How to Get Your First Investment Property Right: A 3-Step Guide for First-Time Investors

By Niro from Investment Rise

✅ Step 1: Get Clear on WHY You're Investing

Most people rush into buying based on emotion or advice from friends. But the first thing you need to ask is:

Why are you buying this property?

- Is it a future home you want to rent for now?
- Is it a holiday home you plan to use occasionally?
- Or is it the first step toward building a wealth-generating portfolio?

If you're serious about growing your wealth, your investment strategy must reflect that from the start. Choose a property that acts as a **stepping stone to your next investment**.

✅ Step 2: Capital Growth Leads to Wealth. Cash flow helps you stay on the journey

Long-term wealth is built through capital growth – but your ability to build wealth will always be constrained by cash flow.

So look for areas with:

- **Capital growth fundamentals** (population growth, infrastructure, jobs, sustainable demand from people who want to live in this area vs the available supply)
- **Strong rental demand** (vacancy rates under 3%, preferably under 2.5% so you can have high confidence you can get a tenant quickly, and where rents are likely to rise)
- A cash flow profile that won't stretch your lifestyle. So even if you're cash flow negative, ensure it's affordable for you. Then, if you've also bought in areas with

strong rental demand, odds are your rents will increase over time, reducing the negative cash flow on the property… and over time, converting it to positive.

✅ Step 3: Focus on Established (Already Built) Properties

Don't be fooled by people who tell you to buy brand new property – because you get better depreciation. That may or may not be true, but more importantly, if you're buying a brand new property that's miles away from the city where there's lots of vacant land (eg: Western Melbourne), you're unlikely to get the capital growth you're after

And if you're thinking about something Off-The-Plan – whether it's a house, town house or unit, run away. In opinion, these are the highest risk properties you could buy. Let me explain…

- You could struggle to get your property rented. These off-the-plan things get built and released onto the market at the same time, often creating an excess glut of properties and investors have to compete for the limited pool of tenants

- You could struggle to get your loan approved. For example, when the property is built say 3 years after you signed the contract, the bank may say the property isn't worth the price you paid. Now you have to come up with the gap, or potentially lose your 10% deposit.

- Capital growth is almost always going to be less (if any) because of all the supply. Always remember, capital growth comes from demand being higher than supply – and when you're buying something off-the-plan, you're buying something where supply is being actively increased, which will reduce your capital growth. Many investors have in fact had to sell their off their plan unit for less than the purchased it for.

📞 Want Help?

If you'd like help building a clear plan to buy the right investment property (and avoid costly mistakes), book a free 15-minute Discovery Call with a member of my team using the link below:

https://www.investmentrise.com.au/property-buyers-agent-service/

This takes you to a page where…

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- I give you the facts about our service and why we are different
- I show you our track record
- I let a few of my clients tell you about their experiences with us and why they say "We are the obvious choice"
- I let you know the kinds of people we can and cannot help

Then you can book your call at a time that suits you

https://www.investmentrise.com.au/property-buyers-agent-service/

To your success,

Niro

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