox"/> Water and sewage		✓	\$
<input type="checkbox"/> Building insurance		✓	\$
<input type="checkbox"/> Body corporate fee (if applicable)		✓	\$
<input type="checkbox"/> Other taxes		✓	\$

## OTHER COSTS

<input type="checkbox"/> Contingency amount	✓		\$
<input type="checkbox"/> Other costs _____			\$
<b>TOTAL</b>			<b>\$</b>