Top 5 Tips for Property Investment

First and foremost property invest should always be treated as a business. If you approach it with the attitude of it being a hobby, then that's all it will be and the results will be aligned to your thinking.

So you have decided that property investment is where you want to be, then here are five top tips that you need to take on board.

TIP No 1

The number one tip is no so much a property tip per se, but more of a life tip and that is to set goals. **Goals need to be set and they need to be crystal clear and attainable.**

- What types of property will you invest in?
- Where will you buy? Which area?
- What value or price range you will you be considering?

So one you have defined your goals, go out and find properties that meet your criteria don't wait for opportunities to appear, go out and look for the deals, the best deals don't often see the light of day, they don't make it into the market.

TIP No 2

You need to balance your portfolio of properties you own. Don't just stick to properties that will you good capital gain over time or just properties that provide good cash flow. Not all types of properties perform the same at any given time in the market.

For example a suburban house may not provide the same return as maybe an apartment would in the CBD when there is strong rental demand for student accommodation.

You won't easily find investment grade properties that will provide both exceptional cash flow with great capital growth. THERE IS ALWAYS A TRADE OFF.

TIP No 3

Become an expert in a chosen area. Maybe choose a few areas you are familiar with and know well. Maybe add city apartments as a key area, mix them up.

Once you have decided on where you want to focus your attention, the go out and form relationships with the agents that specialise in the area. Apartments in particular need and expert in unit titles and who know that apartment market well will knowledge of building and their idiosyncrasies.

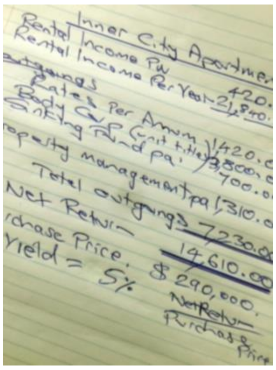
TIP No 4

Learn to buy the right type of property at the right point in the property cycle.

For example, if you buy into the market where there has been rampant price growth over the last few years, then the capital gain has likely had its turn. You really want to look at buying capital growth properties where growth has been flat for a few years.

So it the market has just gone through a capital growth phase, then you should be looking for cash flow properties and vice versa, if there has been a period of significant cash flow increases with rental rates on the rise, start looking at the potential capital growth properties.

TIP No 5



You need to know the numbers. It's imperative. You do need to the modelling and if you are not sure how to, then contact a property investment expert that will be able to help you with this. You've got to know the numbers until they become second nature.

- Income
- Outgoings
- Net return
- Net yield