

Buying off the Plan Investor checklist

Market

- Land purchase price
- Research population growth
- Research employment opportunities
- Research infrastructure spending (public and private)
- Research recent capital growth, average annual growth

Developer

- Pre-purchase feasibility
- Contact local real estate agents
- Contact other acquaintances- both industry insiders and outsiders
- Research developer track record – Google/ASIC
- Research previous developments – Google
- Visit previous developments
- Surveying

Development

- Legals
- Check council records for nearby proposals
- Check approvals in place (with developer)
- Check outlook, aspect of property, fittings, car spaces
- Check valuation against open market
- Check number of sales – query with developer as necessary
- Check body corporate fees, depreciation, etc
- Are deposit bonds accepted?
- Check proposed completion date and sunset clauses

Finance

- Council rates
- Confirm borrowing limit
- Check for government incentives for off-the-plan
- Apply for deposit (if necessary)
- Work out budget – including holding/mortgage costs, depreciation, tax rebate
- Agent's commission

Legals

- Conveyancing fees (sale)
- Negotiate incentives (rent guarantees, furniture packages, etc)
- Seek legal advice over contract
- When contract finalised, sign and put down deposit/deposit bond
- Loan interest

Practical completion/ completion

- Contingency amount
- Ensure 10% buffer in place before completion
- Apply for finance
- Check property is as promised – valuation will also do this
- Seek alternative valuation if comes in low
- Settlement: get finance; pay deposit (if deposit bond used); tip in remainder if valuation low
- Seek tenants