

HOW TO BUY YOUR FIRST INVESTMENT PROPERTY

STEP BY STEP GUIDE



NEBIYE HABTE



INTRODUCTION

Buying your first investment property can feel overwhelming – with so many terms, steps, and opinions flying around, it's hard to know where to start or who to trust.

That's exactly why I put this guide together.

Inside, I break down the key things you actually need to know to get started – no jargon, no hype. Just clear, straight-talking advice based on real experience.

You'll learn:

- The different types of property strategies and how to pick the right one for you
- What to look for when analysing a deal (with examples)
- How to build your team – brokers, solicitors, letting agents, and more
- Common mistakes new investors make and how to avoid them
- What to do before and after buying to make your property work for you

Whether you're still saving for your deposit or ready to view your first deal, this guide is designed to give you clarity and direction so you can move forward with confidence.

Let's get into it.

CHAPTER 1: UNDERSTANDING THE BUY-TO-LET STRATEGY

Buying property to rent it out might sound simple but if you don't fully understand what you're getting into, you can make some expensive mistakes early on.

What is Buy-to-Let?

Buy-to-Let means buying a property with the intention of renting it out to a tenant. The goal is to make money through monthly rental income and long-term capital growth.

You're essentially running a business and becoming a landlord. That means there's more to think about than just whether the place looks good or is "cheap."

Who It's For

Buy-to-Let can be a great strategy if:

- You want long-term income and capital growth
- You're willing to learn and treat it like a business
- You've got some money saved or access to funding

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CHAPTER 2: KNOWING YOUR NUMBERS

Before viewing get clear on the numbers.



The Key Costs

- Deposit – Usually 25% of the purchase price
- Stamp Duty – 5% surcharge on top of standard rates
- Solicitor Fees – From £800 to £3,000
- Broker Fees – Flat fee or %
- Survey/Valuation – May be included
- Refurb Costs – Flooring, furnishing, etc.



Cash Flow (What You Keep Monthly)

Example:

- Rent: £900
 - Mortgage: £450
 - Management: £90
 - Insurance: £30
 - Maintenance: £50
- = £280 cash flow/month



Yield vs ROI (Simple Breakdown)

- Yield = $(\text{Annual rent} \div \text{property price}) \times 100$
- ROI = $(\text{Annual profit} \div \text{total cost}) \times 100$

Yield is useful for comparing. **ROI** tells you how hard your money is working.

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CHAPTER 3: HOW TO ANALYSE A DEAL

This is where most people go wrong, they buy on emotions when they should be buying based on the numbers and the fundamentals.

Key Things to Check

- Location – Is there strong tenant demand?
- Rental Income – What will it rent for?
- Condition – Will it need work?
- Leasehold or Freehold – Make sure you check lease length and service charges
- Sold Comparables – What have similar properties sold for nearby?

Use a Deal Analyser

Don't guess. Use a tool that breaks it down.

👉 I've included a free deal analyser to plug in your numbers (purchase price, costs, rent) and check cash flow and ROI.

https://docs.google.com/spreadsheets/d/1sDI91bFZKNGaRR4RgcFAQMWhXlC4Z80Vyv2cwu_oF7o/copy

Red Flags to Watch Out For

- High service charges – Can destroy profits
- Void areas – No demand = Loss in revenue
- Overpriced refurbs – Get a second opinion

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CHAPTER 4: BUILDING YOUR POWER TEAM

You're not doing this alone – property is a team game. If you've got the right people around you, everything becomes smoother.

Key People You'll Need

- Mortgage Broker – Finds the right product for your situation and deals with the lender
- Solicitor/Conveyancer – Handles the legal side of the purchase
- Letting Agent – Manages the property and tenants (if you're not doing it yourself)

Optional but helpful:

- Accountant – For accounts and tax planning (especially if using Ltd company)
- Builder/Handyman – Reliable contacts save you stress when issues pop up

What Makes a Good One?

- They explain things clearly
- They respond to you in good time
- They've worked with investors before

How to Find Them

- Ask other investors
- Go to networking events
- Search online reviews but trust your gut

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CHAPTER 5: BUYING PROCESS

Found a deal that stacks? Here's what happens next. The process can feel long and slow, but if you know what to expect, it's easier to stay in control.

Step-by-Step Breakdown

1. Offer Accepted – Get it in writing and confirm key details
2. Instruct Solicitor & Broker – Your team kicks into gear here
3. Valuation/Survey – Lender checks if the property's worth the price
4. Searches & Legal Work – Your solicitor reviews the property's legal status
5. Mortgage Offer Issued – If everything checks out, the lender gives the green light
6. Exchange Contracts – You're now legally committed
7. Completion – Money is transferred, keys handed over – you officially own it

What Can Cause Delays?

- Slow solicitors (on either side)
- Missing paperwork
- Mortgage lender backlogs

CHAPTER 6: MANAGING THE PROPERTY

Buying the property is just the start. Now you need to manage it – whether that's dealing with tenants directly or outsourcing it to someone else.

Self-Manage or Use an Agent?

Self-manage if:

- You've got the time
- You're confident handling issues
- You've got solid contacts near the property

Use an agent if:

- You want it hands-off
- You want help staying compliant

Budget for Ongoing Costs

- Maintenance & Repairs – i.e. Boiler breaks
- Void Periods – when the property is empty
- Compliance Checks – Gas, electric, EPC etc

A property that's cash-flowing well should still leave room for all of this.

Thinking About Scaling?

Once your first one's running you can look at:

- Refinancing to release equity
- Reinvesting cash flow

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CHAPTER 7: FINAL TIPS & MISTAKES TO AVOID

You've nearly got everything you need – but before you go make moves, here are a few things that trip people up when they're just getting started.

⚠ **Mistakes to Avoid**

- Rushing into a deal – FOMO will have you buying something that doesn't stack
- Overpaying – If the numbers don't work, it's not a deal
- Skipping due diligence – Always check the legal docs, lease info, and area properly
- Trusting agents blindly – Do your own research. They work for the seller, not you
- Ignoring cash flow – A deal that looks “cheap” but barely covers costs is not a good investment

✅ **Final Tips**

- Stick to your criteria – don't bend your rules just to buy something
- Know your exit strategy before you even offer
- Keep learning but take action when you're ready!

READY TO GET STARTED?

10

If you've made it this far, you're serious about buying your first investment property and you've got a proper roadmap to follow.

But reading is one thing – applying it in real life is another.

Want help getting that first deal over the line? I work with first-time buyers and new investors to:

- Build a plan based on your budget and goals
- Avoid wasting time, money, or energy
- Actually take action with confidence

If you're ready to get moving and then book a call below.

👉 <https://calendly.com/nhpropertiesunderway>



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