

Choosing wisely



This month **Mark Taylor** quizzes **Rich Harvey** on his strategies when it comes to choosing the best investment properties.

Rich Harvey, Managing Director of propertybuyer and multi-award winning Buyers Agent has extensive experience in the property game. Rich was named 2009 Buyers Agent of the Year (Real Estate Institute of Australia) and is a four-time winner of the REINSW Award for Excellence 2004-2008, and winner of the 2007 National Telstra Business Award.

HOW DO I DECIDE WHERE IN AUSTRALIA TO INVEST?

The key to finding hotspots is to seek areas that have:

- Limited land supply for mass developments
- Large infrastructure projects (train/freeways)
- New/expanding industries
- Rising population
- Consistent rental demand
- Stable/growing employment
- Areas experiencing 'Urban renewal'.

We look for areas that have had a consistent trend in capital growth. This is usually related to suburbs with good lifestyle appeal, close to the CBD, along transport corridors, close to quality education and shopping facilities.

WHAT ELEMENTS DO I LOOK FOR IN DECIDING WHETHER AN INVESTMENT PROPERTY IS A GOOD OPPORTUNITY OR NOT?

If I had to pick one factor above all others in choosing a great investment property it would be the 'scarcity value' or uniqueness factor that drives my decision.

Some of the other elements I would consider include:

- Value-add potential
- Rental yield
- Zoning

- Proportion of investors vs owner-occupiers in the suburb
- Parking
- Street appeal
- Aspect

WHAT IS BETTER, A FLAT, A TOWNHOUSE OR A HOUSE?

Houses have much larger land content, which is great for capital growth but lower yield, while units generally have a higher yield. Units typically have lower maintenance requirements (but you pay strata fees) while houses have higher maintenance. A townhouse sits somewhere in between. Our research shows that the optimal strategy is:

- Units in and around the CBD
- Townhouse/Semi/terraces in inner and middle rings
- Houses in middle and outer rings

FINALLY, WHAT IS YOUR VIEW ON THE CURRENT PROPERTY MARKET?

Australia has some great property markets for investment and we are at a stage in our property cycle where we are undersupplied with housing. According to the Housing Industry Association we are currently short around 40,000 dwellings pa, which means prices will rise as confidence returns to the market. However, this does not mean that you can just go out and buy any property and hope for good growth.

Find out how Rich Harvey's team can help you find your next home or investment property faster and cheaper by visiting www.propertybuyer.com.au

Mark Taylor, our regular property columnist, is Managing Director of 'Keys To Success Club', a must-have resource for anyone serious about property. www.keystosuccessclub.com/property ■