

## INDUSTRY INSIGHT



# What to look for when buying a property

Aside from location, other factors also come into play when searching for a property

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*Special to Properties*

**L**ocation, location, location seems to be the catchphrase when buying a property. However, you should also consider answering the following questions:

What is the financial health of the building? Do they have a sinking fund to pay for the replacement of major items in the future, e.g. chiller units or lift motors? Are the owners paying their service fees? If they are not, there may be a reason why owners are unhappy and not paying.

Do they have a manager running the building? Has regular maintenance been carried out? Is the building in a good state of repair? Is the building properly insured? What insurance do I need to take out in order to ensure there are no insurance gaps?

What is the current service fee rate? Is it going to be affordable along with the mortgage payments and other outgoings? Besides looking at the unit, have a look at the whole building. Is there a swimming pool, gym, Jacuzzi, sauna? How many lifts are there? All these must be maintained and the costs will impact how much you pay for your service fees.

What are the community rules? Will it impact my lifestyle? Do they allow pets? Is there visitor parking or anywhere for my children to play? Do they allow clothes to be dried on the balcony or will I have to buy a clothes dryer?

What do I own? Check your floor plan very carefully. Don't assume you own the patch of grass outside your ground floor unit just because of its location. Ask to see a common area site plan which will show what common property is.

Are there any restrictions with what I can do with my unit? Can I run my business from home? Can I put a shade up my balcony? If I want to change the flooring or knock down a wall, am I allowed? Have any alterations with the unit previously been carried out without the proper approvals?

It may seem like you have to do a lot of research but since the purchase of a property is the biggest purchase you do, it pays to take a little time to get to know what you are buying.

*The writer is Senior Association Manager, Stratum Owners Association Management*

### Handy Hints

- Know the community restrictions and how these impact your lifestyle
- Check if the building's current service fees are affordable and if it is insured
- Check if the building has available funds to pay for replacement of major items