

Intelligent Investing – Stick to the Basics

Overwhelmed by the confusing game of property investment? Don't give up just yet.

In spite of its complexities, many novice investors seem to find property easier to select and manage than other types of investment. But if you make the wrong decision you may find yourself experiencing problems. In an ever changing market, here are **Seven Golden Rules** that may provide you with some guidance when considering any investment.

Create a plan and stick to it. Ask yourself: what would you like to achieve by investing? Is it capital gain over a set time period or are you buying to generate a rental income? Your financial objectives may determine whether a unit or a house best suits your needs.

Set limits. Lenders often highlight the maximum amount that you can borrow, so determine your own limits before you seek out a loan. There's no sense taking on a mortgage you'll find impossible to repay.

Secure the right finance. Though interest-only products often suit property investment situations, there is a range of options available. Take the time to contact us for assistance in finding a mortgage that works best for you.

Find good tenants. Select the wrong tenants and you may find yourself burdened with serious repair and maintenance costs; if they are tardy with their rent you may even struggle to meet mortgage repayments. If you lack the time or desire to seek out tenants, consider employing a property manager who can manage the property, deal with tenant problems and take care of collecting the rent.

Do a health check. If you want to avoid buying a 'lemon', independent building and pest inspection may be essential pre-purchase reports. Not only are they likely to alert you to any faults in the property, they may also help you negotiate with vendors on price should you decide to buy.

Know the neighbourhood: Property close to features such as transport, parks, schools and shops will often increase your chances of a good return on your investment. A sought-after neighborhood will generally increase

the likelihood that the property can be easily sold if mortgage repayments prove too difficult.

Consider a buyer's agent: If you lack the confidence or expertise to invest in a property, a buyer's agent may offer advantages from their skills and experience in determining a property's value. A buyer's agent works on your behalf to negotiate the best price and, in general, can warn against poor property investments.

For further information, please don't hesitate to call AlphaLoan today so we can match your needs against 100's of home loans from our panel of lenders, including all the major banks and many more!

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