



5 TIPS FOR PROPERTY FINDING

Campbell Venning has a few tips for your property finding in the year ahead.

New year, new projects. So here are my top tips for finding investment property in 2018:

1 KNOW THE REAL COST OF RENOVATION IN 2018

Before you start setting up Trade Me searches and before you go traipsing off to look at properties, you need to define your parameters. One of the biggest mistakes I've seen investors make recently is underestimating the real cost of renovating. If you haven't done a renovation since 2016, you might be shocked at how much the prices have risen, so get to know the costs before you decide to buy a do-up.

When I did my first renovation, for every dollar I spent I'd get back three dollars - with market lift as well. Now I think for every dollar people spend they're getting about 60 cents back. It's now too hard to buy the best house in the worst street and renovate it, because the costs are too high. You've got the high cost of renovating, plus the unknown compliance costs. One of my clients recently bought land with a beautiful villa, and I thought they'd relocate it. But they did the sums and it was so expensive to renovate they ended up demolishing it. That's a helluva shame, but you can't throw money away in this game. That's why I've been buying new builds - they've never made more sense.

2 FOLLOW BIG-NAME BRANDS INTO UP-AND-COMING AREAS

When you're buying for capital gains, what you really want is to identify an up-and-coming area that's going to rise rapidly. One of the best early indicators of a growth area is the arrival of big-name brands: McDonalds, Bunnings, Mitre 10 Mega, the supermarkets and Rebel Sport for instance. The people that decide where to put these stores spend millions of dollars on research every year to find places where rent will be reasonable and demand will increase. Why not piggy-back on their expensive research?

Take the Ravenswood subdivision in North Canterbury. It's near the Pegasus subdivision, which has hit a few snags and taken a long time to get going. But Ravenswood, which is selling now, has secured McDonalds, BP and New World into its commercial spaces. That attracts buyers and tenants, and it's a pointer towards future growth.

3. GET YOURSELF A GREAT AGENT

You can have all the internet alerts set up that you like, but without a fantastic agent you won't hear about the deals that sell even before they're listed. Real estate agents tend to specialise in either listing or selling - you need a specialist listing agent. That agent needs to be someone who knows what you're looking for and how much you want to spend. You need to treat

that person like gold and never muck them around. If you do that, you'll get the inside track on all kinds of deals that never make it to the open market.

4 KNOW YOUR MARKET INSIDE OUT

You need to know when you've found the right property and put in a confident offer or bid. To do that, you need to know you're paying the right price. The only way to do that is to understand exactly what everything is worth in your market. That means spending time looking at properties and finding out what they sold for. It's boring, but when you're the one with that knowledge, it's easy to make decisions and bag a brilliant deal when you see it - because everyone else is still thinking about it.

5 VIEW EARLY IF YOU CAN

If you want to get the great deals, sometimes you need to be in the right place. You need to make calls during the day. This can be really difficult if you have a strict nine-to-five job and are restricted to weekends and evenings. See if you can negotiate some flexibility to make calls and visit houses so you can be the first person to put in an offer. That goes for all types of property - even if you're picking an apartment from a building full of almost identical units, being the first person to choose means you can get the best spot at that price.

Good luck finding the perfect property in 2018! ■

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