

Building your Property Investment Team

Do you have your very own Property Investment Team? Successful property investors treat property investing like a business, and surround themselves with highly skilled qualified professionals. These subject matter experts provide guidance to investors helping them to not only build and execute strategies to build wealth, but also to manage against risk.

Many potential property investors go straight to “lets buy a property” and do not take the time to engage the right people and set up the correct foundations. This can often result in substantial mistakes, which is demonstrated by the fact that approximately 75% of investors fail to acquire more than one investment property.

Take the time to build your own Property Investment Team, and maximise your chances of building a successful property portfolio and achieving your long-term financial goals. Read more to learn more about the ‘must have’ members of your team.

☐ **Qualified Property Investment Advisor (QPIA)**

A Qualified Property Investment Advisor is an ideal team member to start with as their role is to help you navigate your way through the property investment maze. A QPIA will work with you to understand your current position, provide education on property investment (clearly explaining both the benefits and the risks), and build you a tailored strategy that will help you on your way to achieving your goals. A good QPIA will likely also have a network of trusted partners (such as mortgage brokers and solicitors) that they will be able to recommend to you. Whilst many people may claim to be property investment advisors, look for those carrying the QPIA certification to be assured they are suitably qualified and acting in your best interests. QPIA's have a level of formal property training, are required to complete compulsory professional development and are bound by the Property Investment Professionals of Australia (PIPA) strict Code of Conduct.

☐ **Buyers Agent (BA)**

A QPIA may also be a licenced buyers agent. However if your QPIA is not a buyers agent, you may wish to engage one. Why? A BA will assist you purchase an investment property that fits your strategy. They do this by using data to isolate an area/ suburb that shows the best fit to your property investing strategy, and then conduct further on the ground research to uncover suitable options. With your agreement, a BA will negotiate on your behalf to secure the property for you. A BA will work with your best interests in mind and will be able to secure the property at market (or better) price.

Experienced BA's have established relationships with Real Estate Agents, and as such, often have access to properties that are yet to hit the open market, as well as 'off-market' deals. In addition to their expertise and ability to find the right property at the right price at the right time, BA's can be a convenient solution for time poor investors.

Ensure your BA is licenced in the State / Territory they are sourcing properties in, and a registered member of either Property Investment Professionals of Australia (PIPA) or Real Estate Buyers Agent Association (REBAA).

Also ask to see examples of properties they have been able to secure, and how these properties met the client brief.

☐ **Mortgage Broker**

Whilst property investment is about bricks and mortar, it is also a game of finance, as most investors rely on borrowed funds to fuel the acquisition of their property portfolio.

A property savvy mortgage broker will help an investor build a holistic lending strategy, as opposed to just sourcing a single loan approval, as they are often thinking two or three purchases down the track. This approach ensures each new lend fits into the bigger property investment picture.

A good mortgage broker will have their finger on the pulse in terms of the latest assessment calculators used by lenders, and will be able to find the lender most suitable to your personal situation.

A broker will also be able to explain the myriad of loan products available in the market, helping you understand your options and choose a loan type that best fits your personal circumstances and property investment strategy.

In addition to their expertise, a broker can also be a convenient option, looking after a significant amount of application administration on your behalf, at no cost to you!

Be sure to engage a mortgage broker who specializes in property investment, and understands what it takes to build a property portfolio, as mistakes can be costly. The better property investment brokers are often investors themselves, so be sure to ask them about their own property portfolio.

☐ **Accountant/ Tax Advisor**

A key member of your property investor 'team' will be your qualified tax advisor or accountant. Prior to any purchase, an accountant can provide you with ownership advice, ensuring the structure is aligned to your strategy from day one. Whilst you hold your investment properties, the accountant will play a key role ensuring you minimise tax and maximise cash flow by claiming all relevant tax deductible expenses and depreciation. At the point in time you wish to divest your properties, the accountant can guide you on capital gains tax. Finding an accountant who specializes in property can be advantageous and working with the wrong accountant can leave cash on the table that is much better in your own pocket.

☐ **Solicitor/ Conveyancer**

A solicitor will represent you (as the buyer) throughout the sale process, ensuring the title transfer process takes place smoothly. The solicitor will carry out due diligence checks to ensure your best interests are represented. This includes but is not limited to contract reviews, title checks and approvals. The Solicitor will also liaise with your

lender, ensuring funds are available for settlement, and all Government charges (Stamp Duties) are paid.

Whilst a conveyancer can be used for most straight- forward property transactions, solicitors are required for more complex scenarios requiring additional contracts, or where the purchaser is seeking guidance on ownership structures, such as trusts. Solicitors can also assist with estate planning matters, which is recommended for all property investors.

☐ **Property Manager**

Quality property managers are a must have member of your property team! A common investment mistake is trying to self –manage properties. As with many aspects of property investment, property management is a specialised and complex under-taking, SO save yourself the effort and headache, and hire a professional. Key roles of the property manager are to:

- Recruit and retain tenants
- Collect rents
- Conduct periodic inspections to ensure your property is being maintained by tenants and advise you of any maintenance issues
- Facilitate repairs/maintenance
- Ensure rents are kept at market value

Good property managers are critical to minimising the risks associated with tenants and therefore minimise costs and stress to you. There is often a large variance in both the costs and performance of property managers. It is therefore important not to recruit property managers on cost alone, as lower fees can sometimes translate to lower levels of service and performance, which may end up costing you money (longer vacancies, the wrong tenants, lack of maintenance, lower than market rent etc) over the long term. Consider the experience and reputation of the prospective property manager, and be sure to seek references from current landlords. See PICA's Property Management Interview Checklist to help you ask the right questions when deciding on the Property Manager who will manage your portfolio.

☐ **Quantity Surveyor**

Depending on property type and age, an investor may be entitled to claim depreciation deductions. Upon inspection of the property a Quantity Surveyor will supply the investor with a report that details all claimable deductions. This report can then be supplied to the accountant, and used when submitting yearly tax returns.

Whilst there has been changes to property investment depreciation legislation in recent times (2017), there are still sizeable deductions available to many investors, which can significantly maximise cash-flow. Many investors leave 'money on the table' by not engaging a Quantity Surveyor and claiming entitled deductions.

There you have it, your very own Property Investment Team!

Many businesses claim to be "only as good as the people who work in the business", and the same can be said for property investors- recruit the right people to your team to maximise your chances of long term wealth creation through property investment.

When selecting your team members you need to ensure all professionals' have appropriate credentials, experience and licences, but it is also important to consider the level of personal fit or connection you have with either the individual or company. Take your time as you move through this process, and don't feel pressured to move forward if it does not feel right. Likewise, as you move through your property investment journey, it is absolutely acceptable for you to find a new Broker/ Account/ Advisor if you are not getting the outcomes you are seeking.

Good luck in building your team and achieving your property investment goals!