

Property – Buying Old VS New

The top 5 reasons why buying new property pays dividends

One of the most commonly asked questions when investing in property, is whether to buy a brand new property or an older property.

When it comes to choosing old versus new, people often associate buying new with costing more, but not everything is as it seems. Buying a brand new property has several distinct advantages. Here are some reasons why new property pays dividends:

1) **Aesthetic appeal**

We all enjoy the modern design elements and comforts of a brand new apartment. Open plan living areas, large balconies, ensuite bedrooms, intercoms and automatic garages, to name just a few. Should you purchase as an investor, you're much more likely to attract reliable and long-lasting tenants willing to pay a premium price for a better quality home.

2) **Energy efficiency and sustainability features**

A large focus in new apartment design is to achieve the maximum energy efficiency rating. Sub-metering, solar power, energy efficient sensor-lights and appliances are just a few modern design features used to dramatically lower living costs. Having to install these features in an older apartment is likely to be a costly exercise.

3) **Quality construction and building design**

Structural building design has dramatically improved in recent years. Foundations, underpinning, concreting, drainage, sound proofing, draft proofing, insulation, safety and fire proofing has become incredibly advanced, therefore significantly increasing the lifespan of new constructions.

4) **Lower maintenance costs**

Apart from the obvious advantage of very little mid-term maintenance, thanks to a 2 year manufacturer's warranty on most appliances, the structure itself is covered by builders warranty for 6 years. By living in a brand new apartment complex, you not only avoid expected maintenance costs, you are also free of the continual renovation noise and disruption you encounter when living in an older apartment building.

5) **Depreciation and Tax Benefits**

If you're looking for a tax break and a much lower holding cost when buying an investment property, brand new is the way to go as you're entitled to claim depreciation on all eligible items at the property. Appliances such as dishwashers, heaters and air conditioners, carpet floor coverings and more, have high rates of depreciation, and the newer the property, the higher the level of depreciation available to you. A new property requires minimal or no investment of time and no annoying calls from real estate agents about the faulty electricity or broken plumbing.

If you're able to buy a new, rentable property with good yield from day one that costs you next to nothing to hold, you can forget you even have it.

... and *that's* the value worth considering when buying new.