

Buying an Investment Property

Buying an investment property is less complicated than many people realise.

“It’s easier than buying the family home,” Lydon Gibbons of Raine & Horne Tweed Heads/Coolangatta said.

“Most investors say they enjoy being able to focus on the practical aspects of property purchase. Once you take emotion out of the decision it becomes much more straightforward.”

According to Anthony Davis prudent investors make sure they focus only on criteria that maximise security.

“Some of the criteria on an investor’s list - location, structural soundness, for example - are also important when buying the family home. But the whole process is simplified by the fact that factors like aesthetics, or personal preferences are simply not relevant.”

Lydon Gibbons said new investors will be ready to make an informed choice once they have studied the location in which they intend to purchase.

“Get to know the typical property being sold in the area,” Lydon Gibbons said. “The characteristics to acquaint yourself with are the number of bedrooms, age, construction and land size. In Tweed Heads, for example, the typical property is a three bedroom, brick veneer property with a tile roof on a six hundred square metre block.”

According to Richard Arrowsmith the next thing to establish is the median price currently being achieved for that typical property .

“It’s important not to confuse median with average,” Richard Arrowsmith said. “The average is usually a totally different figure - a few \$580,000 sales in an area where the median price is \$420,000 distort the average so that it does not reflect what is most often sold.”

According to Anthony Davis talking with two or three local agents will enable investors to build up a profile of their local area and its rental market.

“Once you are familiar with the median for the area you can inspect all the typical properties currently for sale in a price bracket ranging from 20% below the median price to 15% above,” Anthony Davis said. “Properties that fall into this range turn over faster even in a depressed market and are more likely to hold their value. This means if you want to sell quickly at any stage you are in the best position to do so.”

“Above all minimise risk by keeping emotion out of the decision,” Lydon Gibbons said. “Would I like to live here? Is an irrelevant question.”

For more information on Tweed Heads real estate, Coolangatta real estate, Banora Point real estate, Bilambil Heights real estate, Tweed Heads West real estate, Tweed Heads South real estate, Kirra real estate and Terranora real estate contact Raine & Horne Tweed Heads/Coolangatta on 07 5536 2533.