

# Press Release

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Heading: Buy for the long term

Choosing a property with long term prospects can be tricky. Peard Real Estate Group managing director Stuart Cox, points out some key issues.

Most people buy a property for emotional reasons. But the annual capital growth of a property can vary by up to 5 per cent, depending on its location.

Choosing a property with long-term prospects takes time and a lot of research. You have to be patient and clearly understand the dynamics of the market before making a decision to buy.

Try to get independent information when doing your research.

If you are attending a property seminar that promotes becoming rich through buying certain properties, check if the promoters are receiving financial incentives from the developer of builder.

The Real Estate Institute of WA and Landgate can provide property buyers with long-term capital growth rates for each suburb going back up to 10 years.

Properties near the coast, such as Sorrento, have generally been the best performers over the past decade.

New infrastructure can also have a positive impact on long-term property values. Major investment in the city of Joondalup has had a positive impact on surrounding values over the past decade.

Check population trends. The more people who move into an area, the greater the demand for sought-after properties such as those close to the waterfront.

In the southern suburbs, for example, the population of Mandurah and Rockingham is expected to surge over the next two decades.

When selecting an area with high capital-growth potential, try to find an older-style property where land to build is limited.

A good tip is to check with the planning department of the local council. It will be able to inform you if the property you if the property has any potential for subdivision.

Be prepared to hold on to your property over the longer term.

It is difficult to pick the top bottom of the property market.

But, if you hold on to the property for at least 10 years, you should be able to achieve high rates of capital growth, providing you have selected the location carefully.