



## Q How can I pick the best investment property?

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**A** EVERYONE has an opinion about whether one type of property will outperform the other.

Their beliefs are very divided on the houses versus apartments question, for instance.

There are for and againsts for each dwelling type, but it comes down to the risk profile of the buyer, what they are comfortable with, what their investment goals may be and which options are going to work in with their personal strategy and financial position.

While it is generally believed that land grows in value, it must be in the right location to perform well.

Not all land is equal, and land in the wrong location can stay the same price for 10 years or more.

If your budget can only afford house and land far out, or in a location that's not attractive to buyers/tenants and is unlikely to become so, it's often better to buy an apartment in a better location, where you will have regular demand from buyers/renters to help stimulate your price growth.

It's important to remember

that apartments have their land component, too, as the block of units share the land they are on. So, as that land grows in value, if it's in the right location, that growth is also shared among the apartment owners.

The key is to have convenience, scarcity and as many attractions as possible to drive the demand, which helps your values and/or rents to increase, making it a better investment.

But overall, if I had to choose, it would be (the right) land and house over apartments because of the greater ability to add value and make your investment

better than if you just left it to market forces. This helps you be more in charge of your own destiny.

Superior investment options stand out when you know what you're looking for. But what may appear to be a bargain could end up costing more in time and effort than another property for sale at a higher initial price.

In a market where many similar properties are on offer it can be the comprehensive check list of assessment criteria that is the difference between buying an asset or an albatross.

Buying property should not be a beauty pageant, but a

clinical assessment of the balance sheet mixed with a healthy dose of market research.

Key tips would be:

- The land-to-building ratio.
- Attractiveness of the location to tenants.
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- Rent values of comparable properties.
- Expected maintenance costs of the property.
- Location of the property within the suburb.
- Long and short-term historical suburb price growth.