



ScopeCo Financial Solutions & Management Newsletter

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Tax time is here again, if we can assist you in maximising your refund please don't hesitate to contact us.

We lodge your returns online to ensure your refund comes back in the quickest timeframe.

If we can assist please contact us on 1300 696 111.

A Sound Investment Strategy



Purchasing a property as an investment can offer many bonuses.

But like all investments, it's important to develop a strategy to suit your needs. Here we list some important themes to consider.

Many people like investing in property as it is something solid – bricks and mortar. Unlike shares or other paper investments, a property investment is physical – so you can see it, touch it...and renovate it!

Property is often seen as a lower risk option compared with the stock market. Fluctuations in the property market are not normally as frequent, dramatic or volatile as the stock market. Whilst a company can go bust and shares become worthless, this is very unlikely to happen with property.

Changing Trends

The increased capital growth seen in major capital cities has prompted new motivations for investing in property. Many people are using investing to get a foothold in desirable property markets while continuing to rent elsewhere.

Some people take on investment properties for personal use later in life, such as a holiday or retirement home.

Simple Solutions

Earning power may be increased by getting a property, renovating it then renting it out for a higher rate. Simple measures like new paint or a refreshed bathroom may deliver a greater rental income at a relatively low cost.

You could also consider investing in property as part of a family trust or investing with friends or family. But always choose a property investment strategy that suits your individual needs.

What to Look for

An ideal rental investment property may feature easy access to transport, shops and other amenities. Many young families rent so you may want to consider a property close to schools and day care centres. And don't forget students – rental properties near universities are always in high demand.

While units and houses offer different advantages, always consider which would make a better rental property in the area.

Remember, regardless of other features, a great bathroom and kitchen make for a good investment property, and pools or large yards can be costly to maintain long term.

New Versus Existing

A new unit as an investment can offer the advantage of depreciation, but the flipside is that you won't know its potential in the rental market.

If development slows, new properties may become scarce, so the demand for existing properties increases.

Remember, a lot of existing property has wide-ranging design appeal over new trend-setting properties increasing rental desirability.

But, whether new or old, always do your homework regarding any potential changes to the area, such as re-zoning, new roads and having views or access impeded by new buildings.

Overcapitalising

Just because you have improved your property, don't assume the money spent equates to the same value come sale time.

Turning the worst house in the street into the best may not always guarantee an increased return on your investment.

Research

One of the best elements of a property investment strategy is research. The internet can provide a wealth of information. Look at property portals and estate agent web sites.

For more detailed comparative pricing data there are several property data providers that can provide past sales prices for a particular property or a complete postcode report.

For more details on an area look at the local council website, plus "google" the suburb name.

A Guide to Inspection Reports



Buying a house is expensive, so it is important that you take all steps necessary to ensure your purchase is a sound one.

Inspection Reports will give you peace of mind that there are no hidden problems.

When purchasing your home it is important to ensure that the property is sound. Finding out about any problems beforehand enables you to negotiate a discount to offset repair costs, ask the seller to fix the problems before you buy or, in severe cases, allows you to walk away.

So what are some of the main types of inspection reports?

1. Building Inspection

A building report is seen as an integral part of any purchase of a home. It involves a licensed and insured building inspector completing a visual inspection, giving assessment of matters such as stability, water tightness and standard of workmanship.

It can also highlight problems concealed by render or paint.

Whilst the cost of approximately \$600 for a combined building and pest report for a family home may seem expensive, such a report can save you thousands of dollars and a lot of heartache.

2. Pest Inspection

A pest inspection, also known as a timber pest and termite inspection, should entail a licensed and insured inspector completing a visual inspection of all accessible and available areas of a property for the presence of current or past timber pest infestation.

The results given in a written report will include findings, risks, concerns, conducive conditions and both chemical and non-chemical solutions.

With about one in three properties having a pest problem, this report is a wise choice before you buy.

3. Completion Report

A building completion report is a post-construction inspection to identify any defects, incomplete work and/or poor or substandard finishes.

The resulting report identifies if the builder is responsible for any given defects and recommends completion and/or rectification works to be undertaken.

It is usual to have a completion report carried out after practical completion of building works and prior to expiry of standard builders' warranty periods.

4. Strata Records Inspection Report

This is important if buying a unit, townhouse or villa. This inspection is carried out in accordance with the regulations in your state.

The report includes the financial status of the plan, pending building works and special levies, past works history and all expenses for the past two years, a 10 -year budget analysis and compliance issues, including general information on insurances, bylaws, disputes or areas under investigation.

5. The Circle Inspection

You can do this yourself. Simply look at outer areas around the property taking in transport, community services (eg schools, medical facilities and shops), and then look at the green spaces where you can push a pram, kick a football, play tennis or go for a cycle or jog.

Then focus on the streetscape and the line of the properties in the surrounding streets. Check there are no privacy issues and the property is not overlooked.

If any of these points are less than the best, this will make a difference to the price and attractiveness of the property.

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