

## Fact sheet for investors

Survey upon survey finds that investors now see sustainability issues – water, extreme weather and climate change – as significant risks to their investments. There are hundreds of checklists available for potential investors. But what does the ethical investor need to consider?

### ◆ Price

There's more to the cost of a home than the price you pay on auction day. How much will this investment cost you over time? Ask yourself these questions:

- What will your mortgage repayments and bank fees cost each month? How much will other fees cost, such as body corporate or strata fees, agents' fees and insurances?
- Is the home energy and water efficient? What proportion of this cost will be borne by you, as the owner?
- How much extra will you spend if interest rates rise by a quarter, half or even a full per cent?

### ◆ Location

Ask any real estate agent to list the three most important factors when buying, and you'll likely hear: "location, location, location." Looking beyond the cliché, ask yourself:

- How close is this home to public transport?
- Does this location provide easy access to employment?
- Does the home have convenient access to shops, restaurants and other services?
- Is the home close to good schools, hospitals or other important community infrastructure?
- Will potential tenants be prepared to pay a premium because it's close to transport and services?

### ◆ Quality

Quality is more than just fancy taps and marble benchtops. Keeping your eye out for quality can be tricky, but there are some simple signs:

- Is the home well insulated?
- Does it feature energy and water efficient fixtures and fittings?
- Does this home have good cross-ventilation, orientation and outlooks?
- Is it north facing to make the most of the sunlight? How much daylight access will it get?
- Will tenants have access to high speed internet?
- Does this home have a Green Star rating?

### Liveability

Liveability is the sum of all the factors that add up to a community's quality of life – everything from the built and natural environments to culture, community activities and cafés on your doorstep.

- Does the home have easy access to green space and parks? What is the level of tree coverage around the neighbourhood?
- Is the home located in a walkable community? Are there ample pedestrian paths and cycle ways?
- Is it a safe neighbourhood?
- Will this place inspire healthy and active living?
- What kinds of community activities are found in the area? Is it a diverse and inclusive community?

### Future proofing

'Future proofing' is about anticipating and adapting to change, rather than simply reacting to change. By choosing sustainable property, you will protect your nest egg against future changes to the regulatory environment or tenant demands.

- Will this home achieve solid capital growth?
- What assurance do you have that your investment is financially secure?

With governments increasingly mandating green principles and energy efficiency requirements, and tenants looking to reduce their operating expenses, a green rating is a smart financial decision.