



PURCHASING AN INVESTMENT PROPERTY

CHECKLIST

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THE WALMSLEY GROUP

ESTATE AGENTS

Hi Investor,

Are you looking to purchase a property? I'm sure you have found plenty of articles on where and what you should be buying. However, this e-book is your first and last stop resource for property investment. I will take you through the how-to's and the what-not's, so when the time comes for you to invest, you will be well equipped with the knowledge you need to secure your investment quickly and effectively.

I have spent years selling to investors, so when I started The Walmsley Group and focused on property management, I asked my clients, "*What they wish they had known before purchasing their first investment?*". From their answers, I put together a list of everything and broke it down into two sections; *1. Before Purchasing* and *2. After Purchasing*.

I designed this e-book to be user friendly, so make sure to print it out and tick as you go!



If you have a question or need clarification around anything outlined, please feel free to call or email.



Thinking of using any trades or services for your investment, but not sure who you can trust? If you would like a few recommendations, please feel free to call or email.



Buying an investment can be an overwhelming task, if you would like a professional opinion, please feel free to call or email.

There is no such thing as good luck in investing, just good knowledge. The Walmsley Group has that knowlegde.

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BEFORE PURCHASING



BUILDING & PEST INSPECTION

(\$400 - \$600 Depending on property size)

Standard building and pest clauses range from 7 - 14 days. It is worth letting your inspector know that it will be an investment property and to point out any issues that will cost money over the next five years.



CONVEYANCER

(\$800 - \$1000 Depending on contract complexity)

There are a few clauses that should be added to your contract. This will reduce the loss of rent and upfront costs associated with the initial purchase. You will need to engage a solicitor prior to signing a contract as you will need to provide the real estate agent with the clauses.

- Request the current owner's bond clean as well as weed, mow and trim back all the trees before settlement.
- Request a hi-res copy of the advertising photo and authority to advertise the property prior to settlement.
- Request authority conduct open homes and take potential landlords through prior to settlement



ELECTRICIAN

(Checks start from approximately \$180)

Specifically ask for a pre-purchase inspection. They will check wiring, safety switches and ensure that there will not be any issues preventing you from renting the property.

Ask for:

- A quote on hard wiring smoke alarms in all bedrooms to comply with the 2022 legislation. You can factor this quote into your future costs.
- Ask for a smoke alarm compliance certificate to be included in the price. This will save you \$99 when your first tenants enter the property.

BEFORE PURCHASING



PLUMBER

(Checks start from approximately \$200)

If you have plans to renovate the property in the future and the possibility of relocating bathrooms or the kitchen, drainage may be a concern, especially if the property is on a slab.



VALUATION

(Depending on which bank you choose, this could range from \$200 - \$800)

This is conducted by the bank. Sometimes costs are included or a cost could be incurred.



INSURANCE

(Combined insurance begins at \$1200 annually)

Organising building insurance is *crucial* as soon as the contract has been signed. You do not need landlord cover until there is a signed lease. Generally speaking, most policies have a good cover. However, outlined below is what you need to ensure is included in your policy:

- Cover for tenant damage. This is better than having cover for malicious damage (Landlord).
- Payout for loss of rent 16 weeks or greater (Landlord).
- Single excess for building and landlord when taking out for the same event (Landlord and building).



STAMP DUTY

(Varies with every property, *calculate here*)

Stamp duty is relative to the price of the property. It is always good to have a chat with your broker about what to expect.

BEFORE PURCHASING



MORTGAGE REGISTRATION & TRANSFER FEES

(Approximately \$180 in Queensland)

Talk to your bank or mortgage broker about these costs as they vary.



LOAN APPLICATION FEES

(Can range from \$500 - \$1000+)

Talk to your bank or mortgage broker about these costs as they vary.



MORTGAGE BROKER

(Paid by the bank)

A mortgage broker is paid on a percentage of your bank loan. Most are paid a trail fee every month for the duration of your mortgage.



STRATA & BODY CORPORATE FEES

(Varies based on property)

There are generally admin and sinking fund fees involved in body corporate costs. Your selling agent must provide you with a breakdown of these costs.



JUNK REMOVAL

(Varies based on amount)

Costs vary from hiring a professional removalists to casual labour. If there is a large amount of debris at the property you are purchasing, it is always a good idea to have an additional clause added into the contract. That way the property is left free of debris as these costs can be expensive.

AFTER PURCHASING



PROPERTY MANAGEMENT COSTS

(Varies depending on property)

There are a number of charges that you will need to be aware of:

- **Advertising:** Packages vary depending on your property location. These costs can range from \$90 - \$700.
- **Letting Fee:** Anywhere between one to two weeks rent plus GST depending on the agreement with your agent.
- **Management Fee:** This is a weekly fee for the property manager to look after the property and is generally charged as a percentage.



SMOKE ALARM & CORD CHECK

(Approximately \$99 each check)

You are required to provide smoke alarm and cord checks on your property at the beginning of every lease.

- **Smoke Alarms:** There is new legislation coming in that will require all properties rented out to have hard wired smoke alarms by 2022. I would recommend getting a quote so that you can factor these costs into your budget.
- **Cord Check:** If the cords on blinds are not child-safe, they will need to be fixed and secured. You can buy cordless vertical blinds or child-safe ones if you want to avoid additional costs.



BOND CLEAN

(Starts around \$400 for a 3-bedroom house)

Cost varies based on property size. Ensure you ask for a full wall clean and window clean. Tenants must return the property as it was given to them, so it is best to ensure that the property has been professionally cleaned to begin with.

AFTER PURCHASING



CARPET CLEANING

(Based on the number of rooms - budget for \$200)

Carpet cleaning is essential, it is about having the house returned to you in the same condition.



ONGOING ACCOUNTING COSTS

(Approximately \$137 for a tax return annually)

There are many costs depending on how you purchase the investment. For example; company name, self managed super fund or in your name. Talk to your accountants if you are purchasing any way other than in your name as there are costs associated with setting up and maintaining a company and self managed super fund.



SAFETY REPAIRS

(A handyman is about \$60/hr plus any additional materials required)

These cost can vary. It is your responsibility to provide a safe environment for the tenant/s. It is best to ask your property manager to walk through your property and complete a risk assessment before settling.



WATER COMPLIANCE

(\$180 for the compliance certificate)

A water compliance certificate means that you are able to charge the tenants for the water usage component of the water bill.



COUNCIL & UTILITIES

(Varies based on location)

Rates are generally between \$1000 - \$1700, unless you are purchasing in an area the has a median sales price higher than \$800,000.

AFTER PURCHASING



PEST CONTROL

(Approximately \$300 every 12 months)

A pest spray should be done prior to tenants moving in. This is best to do every twelve months to ensure the house is kept free of pests.



POOL SAFETY CERTIFICATE

(\$200 for the certificate)

Ensure when you purchase the property, you are given a copy of the pool safety certificate. This is an ongoing cost and needs to be maintained.



POOL COSTS

(\$80/month for a pool service)

Ensure that your tenancy agreement outlines that you pay for servicing and tenant/s pay for maintenance.

Are you looking for a property manager?

THREE REASONS TO CALL US TODAY

WE DON'T BELIEVE IN 9 TO 5

Your personal property manager is available on mobile 24/7 to you and your tenants.

NO STAFF TURN OVER

The Walmsley Group is owner operated and has partnered with the latest technology to ensure that you deal with one person year in and out.

PROACTIVE MANAGEMENT

Together we will create a fully tailored risk management plan that will ensure that we are covering every aspect of the management of your property. Our plan and our education program are just some of the ways we proactively manage your property.

CALL TIANA ON 0404 764 996