

The Investor's Checklist

25 THINGS TO REVIEW *BEFORE* BUYING NEW PROPERTY



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Introduction

Buying a new investment property is one of the most significant financial decisions most Australians will ever make. The rewards can be substantial: long-term capital growth, ongoing rental income, and powerful tax benefits. But the risks are real as well. A poorly researched purchase can result in financial stress, prolonged vacancies, or even loss of capital.

This is why due diligence is so important. Successful property investors rarely rely on instinct or chance. Instead, they approach each purchase systematically, working through a structured checklist to ensure nothing is overlooked.

This ebook, *The Investor's Checklist: 25 Things to Review Before Buying New Property*, provides a practical, step-by-step resource for investors. It is designed to guide you through every stage of the buying process, from finance preparation and market analysis to settlement planning. By following this checklist, you can make more informed decisions, reduce risk, and enter the market with confidence.

Chapter 1: Preparing Financially

The first step in buying any property is ensuring your finances are in order. Without a clear understanding of your borrowing capacity, cash reserves, and financial buffers, even the best-located property can become a burden.

1. Know Your Borrowing Capacity

Before searching for properties, engage a mortgage broker or lender to assess how much you can borrow. This provides a realistic budget and prevents wasted time on properties beyond your means.

2. Check Your Credit Health

Lenders assess your credit report as part of their approval process. Ensuring your report is accurate, up to date, and free from errors can improve your chances of securing finance on favourable terms.

3. Factor in Upfront Costs

Stamp duty, legal fees, lender's mortgage insurance (if applicable), and inspection costs all add to the upfront burden. Creating a clear budget prevents surprises at settlement.



4. Build a Buffer

Unexpected costs are part of property ownership. Having a cash buffer — whether in savings or available redraw — ensures you can cover vacancies, repairs, or interest rate increases without stress.

5. Pre-Approval Matters

Securing pre-approval from a lender demonstrates to sellers and developers that you are a serious buyer. It also clarifies your maximum borrowing limit and allows you to act quickly when opportunities arise.

Chapter 2: Market and Location Research

A property is only as strong as the market in which it is located. Investors should pay close attention to supply, demand, infrastructure, and demographic trends before committing.

6. Research Local Vacancy Rates

A suburb with a vacancy rate below 2% typically reflects strong tenant demand. Higher vacancy rates may signal oversupply or limited tenant appeal.

7. Understand Demographics

Who lives in the area? Families, students, or professionals? Knowing the dominant demographic helps ensure your property type aligns with tenant preferences.

8. Infrastructure Investment

Transport projects, new schools, hospitals, and retail centres can all drive future demand. Government websites and local council plans provide valuable insight into what is coming.



9. Supply Pipeline

Check how many new dwellings are being approved and constructed. Oversupply can suppress rental growth and increase vacancy.

10. Employment Hubs

Proximity to major employers, industrial precincts, or business districts enhances rental demand. Tenants prefer to live near where they work.

Chapter 3: Property Selection

Once the location is chosen, the specific property must be carefully assessed. Not all new builds are equal, and subtle differences can make a major impact on long-term performance.

11. Developer Track Record

Research the reputation of the developer. Past projects, build quality, and delivery timelines are strong indicators of reliability.

12. Builder Reputation

The quality of the builder directly affects the durability and tenant appeal of your property. Independent reviews and building registers can help confirm credibility.

13. Design and Layout

Does the property reflect modern tenant preferences? Open-plan living, natural light, and functional kitchens and bathrooms are highly sought after.



14. Energy Efficiency

New properties should comply with energy ratings, but some exceed minimum standards. Solar readiness, insulation, and efficient appliances are attractive to tenants and reduce running costs.

15. Inclusions and Fixtures

Review what is included in the purchase price. Appliances, flooring, air conditioning, and window coverings vary between projects. Higher inclusions improve rental appeal.

Chapter 4: Legal and Contractual Due Diligence

The legal side of property transactions can be complex. Failing to review contracts properly can leave investors exposed.

16. Contract of Sale Review

Engage a solicitor or conveyancer to review the contract thoroughly. Special conditions, settlement clauses, and warranties should all be examined.

17. Title and Zoning Checks

Confirm the property's title is clear of encumbrances and restrictions. Check zoning rules to ensure future development nearby does not negatively affect value.

18. Strata and Body Corporate Rules

For apartments or townhouses, review strata by-laws. Excessive fees or restrictive rules may affect both cashflow and tenant satisfaction.



19. Sunset Clauses

In off-the-plan contracts, ensure the sunset clause is reasonable. Developers should not be able to cancel contracts unfairly if prices rise.

20. Insurance Coverage

Check what insurance is required at settlement. Strata insurance may cover common property, but landlords still need dedicated landlord and building insurance.

Chapter 5: Settlement Preparation

Settlement is the final stage but still requires careful planning. Many investors underestimate the practicalities involved.

21. Final Inspection

Conduct a pre-settlement inspection to ensure the property has been completed to specification. Any defects should be recorded and rectified before settlement.

22. Arrange a Depreciation Schedule

Engage a qualified Quantity Surveyor to prepare a depreciation schedule. This maximises your ability to claim tax deductions from day one.

23. Property Management Appointment

Choose a property manager early. Their expertise in tenant selection, rent collection, and maintenance is invaluable for protecting your investment.



24. Set Up Utilities and Connections

Ensure utilities such as electricity, water, internet, and gas are ready for tenants. Streamlined setup improves tenant experience and reduces vacancy delays.

25. Post-Settlement Cashflow Review

Once the property settles, update your cashflow projections with actual figures. This ensures your financial expectations are aligned with reality and highlights any adjustments needed.



CONCLUSION

Investing in new property is an exciting opportunity, but it is not without complexity. By following a structured checklist, investors can avoid common mistakes and approach the purchase process with clarity and confidence.

The 25 steps outlined in this ebook cover every stage — from financial preparation and market research to property selection, legal review, and settlement readiness. Taken together, they form a practical guide to due diligence, ensuring your next investment is based on informed decisions, not guesswork.

The best investors are those who prepare thoroughly. With careful planning, new-build investment properties can deliver strong rental demand, tax efficiency, and long-term capital growth, all while minimising risk.

Disclaimer:

This ebook provides general information only and does not take into account your personal circumstances. Seek independent financial, tax, and legal advice before making property investment decisions.