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*Top 10 ways to capitalise on
property ownership*





Top 10 ways to capitalise on property ownership

When discussing the best strategies for making savvy investments, it doesn't take long for the conversation to gravitate toward property ownership. That's because, whether it's home ownership or owning a commercial property, investing in traditional brick and mortar real estate is one of the most time-tested and proven methods of achieving financial security, regardless of short-term market conditions.

In fact, property ownership is widely considered to be the bedrock of the modern economy, and for that reason, Credabl has designed this whitepaper to give you a competitive edge when it comes to property ownership.

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*"Let your imagination soar and
your property value might just
follow."*



Get creative by incorporating renovations and reconfigurations directly into your plan

Naturally, we all want that immaculate 5-bedroom house up on the hill. You know, the one with the shimmering swimming pool in the backyard and sleek, 3-car garage? Well, guess what? That house is going to cost you a lot more than a pretty penny.

Instead, start thinking about properties that have the *potential* to become your dream property. If you look at your next home or office as something you're willing to fix-up and develop, you're likely to spend a lot less cash outright and can invest the money you've saved directly into renovations and reconfigurations to boost the long-term value of the property.

If you're buying an investment to turn into a rental property, it's important to remember that any [renovations should reflect market requirements as opposed to your own personal wants and needs](#). Small renovations that add to the property's necessities and niceties can however yield healthy returns.

Consider the “worst house in the best street” adage

You may want to steer clear of literally buying the worst property on the block, but this age-old adage has some real wisdom to it. If you find a building that needs some work within a burgeoning area, you can factor the property value into your investment. In some especially hot markets, the value of a property can double or triple within a decade, based on location alone.

So, if a property needs a bit of work and the area is heating up, take that into account.

Use a buyer's agent for additional expertise and competitive advantage

[What if you aren't even seeing the home of your dreams?](#) Unless real estate is your day job, it's a smart move to partner with those who spend their entire careers evaluating, negotiating and understanding the evolving nature of property sales. Utilising a buyer's agent can give you access to off-market sales, help you to avoid overspending and save you time otherwise spent agonising over internet listings.

Sometimes a buyer's agent can find a motivated seller to give you an incredible deal, other times they simply provide beneficial insight that gives you additional peace of mind before finalising a sale. Regardless, this is a recommendation you should incorporate directly into your property ownership game plan.

Have your plan to add value ready-to-go

Expanding on Tip #1 (and worth emphasising again, and perhaps even once more) is your ability to add value to a property *after* acquisition. For example, with a residential property, consider where a kitchen can be renovated to create a more modern and open look. Also consider your ability to transform a 2-bedroom into a 3-bedroom and your property can increase rental yield and overall value as a result.

Looking at the return on investment (ROI), a relatively minor \$10,000 kitchen or bathroom renovation may unlock a \$20/week increase in rent – equating to over \$1,000 a year in additional return. That's a 10% per annum return on your \$10,000 and will often mean your vacancy periods are reduced.

Another consideration is whether or not your property is large enough to sub-divide? If it is, your rental yield could double. Get creative and even consider if a commercial unit on the ground-level could accommodate a private residence above. Let your imagination soar, and property value just might follow.

Keep an eye out for new infrastructure

Look at properties close to newer or under-construction infrastructure as a predicator for future value. If new infrastructure has been built in the area, this may not be immediately baked into the sticker price. However, prices will often rise over time if the area continues to develop.

As such, you can keep an eye out for new train stations, shopping areas, schools or hospitals. As new areas grow and develop, value will increase. For renters, this often appeals to tenants and reduces your risk of vacancy as well.

An example of this phenomenon is the [increase in prices reported](#) to surrounding suburbs as a result of the new airport at Badgerys Creek airport in New South Wales.

Consider buying investment properties in smaller blocks rather than larger developments

[Larger developments typically come with highly-regulated body corporates or strata schemes with formal approval processes.](#) Smaller, less heavily developed areas often mean that new building permits can be expedited or at the very least, fewer barriers will need to be accounted for if you decide to renovate, expand or alter the property.

Additionally, the more boutique the development the more exclusive and intimate it is likely to feel to potential renters. Remember, time-on-market is a major influencer to ROI – just 3 weeks vacant a year can reduce your ROI by 6-10% per annum! An attractive, fresh and up-to-date property is likely to reduce your time-on-market between tenancies.

Always remember: location, location, location

This is by no means a new mantra and it's probably one of the most important. When buying, the area of the property is just as important as the property itself – sometimes even more so with [slower depreciation often attributed to properties in preferred locations.](#)

If an area is becoming increasingly sought after this will help the value of your property appreciate over the long-haul.

If you're planning on renting out this property to others, make sure the property is in a convenient location and is easy to access. Proximity to amenities, public transport and schools is an important factor. It's quick and easy to enter any address into Google these days and calculate walking distances in minutes to the nearest amenity.

If any problems arise on-site, as the landlord, it should be easy for you to make a visit and smooth over any issues. If you love the area, you could even consider downsizing and moving into the property yourself later down the line, or offering it as a residence for your children when they eventually leave the nest.

Avoid going to auction

If the property you're eyeing is for investment purposes, you don't absolutely need to purchase *that* specific house or office. Find a price that matches your suggested range and make an offer *prior* to auction. You can make your offer time-contingent so that it lapses *before* auction commences. This adds incentive for the seller to accept the time-sensitive offer and ensures you don't get into a bidding scenario where you may be at risk of severely overpaying.

Come prepared with *your* offer and *your* terms and this confidence will translate into a better deal.

Use time to your advantage

Make sure that time is on your side when going into something as competitive and demanding as property ownership.

If your current lease agreement is coming close to expiration and you don't have a back-up plan in place, this could cause you to rush your decision or bite off more than you can chew. Consider transitioning to a month-to-month agreement so you have flexibility regarding your exit dates. Give yourself ample time to avoid making preventable mistakes that will hurt your wallet.

Teaming up with the right professionals can make all the difference!

Knowing how much you can afford and setting yourself up to own a property that you can comfortably cover the costs for is important. More important is working with a team that can introduce you to the right people to make things happen with ease – buyers agents, solicitors, accountants etc that know your profession and your aspirations.

[Credabl](#) has successfully helped business owners and home owners across Australia secure properties, while offering loans customised to meet individual needs.



The right financial professionals can help guide you in the right direction, and even help you secure financing to make sure the perfect property or opportunity doesn't slip away.

If you're considering investing in a property or taking steps toward home ownership, we invite you to [contact us](#) today!

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