

# THINGS TO CONSIDER WHEN BUYING OFF THE PLAN

One of the important choices you will need to make when buying a property is whether to buy an established property or off the plan? The team at Ray White New Projects know what a difficult decision this can be so have listed for you below key benefits and considerations to make when deciding to buy off the plan to assist you with your decision.

## Benefits to buying off the plan:

- Securing a high value asset for a low initial outlay – While a deposit is made to secure the property (usually 10%), the entire payment doesn't need to be paid until the property has been built. This provides you with plenty of time to organise your finances and save the funds required while still getting the benefit of securing a property in today's market.
- Increase in value – One of the key advantages of buying off the plan is that you will pay the current market price for a property, even though it will be completed in the future. Particularly in a rising market that is experiencing exponential growth, the property you purchase off the plan today may have already increased in value when you settle a few years later without you needing to lift a finger.
- Stamp duty savings in some states – State governments (in certain states) offer bonuses and reductions in stamp duty for buying off the plan which can save you thousands of dollars.
- Tax advantages – There are some significant tax benefits when you buy an investment property off the plan. These benefits are greater when property is newer because more tax depreciation items are available. Those benefits are best when the property is new, so buying off the plan can maximise your available tax deductions.
- Seven year builders guarantee – Newly built properties in Australia come with a 7 year builders guarantee which means structural or interior building faults must be repaired by the builder.

## Before you sign the dotted line...

- Ask how long the Developer has been in the industry and how many properties they have built. If you can, also consider visiting your developer's previous work to gauge the quality of their product.
- Carefully review the contract with a legal professional and take note of what happens should any faults be identified post completion.
- Ask questions to determine what is covered as part of the purchase price, for example what fittings, floor coverings and window furnishings are part of the package and what is additional.

The team at Ray White New Projects will be able to assist you with any further questions or concerns you have when it comes to buying off the plan.