

Investor Guides
Building Your Wealth
With Capital Growth.

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Buying property based on emotion, rather than strategy, is a trap many first home owners and property investors fall into. Often, unsuspecting homeowners are not even aware that they've made a poor investment purchase until they go to sell their property or attempt to lease the property years later. A poor investment can result in minimal capital growth or rental income for long periods of time, and ultimately the investor being out-of-pocket.

When you invest for long-term wealth you must do your research. You'll want to know the medium house price, capital growth rates and rental yields of the area, so you can purchase strategically and successfully.

Whilst a specific investment strategy will depend on your investment goals and the time frame you plan to achieve them, capital growth should always remain the first and foremost goal above cash flow.

[Here are our best tips to invest for capital growth \(and rental yields\) for true financial independence.](#)

Look Before You Leap

Make sure you do your due diligence and look at as many investment properties as you can in high growth areas. Research the average prices in your area, understand what adds value to a property, get to know the ins-and-outs of a good deal and how to avoid a bad one.

Hunt For Desirable Locations

They are definitely areas that have more growth potential than others. Choose a location with features that are always in demand. Properties with easy access to public transport and shopping precincts, close proximity to good schools, and desirable lifestyle factors nearby, such as parks, beaches and rivers, have a greater chance of retaining and growing in value.

Focus On Features

There are particular features in an investment property that make it more competitive, both on the rental and sales market.

Look for a generous sized bedrooms, off-street parking or garaging, good natural light and other features that set it apart from other properties in the same street.

What's more, keep in mind that when you invest in a median-priced property, more people can afford to rent or buy it, which also means lower vacancy periods and quicker sales turnaround.

Buy Blue Ribbon

There is a reason that cheap properties are cheap. Typically it's because they're not in high demand and have no competition. Many times, it can be safer to buy at the current market price for a higher quality investment property, than to go for the cheaper option.

Note that different suburbs will have their own version of what is "blue ribbon." Blue ribbon property in one area could be family homes, whilst another, may be contemporary apartments with great views.

Appoint An Experienced Client Relationship Specialist

An experienced Client Relationship Specialist is a long-term investor's best ally. They help you to achieve the best rental yield for your investments, and they'll ensure the rent rises in sync with the market.

Unfortunately, there are still many self-managed property owners who avoid increasing rent returns, because they fear losing their tenants and being stuck with a vacant property.

A Client Relationship Specialist works proactively with investors so that the risk of a vacant property is almost non-existent. Because of their keen market knowledge, they can also suggest cosmetic improvements that will help a property's rentability and long-term capital growth.

Invest In A Valuation

Never rely purely on a property appraisal from a real estate agent when investing in property. An appraisal is only a market indication based on comparable sales; it is not a valuation.

A valuation is an assessment of the land value and improvements to the property. It also takes into account property depreciation, sales comparison and construction costs.

Investing in a valuation before purchasing, will ensure you don't overpay for a property that will significantly decelerate it's long term growth.

Ramp Up With a Reno

Another great strategy to increase you capital growth is to renovate. Keep a lookout for properties in good areas, that need renovation.

Purchase them at a competitive price, update their features, and achieve a higher rental yield or sales price post-renovation.

Choose A Good Broker

If you're aiming to build an investment portfolio as quickly as possible, you'll want a good mortgage broker on your team.

If you can borrow 70% of an investment property's value rather than 60%, it means paying less for your down payment.

Often, it's not always about getting the cheapest mortgage rate, but about having a broker who will do all the loan legwork for you, so you can spend more time looking for your investment opportunities.

Looking for expert advice on how to increase the capital growth of your investments?

Get in touch with a Taylors Property Specialist today.