

THE RED BOOK CHECKLIST –

Is your property a dud?





Checklist: Is your potential property a dud?

When evaluating a potential deal, you need to paint a realistic picture of how you can expect the investment to perform. Ask yourself these questions:

<p>1. Are the rental incomes of the properties in line (or better than) market rental rates in the area?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Notes:</p>
<p>2. When were the rental figures last reviewed?</p>	<p>Notes:</p>
<p>3. Have you obtained the best loan for your property (preferably Interest Only rather than Principal and Interest?)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Notes:</p>
<p>4. Is there potential for your property to generate a secondary income, by leasing out the garage, car park, a granny flat or group share/pay per room?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Notes:</p>
<p>5. Can you generate a secondary income from an alternative location (such as leasing out a bedroom in your own home) so you can redeploy the funds into this investment?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Notes:</p>
<p>6. Is the property new or old and how much maintenance would it require?</p>	<p><input type="checkbox"/> New <input type="checkbox"/> Old</p> <p>Notes:</p>

<p>7. Are you paying more for basic maintenance and repairs (roof leaks etc.) when a renovation could in fact save you money?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Notes:</p>
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<p>8. If you are planning a renovation, have you priced the estimated costs to ensure you're on budget?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Notes:</p>
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<p>9. Have you factored in depreciation tax deductions in your calculations?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Notes:</p>
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<p>10. Have you received competitive rates from your property manager/have you negotiated?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Notes:</p>
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Additional comments