



Investing in Residential Property

Helpful things to know prior to investing



Questions to ask

Ask these prior to investing in a property

Ask yourself...

- Why am I choosing to invest in property?
- Do I want to own this investment property for at least 10 years? The longer the holding, the less risk involved
- Will I be able to look at the investment financially and not emotionally?
- Do I want to buy a house on single title?
- Do I want to buy a unit with a body corporate? Am I comfortable with how body corporate/strata titles work?

Ask your accountant...

- Will it be tax effective for me?
- What can I claim as a tax deduction?
- What tax implications are there that I should consider, such as capital gains tax or stamp duty?
- Will I be negatively or positively gearing?
- Should I buy a new property with depreciation benefits?
- Does my rent have to cover my interest? Can I afford to contribute some cash myself?



Ask your bank..

- How do I access the equity in my own home?
- Does my rent have to cover my interest? Can I afford to contribute some cash myself?
- What is my borrowing capacity and can I borrow 80% of the purchase price? This means you have access to 20% in either cash or equity and avoids mortgage insurance in most instances. Can I afford this?
- Do I consider borrowing \$100%?
- What will a change in the economic climate mean for me if things turn for the worse? Can I cope with rising interest rates?
- What mortgage options are out there for investing in property?
- Can I and should I borrow "interest only"? Ask for the benefits of doing this
- Can I use a Deposit Bond/ Guarantee instead of cash deposit on purchase?

Ask your real estate agent..

- What is the likely rent or past rental history?
- What is the vacancy rate like in this area? For both the property and suburb
- What is the best time to look for tenants?
- How long has this property been on the market?
- Is there anything I should know about the property or the area that is not mentioned in the advertising material?
- What are the rates per annum? What if any, are the strata fees payable?
- Is a lease in place and how long would the tenants be willing to stay on? Is the rent they are paying market value?
- How professional is the Property Management team?

Rules to Follow

To ensure a solid and successful investment

RULE 1

Understand supply and demand in the area your are purchasing.



RULE 2

Understand what tenants look for in a property to rent.

- thoroughly clean and fresh accommodation, such as new paint and carpets
- heating and cooling
- low maintenance surrounds
- good security and safe environment
- appliances in working order
- decent car accommodation
- good, private spaces
- close proximity to amenities
- value for money

RULE 3

Look for good infrastructure in the suburb you are looking to buy in. Are there schools, shops, public transport and recreational facilities?

RULE 4

Has there been a trend of capital growth in the past compared with other local suburbs?

RULE 6

Work out your rental return based on 52 weeks per annum - or if you are wanting to factor in a vacancy allowance, allow 48 weeks.

Rental return as a percentage is your gross yield and can be calculated as per the below formula.

RENTAL RETURN FORMULA

Rent per week x 52 weeks in year / purchase price x 100

For example: \$250 per week x 52 = \$13,000 / \$220,000 x 100 = 5.9% gross return

RULE 5

Look at as many similar properties as possible and look for good value not an emotional attachment.

RULE 7

Listen to advice from family and friends but remember it's your money not theirs.

RULE 8

Seek independent advice from professionals.

RULE 9

Always get a pest and building inspection carried out by licensed and qualified tradespeople.

RULE 10

Understand your legal rights and responsibilities as a buyer and landlord.

Chat to our Investment Consultant

Award winning consultant Gemma Aiken

Gemma has been a valuable member of the Fitzpatricks team since 2019, and her journey within the company has been nothing short of remarkable. She has successfully transitioned through various roles, showcasing her versatility and dedication to her work. Currently, Gemma holds the position of Property Investment Consultant.

One of Gemma's greatest joys in her job is the opportunity to meet and assist numerous individuals within the community. Gemma's commitment to her clients is unwavering, and she consistently goes above and beyond to ensure their needs are met and the best outcomes are achieved.

In 2025 Gemma also recognised for excellence by the Real Estate Institute of NSW, winning Business Development Manager of the Year. She was awarded for her outstanding contribution to the success of our investors.

Gemma's dedication, passion and exceptional service makes her an invaluable asset to our team.



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