Real Life Property Millionaires Share Secrets

By Aidan Devine

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Whether you pay for it, get it unsolicited from a nosy old man on the train, or ring up your mother for it in the dead of night, there is certainly no shortage of advice.

You'll find pages and pages of it within advertisements and marketing material for property experts who claim their advice can lead you to riches in property and life.

If only advice could come with a star rating like listings in a restaurant guide, we all might have a little more luck at picking through the bad advice to ferret out the nuggets of good stuff out there.

So we turned to you, our readers, for your take on the best – and worst – advice you've ever received. And you gave us some whoppers. Here are some of your favourite bits of wisdom, along with some you wish you had left behind.

Prue Muirhead, YIP Investor of 2009

Best advice I was given: "Keep an eye out for the 'ripple effect'"

My father told me to look out for when one suburb has had great capital growth over a short period of time, yet a neighbouring suburb has not. He explained that this could mean that the neighbouring suburb will show a delayed capital growth shortly thereafter. When people can no longer afford to live in the more expensive suburb next door, they will buy in the cheaper neighbouring suburb, which will increase the property values in my (once) cheaper suburb – the 'ripple effect' in action. I now spend many hours watching the Property Price Guide in the back of the Your Investment Property Magazine, to help with my research on areas for potential capital growth through the 'ripple effect'.

Worst advice I was given: "Never invest in an area that you wouldn't live in!"

By memory, this was about 2008 and this person lived in a very expensive area which would have been affected by the GFC! I guess his strategy is different to mine, as I like to purchase investment properties in areas where I can expect both returns and capital growth. I buy properties that are neutral, or even positively geared within the first 12 months of purchase. These areas are generally in the first home buyers' market. This person's judgement is probably blinded by his emotional thoughts of where he personally would like to live, which has very little to do with investing in growth areas.