

Investment Property Checklist

YOU WILL NEED: A clipboard with pen, binoculars, fridge magnet and a small loaded stapler, sunglasses and comfortable shoes.

Address:

Dates Seen:

Most Notable Feature:

Price: \$

Negotiable?

Yes/No

Via Real Estate Agent:

Contact Phone:

The Real 3 P's

The 1st P is for Position.

How close it is to:

	Kms	Details and Comments	Get There By Score
Schools:			1 5 0
a) Childcare/Kindy			walk/bus/train/ferry/car?
b) Primary			walk/bus/train/ferry/car?
c) Secondary			walk/bus/train/ferry/car?
d) Uni/TAFE			walk/bus/train/ferry/car?
Grocery Shops			walk/bus/train/ferry/car?
Public Transport			walk/bus/train/ferry/car?
Arterial Roads to/from city/industrial estates (=pollution/noise/tenant's jobs nearby?)			walk/bus/train/ferry/car?
Hospitals/Ambulance			walk/bus/train/ferry/car?
Fast Food/Drive Thrus			walk/bus/train/ferry/car?
Parks/jogging or bike routes/other recreation?			walk/bus/train/ferry/car?
Position Score: (overall score out of ten)			

NOTE: All scores should be decided by you as it's potentially YOUR property that you're short-listing, but as a guide until your confidence grows, use walking distance as a full score; bus, train or ferry as half a score and car scores as zero.

The 2nd P is for Popularity.

Tick each detail as you go or use crosses if you're not happy with anything - so a tick = 1 point towards your popularity score out of ten. Note any comments from agents at the side to check later.

Tick	Detail	Comments
	<p>Check capital growth for area over last year as per R/E agent's reports. (If it's down 50% on last year, that's dreadfully bad. If it's up 50%, that's amazingly good. Increases between 5% and 20% are more reasonable, but I wouldn't bet on jumps of more than 15% or more two years in a row without good reason, while 2% to 5% is often slow but steady.</p>	
	<p>Check for low maintenance: Cheapest homes to maintain long term are new lowset brick homes. Under 7 years, structure is still under warranty.</p>	
	<p>Standard of street appeal of other houses in the street. You're looking for a street or area where some houses have over capitalised, so that when others catch up, the value of the whole area goes up. Or you're looking for areas where owners are already making big improvements. (Ex-government housing estates that have been cleaned up before selling usually don't count)</p>	
	<p>How far away are industrial estates (km), military bases (km), large government offices or depots (km), or the city centre (km), so your tenants have a wide potential job market available?</p>	
	<p>Are any shopping centres approved for construction nearby? Shopping centres that are genuinely "coming soon" means someone else has done extensive market research and ticked that suburb as popular for families with great growth potential.</p>	
	<p>Security: Is there a Neighbourhood Watch program or many other houses nearby with security systems to reduce risk of area being "hit"? Is the area clean of graffiti/damaged street name signs? (Buckled street names = hoodlums roaming the streets at night) Also check street drains for discarded needles.</p>	

Continued

The 2nd P is for Popularity.

Tick	Detail	Comments
	TV Reception: How many channels () Pay TV? Yes/No What's reception like? Any glitches?	
	Is the property high enough out of the flood- plain to have any view? If yes, it's more pleasant and less likely to flood. Drive up the largest nearby hill and look which way the nearest river/gully would flow when in flood. Beware of big open drains pointing at the house.	
	Health and Fitness: Are there shady parks, paved walkways, bike tracks or gums nearby? Every Aussie from 0 to 100 loves to get outside, so homes with recreational facilities nearby feel attractive, even if they're never used.	
	Do any nearby main roads have tall sound barrier fencing? If not, but it's nearby or coming soon, then quality of life will improve for tenants.	

Your score out of 10 for popularity: _____

The 3rd P is for Physical Traits.

Each “yes” tick = 1 Point.

Each “no” tick = possible bargaining chip.

OUTSIDE - Yard	YES	NO
Is there a non-leaky letterbox?		
Are all sheds, patios & extension council approved?		
Is off-street parking available?		
Is a car able to get away from hail?		
Is driveway paved to keep yard from churning up in rain?		
Is path from garage to house paved to keep mud out from tenants or kids who don't leave shoes at the door?		
Do all downpipes look like they're connected legally? (A comparing glance over to neighbouring houses will do for now. Council regs for that area can be checked later.)		
Is the lawn free of damp spots which may be mean busted pipes?		
Are power lines away from trees?		
Is the air outside the toilet wall and pipes odour free? (If not, the septic is not working or pipes are busted.)		
Is the yard fenced well enough to keep dogs and toddlers in?		
If there's a pool is it properly fenced?		
If there's a greasetrap in the ground outside the kitchen window, is it easy to open for cleaning? (Or paved over? Double-check house plans later.)		
It there's a retaining wall, is it solid, rot free, with no sign of erosion/sinking?		
If the house has a grey water pit, does the pump still work? (If water stinks, ask vendors to add “Actizyme” pellets, available in supermarkets, before settlement.		
Septic Tanks; same as for grey water.		
If there's a steel flue or chimney, is the stack free of birdsnests and rust?		
Is chimney straight, with rainhat fitted so rain can't come in like Santa?		
Stand back and look for roof screws/tiles (through binoculars if possible). Does all look well?		
Is ground outside toilet(s) free of big trees? (Roots may bust pipes)		
Total of Yes ticks out of 20:		

Continued

The 3rd P is for Physical Traits.

OUTSIDE - Walls & Roof	YES	NO
Is the house fitted with a safety switch? (May also be labelled as Residual Current Device or Earth Leakage Circuit Breaker. Or it may be fitted to a special powerpoint or two <i>inside</i> the house.)		
If the house is on stumps, are all the stumps straight? (No spirit level is required. Your eye is usually good enough.)		
Do seals near windows look healthy? (Not flaky or cracked and leaky.)		
If your fridge magnet attracts to metal around windows/doors, is it properly rust- proofed or heavily painted?		
Is paint under eaves free of mould?		
Does paint under eaves look okay for another few years without repainting?		
Any obvious cracks in brick wall? (especially near window corners)		
Are signs of movement around slab or stumps less than 1cm?		
Are downpipes colour co-ordinated? (White or clashing downpipes greatly reduce street appeal.)		
If there's a pool or spa, is the mortar in the nearby brick windowsills still firm? (If it's gone sandy the chemical spray has reacted with the lime and brickwork may need re-laying soon.)		
Total of Yes ticks out of 17:		

Before going inside use this space to jot notes of any “no” ticks that you’re willing to fix if the price is right:

Continued

The 3rd P is for Physical Traits.

INSIDE - General	YES	NO
Do you get a good feeling when you walk in?		
Does house smell fresh/clean?		
Are the rooms bright and airy?		
Are carpets in good condition? (Think of replacement timing and costs.)		
Is vinyl or lino free from puckering? (If sticky underfoot, it may need relaying.)		
Are any floor tiles broken? (If this house is shortlisted, come back later to check under all mats.)		
Is wall paint easy to clean? (If house is shortlisted, try a few spots later.)		
Are wall and ceiling paints in good condition?		
Are curtains/blinds in good condition?		
Do wall and floor colours go with most styles of furniture? (If no, tenants often get frustrated after a while.)		
Are soft colour used on walls and floors? (Strong colours often stimulate strong moods in tenants.)		
Are security screens able to be opened easily in case of fire? (If fully fixed they may be death traps.)		
INSIDE - Wet Areas		
(Loo, bathroom, laundry & kitchen)		
Run taps in each room. Does hot water come through quickly?		
Do taps turn off quickly in blessed silence? (Or does water "hammer" in the pipe?)		
Is the hot water system set at safe temperature for kids? (If set too high, the system will boil constantly, costing money as well as water waste, both of which will make life inconvenient for tenants as well as dangerous.)		
Are the ceilings and walls in every room free of mould? (The roof may be leaking or ventilation may be bad, or incorrect paint may have been used in ceilings and of wet areas like kitchen, laundry, bathroom, etc.)		

Continued

The 3rd P is for Physical Traits.

INSIDE - Roof Cavity	YES	NO
Is the ceiling access cover clean of fingerprints? (Ceiling access panels are usually painted to match the ceiling but ceiling paint retained marks easily. Lots of fingerprints = possible trouble in roof. NOTE: On your last, most serious inspection you may like to get your head up there to look around. Check for nail holes pretending to be skylights and rusty wiring or old insulation that will be a fire hazard.)		
Toilet Does the loo flush and refill properly?		
Has the cistern got a brick inside it to cut water usage? (If yes, check that chemical reactions haven't caused brass to turn green inside cistern.)		
Does the loo window still open?		
Is the skirting board firm and stain-free? (If yes, then loo probably hasn't leaked much.)		
<p>Note: If any roof tiles, floor tiles, wall tiles, windows or permanent shower screens are cracked or broken, then make sure the vendor fixes them before or as a condition of the contract or else the valuation inspector may insist that you pay for the repairs BEFORE your loan can be approved. (The vendor may be able to claim them on his insurance or deduct repairs from the current tenant's bond.)</p> <p>Total of Yes ticks out of 21 for inside: _____</p> <p>+ Total of Yes ticks out of 20 for outside yard: _____</p> <p>+ Total of yes ticks out of 17 for outside walls and roof: _____</p> <p>= Total Score out of 58 for Physical Attributes: _____</p> <p>Then add up 2 points if there's lots you can fix: _____</p> <p>Plus total scores out of 10 for Position: _____</p> <p>Plus total score out of 10 for Popularity: _____</p> <p>= Total score for all pages out of 80</p> <p>_____</p>		

Here's room for answers to extra questions

Postcode (needed to get a quote on average contents insurance, so you can tell if it's a high crime area):

Real property description (from rates notice - needed for departments and councils to answer your questions):

RP/Plan number: _____ Parish: _____

County: _____ Area: _____ m²/ha

Current owners: _____

Is it currently rented? _____ if so: for how much/week? \$ _____

when is their agreement up for renewal? _____

would they prefer to stay on if possible? _____

Ask the owners (through the same agent) if they've had any trouble with the tenants and to provide details of repairs or maintenance in the last 12 months: _____

Ask the tenants (privately if possible) if they've had any problems with the landlord and if they want anything repaired so you can include it in the purchase costs: _____

If this property will make it in to your shortlist of top 3 choices, then also attach:

- a photocopy of the last rates notice
- a photocopy of the agent's map of the area (showing fencelines)
- a photocopy of the listing photo

(Ask for these things to be supplied by the agent, when you get back to their office.)

List of any equipment or furniture you want to stay with the house. (Never assume anything - such as plumbed-in fridges, dishwashers or water pumps are included. To be safe, mention them as inclusions on the contract and make sure they're still there at handover.)

Other comments/questions you have

Source: Bell Anita 'Your Investment Property' Random House Australia 2002