

9 Things to be aware of when investing

Whether you're a first time investor or a seasoned pro, there's always something new to learn about investing. Here are nine things you should be aware of when investing.

MAKING an investment is a big deal and as such should be considered and measured.

James Fitzgerald, author of Bulletproof Investing and Managing Director of the JLF Group of Companies, has bought and sold more than 2,000 blocks of land in just 10 years.

"You don't have to be rich. You don't have to come from money. But you do need to be focused and determined," the 32-year-old property expert says.

Location, yield, and long-term growth are a few of the factors that should be thought-through when exploring an investment opportunity.

Here is James' list of the top things you should be aware of when looking to expand your portfolio.

1. Choosing the right investment property is different from choosing your forever home – your connection to the area doesn't need

OUR EXPERT

JAMES FITZGERALD

is the Managing Director of the JLF Group which includes Custodian. He is also the author of Bulletproof Investing.



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1. Location is key - remember you want the location and the affordability of the property to appeal to the rental market.
2. Buy land - land in fast-growing areas is the safest and best-performing asset you can invest in. As the population grows so too will the value of your land.
3. Use finance to amplify your returns – banks typically lend 80 to 90 per cent of the property value, which means less investment upfront from you. Use the banks to help minimise your initial investment and amplify your returns.
4. Cashflow is your oxygen - invest in assets that pay for themselves (inclusive of interest to the bank!). Don't let the holding costs of your investment exceed 10 per cent of your take home pay.
5. Compound growth is the secret sauce of investing: Invest in an asset that will grow in value over time, and then be disciplined enough to reinvest that growth into acquiring further assets.
6. Investing is a team sport - you'll need a good accountant, mortgage broker, property manager and mentor. Don't be afraid to pay a little extra for a good team.
7. Play the long game - set yourself small goals and take it one step at a time. No one gets success overnight. [VIP](#)



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