

**THE PROPERTY INVESTMENT CHECKLIST**

# The questions to ask before, during, and after you buy

A direct, no-fluff checklist covering due diligence, structure, finance, settlement, and the first 90 days of ownership. Built around the actual decisions Australian property investors make — not the marketing version.

**How to use this checklist**

Print it. Tick items as you go. Anything unticked at the end of a stage is a question to take to your accountant, broker, conveyancer, or buyer's agent — not something to paper over. The cheapest mistakes are the ones you catch before settlement. The most expensive ones are the ones discovered six months in.

**About this document**

This is general information, not personal advice. Tax law, lending criteria, and state-based rules change frequently. The proposed Budget 2026 reforms are not yet legislated. Always verify against current law with a qualified professional before acting. © Emil Josef.

## STAGE 1

## Before you make an offer

*The work that happens before signing a contract is the work that prevents the worst mistakes. Spend 10 hours here to save yourself 6 months later.*

### Property due diligence

- Checked 6-10 genuinely comparable recent sales** (last 3 months, same suburb, similar size and condition) — without this, you have no idea if the price is right
- Walked the property at different times of day** — traffic noise, sun aspect, neighbour activity, peak-hour conditions
- Engaged a qualified building and pest inspector** for established properties. For new builds, reviewed the builder's warranty and recent owner-defect history
- Searched the title** for caveats, registered easements, restrictive covenants, drainage and party-wall rights
- Obtained the state's planning / zoning certificate** — permitted uses, height limits, flood / bushfire / heritage overlays. (NSW = 10.7 certificate, VIC = Section 32 vendor statement, QLD = solicitor searches, SA = Section 7, WA = Form 1, TAS = property certificate)
- Confirmed land area, frontage, and orientation** — measured against the title plan, not the agent's brochure
- Reviewed the contract of sale** — special conditions, inclusions / exclusions list, cooling-off provisions
- Checked nearby development applications** — DAs on adjacent lots can transform view, light, and access
- For units / townhouses / community-title:** obtained the strata report — AGM minutes, pending special levies, defects, sinking fund balance, any litigation
- For short-term rental strategies:** confirmed council planning rules and strata bylaws permitting or restricting STR use

### The single biggest pre-offer mistake

Most retail investors fall in love with the property before checking the numbers. The numbers are the property. If the cashflow doesn't work at current rates plus a 2-3% rate buffer, the deal doesn't work — no amount of "capital growth will fix it" is a substitute for stress-testing.

### Financial due diligence

- Calculated the all-in purchase cost** — price + stamp duty + conveyancing + building/pest + LMI (if applicable) + initial repairs + 3-month cash buffer
- Modelled the cashflow at current interest rates AND at +2% and +3% stress tests** — if it doesn't survive a rate buffer, it doesn't survive
- Confirmed a realistic rental yield** — based on actual comparable rentals in the area, not the selling agent's estimate. Assume 4-6 weeks vacancy per year
- Calculated land tax and ongoing holding costs** — strata levies (if any), council rates, water, insurance, property management, maintenance buffer. Land tax depends on your structure and aggregation with other holdings in the same state
- Checked your borrowing capacity with at least two brokers** — different lenders use different assessment criteria; serviceability buffers differ

### STAGE 2

## Ownership structure

*The wrong structure can cost you tens or hundreds of thousands over a property's life. This decision must be made **before** the contract is exchanged — restructuring later usually triggers CGT and sometimes stamp duty again.*

### Structure questions to resolve

- Decided who is on title** — single name, joint tenants, tenants in common (with a specific share split), or an entity (company, trust, SMSF)
- If joint or tenants in common — confirmed the share split** in writing and the tax implications (income/expenses flow in the same proportions as the title share)
- If a trust — confirmed the trust deed allows what you need** (streaming of different income types, beneficiaries with the right tax profiles)
- If a company or trust — already set up with TFN, ABN if required, and bank accounts ready**
- If SMSF — confirmed compliance with sole purpose test, LRBA rules, and that the fund can service the loan**
- Modelled tax outcomes for at least 2 structures** — typical patterns are personal vs trust vs company
- Confirmed Budget 2026 negative gearing rules** with your accountant — proposed quarantining of new losses affects post-July-2027 acquisitions
- Checked land tax implications across structures** — some states (NSW especially) treat trusts differently to individuals
- Reviewed asset protection considerations** — for high-risk professionals (doctors, business owners), structure choice matters beyond just tax

### When each structure typically wins

**Personal name:** low complexity, sole low-income earner, simple portfolio. **Joint / tenants in common:** couples where income-splitting matters. **Discretionary trust:** family with multiple beneficiaries on different rates, flexibility for future streaming. **Company:** serious portfolio business, asset protection priority, multiple properties or flips planned. **SMSF:** super balance over \$200k, long-horizon investment, specific superannuation strategy. *None of these are universally right — they're right for specific situations.*

### Professional advice you should have signed off before exchange

- Accountant has confirmed the structure** — in writing, ideally with a one-page memo you can keep
- Conveyancer / solicitor has reviewed the contract** — particularly any special conditions and the cooling-off provisions
- Mortgage broker has confirmed pre-approval is valid** for this specific property type and structure
- Insurance broker has quoted** for building, public liability, and (for landlords) landlord insurance

### STAGE 3

## From exchange to settlement

*The 6-12 weeks between exchange and settlement is when most things go wrong. Keep a project tracker. Don't assume anyone else is.*

### Finance and legal

- Loan formally approved** — moved from pre-approval to unconditional approval after valuation
- Valuation came in at or above the contract price** — if it didn't, you may need additional cash deposit or a new lender
- Reviewed loan documents carefully** — especially the establishment fees, ongoing fees, break costs, redraw conditions, offset account setup
- Set up the offset account before settlement** — and parked any available cash there from day one
- Confirmed loan structure** — interest only vs principal and interest, fixed vs variable mix, split loans if relevant
- Signed loan and mortgage documents** by the lender's required date — usually 2-3 weeks before settlement
- Conveyancer has done final property searches** — title, council, water authority, ATO clearance
- All special conditions of the contract have been resolved** — anything outstanding needs to be addressed before settlement

### Insurance and risk

- Building insurance bound** — effective from settlement date (or earlier if contract requires); for vacant land or under-construction, separate cover
- Landlord insurance bound** — covers loss of rent, tenant damage, legal expenses
- Public liability covered** — usually via the strata building insurance (for units) or your landlord/building policy (for houses)
- Confirmed any tenant's lease conditions** — if buying with a tenant in place, reviewed the lease, bond, and condition report

#### The day-of-settlement checklist

Pre-settlement inspection completed in the 5 days before settlement. Inclusions match the contract. Property is in the same condition as when you exchanged. Vacant possession confirmed (if applicable). Final water and council readings booked. Insurance is active from 12:01am on settlement day. **Your conveyancer should walk you through every step on the day.**

### STAGE 4

## The first 90 days

*What you do in the first three months sets up your tax position, your cashflow, and your records for the next decade. Don't skip this.*

### Tax setup

- Depreciation schedule obtained** — quantity surveyor report (usually \$700-1,000, fully deductible) — for any income-producing property
- Capital improvements and initial repairs documented separately** — capital items are depreciated; genuine repairs are immediately deductible
- Set up a dedicated property bank account or sub-account** — one in, one out per property. Makes BAS and tax time trivially easier
- Recorded the cost base in writing** — purchase price + stamp duty + legal + searches + any major immediate improvements — for future CGT
- If trust or company:** first-year compliance schedule confirmed with your accountant — annual statements, distribution resolutions, ASIC fees

## Property management setup

- Property manager engaged with a written agreement** — confirmed management fee, letting fee, advertising, repair authority limits
- Inspection schedule agreed** — typically 4 inspections per year is the maximum allowed by most state tenancy laws
- Tenant selected with reference checks** — employment, previous landlord, tenancy database (TICA)
- Bond lodged with the state authority** — not held by the property manager or landlord
- Condition report completed and signed by tenant** — photos of every room, including the small things (skirting, blinds, ceiling marks)

## Ongoing records to start keeping

- All receipts for repairs and maintenance — separated from capital improvements
- Council rates, water rates, strata levies — all dated invoices
- Insurance premiums (building, landlord, public liability)
- Interest statements from the lender — annual summary at minimum
- Lease agreements and any tenant correspondence
- Property manager statements — monthly or quarterly
- A running cost-base file — separately from operating costs — for the eventual CGT calculation

### The one habit that matters more than any other

Open a folder (digital or paper) labelled with the property address. Every document related to the property goes in that folder, in date order, forever. When you eventually sell — or your kids inherit it — that folder is worth its weight in saved accountant fees and CGT precision. The investors who do this best have folders going back 20+ years.

## FINAL THOUGHTS

### A note from The Real Return

This checklist is a starting point, not a substitute for the work. Every property is different, every investor's situation is different, and every state has its own quirks of stamp duty, land tax, and tenancy law.

The investors who do well over decades are not the ones with the most clever strategies — they're the ones with the most boring discipline. Pre-purchase rigour. Proper structure. Honest cashflow modelling. Adequate cash buffers. Records kept. Tax done on time. The flashy stuff that fills social media is mostly survivor-bias storytelling.

The Real Return's calculators — Buy Analysis, CGT & Structure, Portfolio Tracker, and the others — exist to do the modelling part of this honestly. Free, no spruiking, no agenda. They won't make decisions for you, but they'll show you the actual numbers the legislation implies.

## Your next steps

If you're considering a property: run it through the Buy Analysis calculator at [therealreturn.com.au/buy-analysis](https://therealreturn.com.au/buy-analysis). If you're thinking about structure: [therealreturn.com.au/cgt-structure](https://therealreturn.com.au/cgt-structure). Already own properties? [therealreturn.com.au/portfolio-tracker](https://therealreturn.com.au/portfolio-tracker). All free, all without an email gate.

*This checklist is provided free as part of The Real Return's commitment to honest, no-spruiker property investment education. If you found it useful, the most valuable thing you can do is tell someone who's considering an investment. Word of mouth is the only marketing this site has.*

— Emil Josef, The Real Return