

THINKING OF AN APARTMENT FOR INVESTMENT?

Here are some important points.

The volume of transactions in the real estate industry continues to rise and so does the rate of investors. If you are in the process of finding or buying an apartment for investment, there are some important things to consider.

Here are some tips for a beginning investor, which you should keep in mind before signing a contract.

You are the investors and not the tenants

As investors who purchase the property, it is very easy to treat a deal like the first apartment you bought for residence, and look for the same things that were important to you. But you need to stop for a moment and understand, that you are not living in the apartment, and what you have been looking for or are looking for a residential apartment at this stage of your life, is not sure suitable for the potential tenant who will enter the apartment. These include the design of the apartment, the various options in the vicinity of the property and even the location. You should find something that suits many people, to increase the chances of finding a renter easily.



Not too far or/and make sure you have a reliable property manager

Israel is a small country, but even here the distances can be great and oppressive. There is no need to be within walking distance of the apartment you bought for investment, and it really does not have to be in the same city, but the physical distance is important, and there is a preference for an apartment that can be visited and checked out from time to time. When buying a remote apartment, it's worth finding a local reliable property manager who can occasionally take a look, and make sure all is ok.

Local handyman

Make sure you have contact information of a good, reliable and professional handyman, that provides service in the property location. Residential apartments have wear and tear, and you will often need a repair professional.

Get to know the neighbors

Even if this is not your residential apartment, you should try and get to know the neighbors in the building and the House Committee. Tenants are not always involved in what is happening in the building, and it is important to receive updates from time to time on what is being done in the building, and another pair (or more) eyes on the property.

Get to know the prices

Even before the purchase, you should find out what the rental level of similar properties in the neighborhood or on the street is. Since there is no database of rents in Israel, the closest thing will be to examine what the demand prices are at the relevant sites (the price the landlord asks for, and not sure that this is the price he eventually received). Talks with realtors and also with apartment owners in the area will help to get the full picture, which can also help you calculate the expected return, but also understand what the real rent you will be able to ask for later will be.

