

HOW YOU CAN SUCCESSFULLY BUY OFF-THE-PLAN

ESSENTIAL GUIDE FOR PROPERTY INVESTORS



QUINOVIC

Experts in property care and return

INTRODUCTION

Property developments are happening all over New Zealand. With our ever-growing population and LVR restrictions, these projects are becoming a more popular option for both investors and home buyers. As experienced investors ourselves we've created this essential guide to help you confidently invest in off-the-plan properties and grow your property portfolio.

Research the Developer's History

Do they have a good reputation? What's their track record for quality, completing on time, and following up on warranty items after the build is complete? Look at their past developments for a good idea of their standard of work and a feel for what you're buying - after all the glossy design photos in the brochure are just a plan.

Become Familiar with Surrounding Area

How close are the local amenities, cafes, shops and schools to the development site? Close proximity will help the area grow in popularity, especially if there are signs the local village is growing.

Public Transport is Necessary

What types of transport are available? How frequent are the services? Many tenants rely on public transport, often making proximity to the local transport system a significant influence on the popularity of residential rental properties.

Are You Getting Value For Money?

Ensure you check the square meterage to understand how big each room will actually be - after all the difference between a decent-sized double bedroom with room for furniture and a double bedroom that can only fit a bed can make all the difference towards the popularity of your property in the tenant market.

Understand the Community

What type of people do you think will be attracted to the property? Take a walk around the surrounding streets and spend some time researching online to see what the average income and lifestyle in the area is to get an understanding on who will likely be interested in the property.

Talk to Experts

Don't just rely on the advice from the salesperson, seek advice from other experts. Property managers can be useful in providing rental appraisals and discussing what type of people would be interested in tenancing the property. Lawyers and accountants can help you, as the contract should be carefully checked before you sign, and the tax situation should be professionally assessed to ensure your interests are being optimised.

Check for Maintenance Clauses

What maintenance clauses are in the contract for the developer to put right and the time to recertify? When buying a refurbished building issues may arise around change of use, plumbing, electricity, fire, health and safety for tenants/owners.

Understand the Future Body Corporation Rules

Understand your commitments to the body corp, and what you can and cannot do. Can you change unacceptable conditions in the property? Are there restrictions on renting the property? Are pets allowed? Having a single property manager for all units is preferable to having many and varied property management arrangements.

Research the Future of the Area

The development likely won't be complete for at least a year. Try to think in the future and research any planned developments in the community, such as a new motorway, public transport improvements, cycle ways, schools and universities and shops.

Take Advantage of the LVR Rules

Loans for new builds, by investors and owner-occupiers alike, are only required to provide a 20% deposit. A helpful boost for people looking to invest for the first time, and for current investors looking to expand their portfolio.

Final Thoughts

Off-the-plan investments provide great opportunities to help grow your property portfolio while only needing a 20% deposit. But being confident is key. Do your research, ask experts for advice, and ensure you read the fine print before signing the sales agreement.

Feel free to contact us for more advice on investing and for a complimentary rental appraisal using the development plans and market conditions of the area. Feel free to contact us and visit our website:

www.quinovic-kt-jville-hutt.co.nz for more details

Information about this report: We (the property managers) have endeavored to show all rents reported by all property managers and individual's as listed on publicly available sources for the mentioned period. We believe this information to be accurate, whilst all care has been taken, no representation on their own enquires. Properties displayed are only those which have been publicly listed and let by property managers within our company. We advise you seek independent advice on your area statistics if you are thinking about buying and renting an investment property