

Off-The-Plan Market Properties and Their Most Active Buyers

You can't open a weekend newspaper without coming across at least one advertisement for a proposed new apartment project before the building process has commenced.

With the demand for property in Australia soaring to an all-time high, buying off-the-plan is enticing for many buyers and it is becoming increasingly popular. Purchasing a new property prior to construction comes with a whole range of perks. Not only does it allow the purchaser to have some contribution when it comes to the décor, fixtures and fittings, but buyers can also enjoy tax depreciation benefits, government incentives and savings in stamp duty.

Who are off-the-plan properties' most active buyers? It is a property fact that of the 12,600 new apartments being constructed around Melbourne investors are the ones buying. Property investors have a weakness for numbers. What could be more fulfilling than snapping up an apartment for less than its worth, renting it out and watching the dollars roll in?

Owner occupiers want much more from a property. They want a place that is aesthetically inviting, not too far from work and perhaps schools, something that suits their lifestyle requirements and strengthens the development's long-term capital growth. Investors aren't going to be as concerned when the final product doesn't match the blueprint one-hundred percent.

The figures are quite astounding if we consider that higher taxes on foreign purchases of residential property have only recently been implemented, and Chinese authorities in 2016 introduced stronger capital controls to slacken the flow of Chinese money into Australian markets. At the end of 2015, almost a quarter of all off-the-plan apartment sales in Sydney were made to foreign investors, whilst 37 percent of sales went to local investors and 38 percent to local owner-occupiers. Off-the-plan sales were even higher for offshore investors in Melbourne at 40 percent. *

* Urbis, *Apartment Deals Made With Foreign Investors*, 3 May 2016, <https://urbis.com.au/insights-news/quarter-of-sydneys-off-the-plan-apartment-deals-made-with-foreign-investors/>

Five Features of an Apartment to Instantly Capture a Buyer's Attention

So you are thinking of buying an apartment and joining hundreds of other Australians in community living? There are a number of things you need to consider before purchasing. I have come up with five you can refer to in order to avoid unpleasant surprises and invest in your future.

Location, Location

Location is one of the first things buyers look at, especially when purchasing an apartment or unit. With possible limited parking space it is important to be as close to public transport as possible. You may also want to be in close distance to local amenities and shops.

And finally, whilst you can change the condition and price of your apartment, even the size, you can't change location. You want to be in a desirable location which creates demand, and demand increases capital growth.

Structure

It is important that the apartment not only looks good but that it is in structurally sound condition. Even if the apartment appears to be in good condition looks can be deceiving. Take a look at the

roof; check the apartment is not in a flood or fire zone; ask about the plumbing and electrical system; and if possible, find out about the apartment's history regarding renovations and repairs. If a house inspection has been done ask to review it.

Parking

What are the car parking arrangements at the apartment block? Do you have designated car spaces, and if so, how many? Some apartments don't come with a car space and more often than not on street parking won't be available. So, if owning a car is important to you make sure the property comes with a car space.

Fixtures and Fittings

Quite often buyers will overlook the quality of the fixtures and fittings. If you see fixtures that need repairing these can cost you thousands of dollars to replace. Also check minor building issues such as the quality of noise insulation, the number and placement of power points and television points.

Property Features

Observe the property's features, particularly those that might suit your lifestyle. You might consider an outdoor living space important. Is the outdoor staging visually attractive to you? If security is important to you take a look around to see what security measures you can spot. Is there a balcony? Are you blocked in by other buildings or facing the wrong way for the sun?

I am sure you can think of more features that grab a buyer's instant attention, but these are five valuable tips when thinking about purchasing an apartment.