
8 MISTAKES
New Property Investors Make
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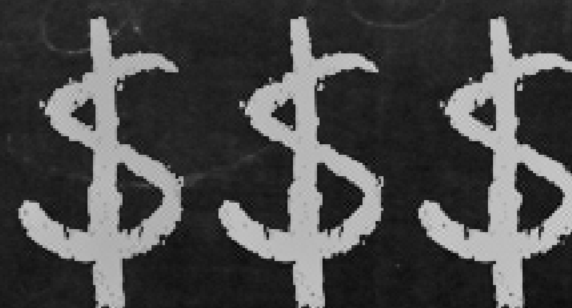
There isn't a formula for 100% success in property investing but what you can do is learn from the mistakes of others.
SO WHAT ARE THE 8 BIG MISTAKES TO AVOID?


Rushing into a purchase
Many first-time investors rush into a purchase thinking it will be instant benefits.
Think along the lines of investing for a lifetime. Realising later that you could've bought a better property could have a massive effect on your long-term investment strategy.
FREE PIZZA WITH PURCHASE OF HOUSE
FOR SALE

Not preparing your finances

Buyers should clean up their credit history and improve their credit score by:

- Cancelling unused credit cards.
- Paying off other debts.



Apply for a pre-approval before you start looking for a property.

MAKING A PURCHASE BASED ON EMOTION

Picking a property based on **a friend's advice or personal opinion can be a disaster**. Speak to experienced financial professionals when coming up with your investment strategy.

BELIEVING
SALES PITCHES

Getting ***enticed by real estate agents*** *into paying more for a property based on its size: it can be easy to* ***fall into this trap****, especially if you're new to investing.*

Don't forget that in any purchase the ***building is the depreciating asset*** *and the land is the appreciating asset.*

Not doing your research

Rather than going in blind, search for the property online.

Look at the growth of the real estate market in that area.

Speak to more than one real estate agent and consult investment experts if needed.

BORROWING TO
your limit and over capitalising

The first big mistake you can make is applying for a loan hastily without knowing your borrowing power.

When you take out an investment loan, make sure you can afford to make your repayments on time and still have the lifestyle you want.

Find out how much you can borrow before taking out a loan.

Not determining your INVESTMENT GOALS

Investors should figure out what they're **aiming to achieve over the long-term** and **set milestones to achieve that long-term goal**.

The perfect property doesn't exist:
find something that fits your goals.

Not accounting **for extra costs**

Don’t forget the additional costs that come with purchasing a property including stamp duty, GST and land tax.

Learn more about these costs as well as the ongoing expenses associated with owning a property by speaking with a mortgage broker.

How will avoiding **these mistakes help me?**

Your first property can make or **break your investment plans.**

Investors usually use the **profit they make on their first property** to finance their second purchase, and so on, to build a robust and diversified property portfolio.

That means putting some thought and effort into your **first purchase will usually pay off in the long run.**

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