Review Regularly

Interest rates and loan products change over time, your mortgage strategy should too. Review your home loan every 12 to 24 months to see if you can negotiate a better deal or refinance to a lower rate.
A mortgage broker can help you compare options, understand fees, and handle the paperwork. Refinancing may also let you access equity for renovations or investment.
Even a small reduction in your interest rate can save you thousands over your loan's life.

Plan for Unexpected Costs

Homeownership brings more expenses than just mortgage repayments. Maintenance, council rates, insurance, and unexpected repairs can add up quickly.
Set aside an emergency fund, aim for at least 3 to 6 months of essential expenses, to cover surprises. Having this cushion reduces financial stress and helps you avoid dipping into your mortgage or savings in a pinch.

Think long-term

After buying your home, it's tempting to increase spending, a phenomenon known as "lifestyle creep." Instead, stick to your budget or even tighten it to funnel more money into your mortgage or savings. Maintaining financial discipline will help you pay off your loan sooner and enjoy true financial freedom faster.
Owning a home isn't just about where you live, it's about the wealth and security you build over time.

How I Set Up My First Mortgage to Build Equity Fast

When I bought my first property, I chose a principal and interest (P&I) loan with Commonwealth Bank. That meant each repayment chipped away at both the interest and the loan itself, reducing my debt from day one.

While interest-only loans can be tempting because repayments are lower, I wanted to build equity as quickly as possible. That decision helped me create a strong financial foundation early on.

Choosing the Right Loan Structure

P&I (Principal & Interest): Higher monthly repayments, but you reduce your debt, not just rent money to the bank.

Variable Rate: I chose a variable loan to make unlimited extra repayments and redraw them if needed.

My takeaway: Pick a loan that matches your long-term goals, not just what feels easiest now.

Setting Up for Success

From the start, I automated loan repayments straight from my everyday account. Commonwealth Bank made it easy to link everything, so I never worried about missing payments or late fees.

I also used their app to track progress. Watching my loan balance slowly drop gave me momentum and motivation.

The Power of an Offset Account

One of my smartest moves was using an offset account. Even a few thousand dollars sitting there reduced the interest charged on my loan.

Every dollar worked behind the scenes to save me money. I parked my savings, pay, and emergency fund there, then only transferred out what I needed.

Even while covering strata fees and daily expenses, I found ways to chip in extra $50 here, $100 there. It didn't feel like much at the time, but those small extras made a big difference.
For example: paying just $100 extra each month on a $400,000 loan at 6% interest can save over $25,000 and shave years off your loan term.

Staying Proactive, Not Passive
I set reminders to review my loan every 12 months. Interest rates change. Banks offer new deals. What worked at the start might not be best later.
However, I spoke to my broker Sergio after six months to explore refinancing options. Even if nothing changed, that check-in kept me in control.

Keeping a Safety Buffer
As a unit owner, I was lucky to have low strata fees and minimal maintenance. Still, I kept a $2,000–$3,000 buffer in my offset account just in case rates, bills, or repairs popped up unexpectedly.

Not Letting Lifestyle Creep Win
Owning property didn't mean I suddenly started spending big. I kept it simple, stayed disciplined, and stuck to my original savings habits. Lifestyle creep is when you starting earning more money so you start to spend more money because the savings can stay the same.

Running My Mortgage Like a Business
Your first mortgage sets the tone for your financial future.
Manage it with:

- A clear system
- A calm mindset
- A long-term vision

The more efficiently you handle your mortgage, the sooner you'll have equity to leverage, and options to grow.

"Success is no accident. It is hard work, perseverance, learning, studying, sacrifice and most of all, love of what you are doing."

— Pelé

NINE - BUILDING WEALTH FROM YOUR FIRST HOME

Your first home is more than just a place to live or rent out, it's a powerful financial asset that can set you on the path to long-term wealth. While it might feel like your priority is simply having a roof over your head right now, with the right mindset and strategies, your home can become the foundation for your financial future. This chapter explores how to make your property work for you, not just today, but over the years to come.

Build Equity

Equity is the key to turning your home into a wealth-building tool. Simply put, equity is the difference between what your home is worth on the market and how much you still owe on your mortgage. For example, if your home is worth $500,000 and you owe $400,000, your equity is $100,000.

You can grow equity in three main ways:

- Paying off your loan: Every mortgage repayment chips away at your loan balance and increases your equity. Even small extra repayments can speed this up significantly.
- Property value appreciation: Over time, property values tend to rise. While markets fluctuate, holding property long term generally means your home becomes more valuable.
- Renovations and improvements: Smart upgrades, like modernising kitchens, bathrooms, or landscaping, can add tangible value and boost equity.

Building equity is like planting seeds for your future financial garden. The more you nurture it, the bigger it grows.

Upgrade or Upsize Later

As your equity grows and your income increases, you might be ready to move up the property ladder. Selling your starter home and using the gains to fund your next, bigger purchase is a common and effective strategy.

For example, imagine buying a modest home for $350,000. After several years, it appreciates to $450,000 and you've paid off part of the mortgage, building equity of $120,000. That equity can become your deposit for a larger family home, potentially without needing to save from scratch again.

This approach helps you avoid paying rent on your next property while continuing to grow your investment in real estate.

Refinance for Better Terms

Once you've built equity, refinancing your mortgage can open doors. Refinancing means switching your loan to a different lender or a better deal with your current bank.

Why consider refinancing?

- · Lower interest rates: Reduce monthly repayments and save thousands in interest over the life of your loan.
- · Access equity: Borrow against your home's equity to fund renovations, further investments, or important expenses like education.
- · Improve loan features: Some loans offer flexible repayment options, offset accounts, or redraw facilities to better manage your finances.

Always compare lenders carefully, consider any fees, and seek professional advice before refinancing.

Turn It into an Investment

Once you're comfortably settled in your first home and financially stable, you might consider renting it out. Turning your Principal Place of Residence (PPR) into an investment property can help you build a property portfolio without starting from zero.

By renting out your first home and buying a second property to live in, you use your home to generate rental income and build further wealth. This requires careful planning, understanding tax implications, managing tenants, and ensuring your finances support two properties.

Consider Property #2

If you've been smart with your finances and strategies, buying a second property within 2–5 years is a realistic goal. Many everyday Australians quietly build financial independence by expanding their property portfolios step by step.

Your second property might be an investment designed for rental returns or a home better suited to your changing lifestyle. Whatever path you choose, patience and persistence are your best allies.

Foundation of Wealth

Think of your first home as the foundation of your future wealth. It's not just where you live, it's your stepping stone from homeowner to investor. With time, discipline, and the right strategies, you can build momentum that turns a simple shelter into a powerful asset.

Stay focused, keep learning, and take intentional steps forward. Your future self will thank you.

One is a Foot in the Door, Two is Momentum Building

After buying my first property for $409,000, I was proud just to be in the market. It wasn't perfect, but it was a stepping stone, and like most first homes, it came with a mix of excitement and nerves.
What I didn't expect was how quickly the market would reward me for getting in early.
Within 12 months, the property was revalued at $520,000 a gain of over $100,000 on paper and, more importantly, equity I could now use.
So, I did what most investors aim for: I refinanced and pulled out some equity to fund the next purchase. But then, I hit a wall.

The HELP Debt Hurdle
I had a $40,000 HELP debt sitting quietly in the background. It wasn't something I thought much about, but the banks did. That student loan affected my borrowing power because repayments reduced my serviceability, meaning I qualified to borrow a lot less than expected.
Luckily, my mortgage broker was property-savvy and suggested a smart move: "Use part of your equity cash-out to clear the HELP debt. It'll free up your borrowing power and help you qualify for the next purchase."
At first, it felt strange using home equity to pay off education debt, but after crunching the numbers, it made complete sense. So that's exactly what I did.

Buying Property #2 – Smarter This Time

With HELP debt gone, my borrowing power jumped back up, and I had enough equity left to buy a second property. But I knew I had to be strategic.

I watched the Perth market, which was touted as a growth area with strong rental returns and low stamp duty. I found a suburb called Midland where the numbers worked, land size was decent, and rental demand was solid.

I bought for $360,000 a house with good yield and $500 a week in rent, meaning holding costs were low and I wasn't crushed by negative gearing.

Key Wins from This Deal

- Used equity, not savings, to buy again
- Wiped out HELP debt, improving serviceability
- Bought interstate to take advantage of better value and lower costs
- High rental yield covered most of the loan, keeping cash flow healthy

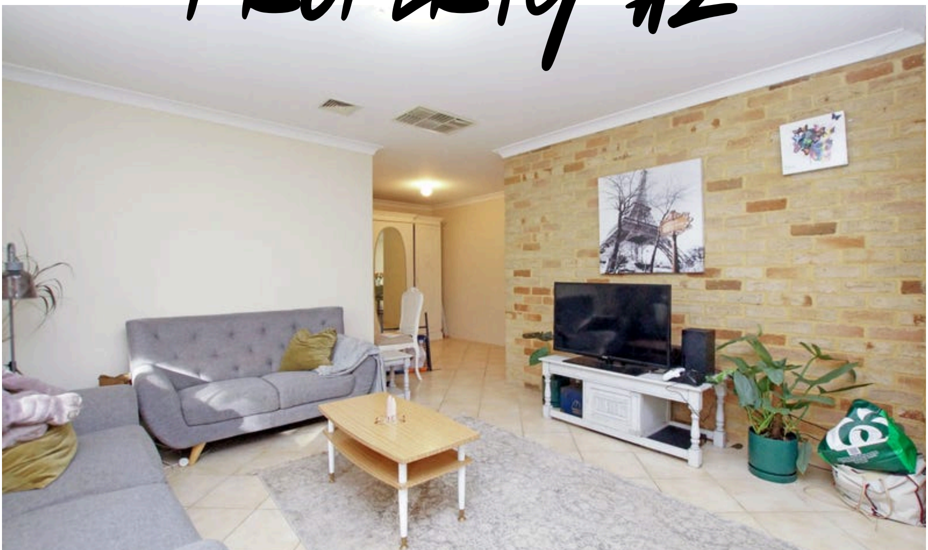
What started as one humble purchase turned into a growing portfolio, all by using equity, navigating borrowing limits, and working with the right people. It wasn't flashy and had roadblocks, but it worked

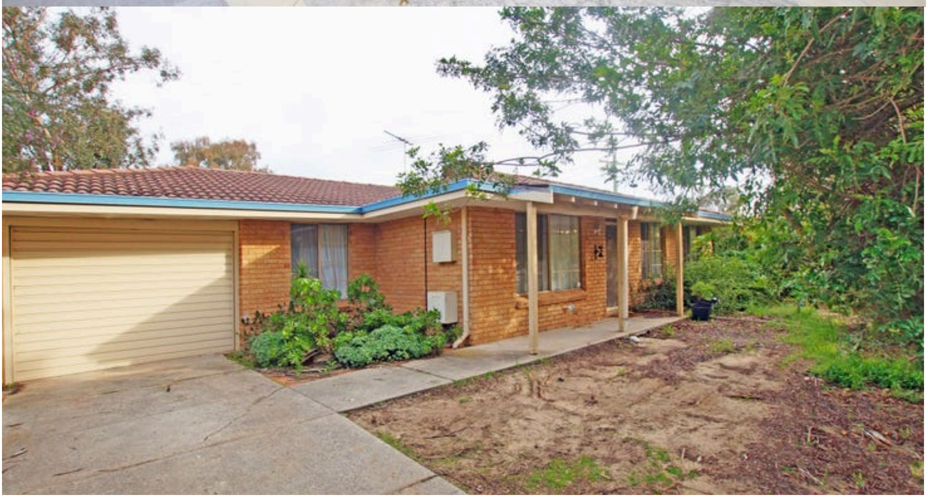
Midland was my second purchase and was a basic home on a block size of 500sqm near a big shopping complex and a TAFE as well as a train station and good schools.

Upfront Costs for Property #2

Item	Cost
Purchase Price	$360,000
10% Deposit	$36,000
Lenders Mortgage Insurance (LMI)	$8,211
Conveyancing	$1,250
Stamp Duty	$11,606
Pest and Building Inspection	$300
Total Upfront Cost	$57,367

PROPERTY #2





Property value ⓘ

Based on data we have available for this property and other properties in the area, the estimated property value of 93 Ewart Street is $507,112, we estimate it has increased by 3.6% in the last month and increased by 40.9% since it last sold in 2023.

realEstimate™

Last updated 30 June, 2025

$450k	$507k	$570k
Low range		High range

High Confidence

Since last month ⓘ	Since last sold in 2023 ⓘ
Up 3.6% ↑	**Up 40.9% ↑**

Two's Company, Three's a Portfolio

After buying my second property in Midland for $360,000, I watched the market with cautious optimism. Perth had been one of the few affordable growth spots, and within 9 months, my property value climbed to $510,000.
I'd seen equity growth before but not this fast.
I went straight back to Sergio (my broker) and asked the question every investor eventually asks: "Can we cash out and go again?" He said yes... but with a catch: "You need to make more money. Your income is now the bottleneck."

Turning Up the Income Dial

I was already working full-time and earning some money from soccer, but it wasn't enough for the banks to lend more.
So, I got a Sunday job behind a bar - serving drinks, cracking jokes, chatting with strangers. In a weird way, it wasn't so different from teaching, just a different kind of classroom.
For a full year, I worked weekends, stayed disciplined with money, and built a consistent income record. With pay slips and bank statements, I returned to Sergio. He cashed out $110,000 from my Midland equity.
Then he packaged my application and presented it to lenders. Shortly after, I was pre-approved for $450,000.

Property #3 — Time to Go Again

Having bought in Adelaide and Perth, I wanted to diversify again. I looked to Geelong, Victoria, a place with affordable houses, solid infrastructure, and long-term growth potential.
I purchased a 3-bedroom house on a 650sqm block for $435,000. A builder quoted $10K–$15K in renovations, mostly cosmetic, so I pushed ahead confidently. But Victoria's strict rental compliance rules meant the reno cost blew out to $33,000.

It hurt, but I didn't panic. I adjusted, picked up more shifts, worked weeknights and Saturdays, and reminded myself:
"This is what delayed gratification looks like."

What I Learned from Property #3

- Equity creates momentum, but income gets you over the line
- Working weekends gave me flexibility to grow, not just survive
- Unexpected costs are part of the game, plan for them
- Every deal teaches you something, and every sacrifice compounds

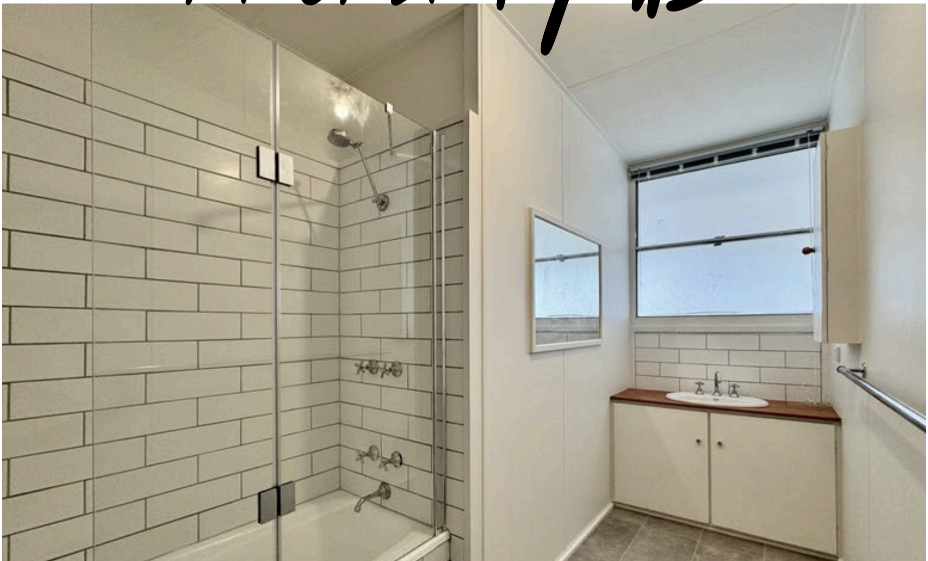
This third property tested me more than the first two combined. But it forced me to grow, not just as an investor, but as a person. It taught me the value of hustle, resilience, and backing myself when things got tight.
Sacrifice isn't permanent. But the rewards can be.

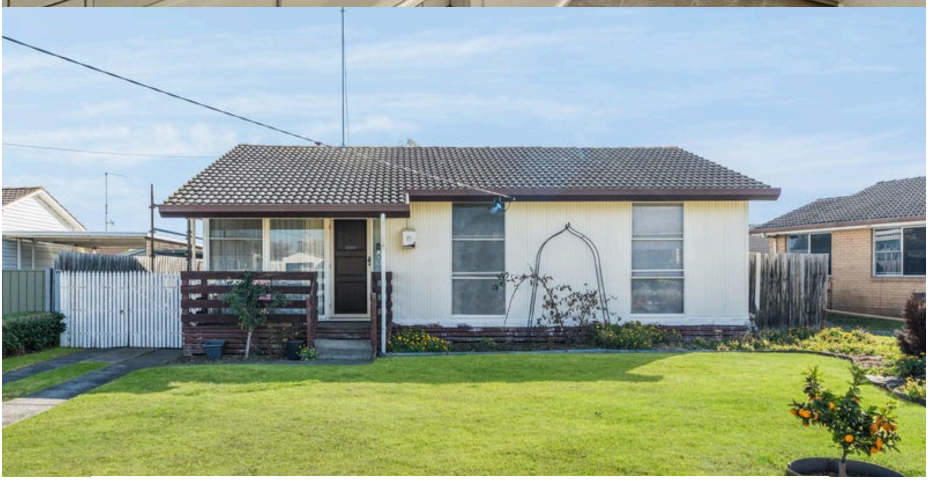
Corio in Geelong was my third purchase, and it was on a large 650sqm block with potential to place a granny flat on the back in the future. It required some renovations to meet the requirements to rent out this property. Equity was added instantly once renovations were complete.

Upfront Costs for Property #3

Item	Cost
Purchase Price	$435,000
10% Deposit	$43,500
Lenders Mortgage Insurance (LMI)	$9,992
Conveyancing	$1,650
Stamp Duty	$22,409
Pest and Building Inspection	$300
Renovation costs	$33,000
Total Upfront Cost	$110,851

PROPERTY #3





Property value

Based on data we have available for this property and other properties in the area, the estimated property value of 15 Loddon Street is $451,966, we estimate it has decreased by 0.9% in the last month and increased by 3.9% since it last sold in 2024.

realEstimate™

Last updated 30 June, 2025

$410k
Low range

$452k

$490k
High range

High Confidence

Since last month
Down 0.9% ↓

Since last sold in 2024
Up 3.9% ↑

Take Home Message

Buying your first property and building wealth through real estate might feel overwhelming, especially if you don't have a six-figure salary or a financial safety net. But my journey proves it's possible with the right mindset, strategy, and patience.

Success isn't about luck or privilege. It's about knowing your goals, understanding your market, and being ready when opportunity knocks. Whether it was falling in love with a suburb during a teaching placement or finding an off-market unit through a teammate, I learned that preparation, research, and building the right network are what make the difference.

Being smart with your money is just as important. For me, strategies like rent vesting let me live where I loved while investing in properties that made financial sense. Using equity from my first property to fund the next purchase, and creatively tackling hurdles like HELP debt, taught me the value of flexibility and financial creativity.

Managing your mortgage well, from choosing the right loan type to making extra repayments and using offset accounts, can save you thousands and keep you on track toward your long-term goals. Regularly reviewing your situation and working with trusted professionals makes the journey smoother and more rewarding.

Most importantly, remember this is a marathon, not a sprint. Building wealth takes time and consistent effort. It's about making informed decisions, learning from every step, and not letting setbacks hold you back.

If you're reading this, you've already taken the first step by wanting to learn and act. Now, put that knowledge into practice. Set clear goals and criteria, research your market, and build your support network, whether it's a mortgage broker, real estate agent, or mentor. Be patient, stay disciplined, and keep your eyes on the bigger picture.

You don't need to wait for the perfect time or perfect income to start. Every small step counts. The sooner you start, the sooner you'll create financial options and freedom for yourself.

So, take that next step today. Get pre-approved, attend some open homes, or just start tracking the market. The property journey will have ups and downs, but with the right strategy and mindset, it can be the foundation for your financial future.

You've got this.

BOOKS I HIGHLY RECOMMEND AND WHY!

1. Atomic Habits by James Clear
Why: This book teaches you how to build powerful habits that stick. It's all about small, consistent improvements that lead to big financial wins over time. Essential if you're trying to save, budget, or shift your money mindset.

2. The Psychology of Money by Morgan Housel
Why: Money isn't just maths. It's emotion, behaviour, and mindset. This book helps you understand why you make the choices you do, and how to make smarter ones that align with your goals.

3. Think and Grow Rich by Napoleon Hill
Why: A classic that focuses on belief, clarity, and persistence. It's not about getting rich quick. It's about training your mind to pursue success with purpose and discipline.

4. The Barefoot Investor by Scott Pape
Why: The go-to guide for everyday Aussies who want a simple, step-by-step way to save, get out of debt, and grow wealth without overthinking it. It's especially helpful for first-home buyers.

5. The Monk Who Sold His Ferrari by Robin Sharma
Why: A powerful story that blends personal growth with timeless life lessons. It'll make you rethink what success really means and help you align your financial goals with a more purposeful life.

PODCASTS I HIGHLY RECOMMEND AND WHY!

1. Pizza & Property with Todd Sloan

Why: This Aussie podcast is practical, down-to-earth, and packed with real stories from real investors. Todd interviews everyday Australians, buyers agents, and property experts, breaking down strategies that actually work, especially for those on modest incomes. Great if you're looking for honest, actionable advice without the fluff.

2. The Property Couch with Bryce Holdaway & Ben Kingsley

Why: Hosted by two of Australia's leading property professionals, this podcast blends strategy, market insights, and money management. They break down the fundamentals of smart investing in a way that's easy to understand and super helpful for long-term wealth building.

3. My Millennial Money with Glen James

Why: A super relatable podcast for younger Aussies wanting to get on top of money, property, and life goals. Glen covers everything from budgeting to buying your first home, with a mix of expert guests and simple, engaging chat. It's especially valuable if you're starting out and want to build financial confidence.

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Complete Property & Finance Glossary

Bad Debt
Money borrowed for things that lose value or don't generate income (e.g. credit cards, car loans).

Bridging Loan
A short-term loan to cover the gap between buying a new property and selling your current one.

Buyer's Agent
A licensed professional who represents the buyer to find, assess, and negotiate properties.

Capital Gains Tax (CGT)
Tax on the profit from selling an investment property or asset (not usually applied to your home).

Cashflow
The money left after all expenses are paid on a property. Positive cashflow means it makes you money each month.

Comparison Rate
A loan interest rate that includes most fees and charges, helping you compare the real cost of loans.

Conditional Approval
A lender's initial agreement to lend you money, based on certain conditions being met.

Co-Buying
Buying a property with someone else (friend or family). It splits costs and increases borrowing power but needs legal clarity.

Conveyancer
Handles the legal side of buying and selling property. Ensures contracts, titles, and settlements are in order.

Cooling-Off Period
A short time after signing a contract when the buyer can change their mind (varies by state).

Deposit Bond
A substitute for a cash deposit the bond acts as a guarantee until settlement.

Depreciation
A tax deduction for wear and tear on investment properties often used to reduce taxable income.

Drawdown
The point when the lender releases funds for your home loan usually happens at settlement.

Equity
The value you own in a property. Property value minus the loan balance = equity.

First Homeowner Grant (FHOG)
A government incentive to help first-time buyers get into the market. Amounts and rules vary by state.

Fixed Rate
A loan interest rate that stays the same for a set period (e.g. 2 or 3 years).

Good Debt
Borrowing that helps build wealth (e.g. investment property or education).

Guarantor
Someone (usually family) who agrees to back your loan using their own financial position or property.

HELP Debt
Your student loan in Australia impacts your borrowing power.

Interest Only
Loan payments cover only interest for a period. Common for investors wanting to reduce upfront costs.

Lenders Mortgage Insurance (LMI)
Paid when borrowing more than 80% of the property's value. Protects the lender, not the buyer.

Loan Pre-Approval
Initial OK from the bank that you can borrow up to a certain amount, not a guarantee, but a strong sign.

Loan to Value Ratio (LVR)
Loan amount ÷ Property value. A high LVR (above 80%) usually means higher risk and possible LMI.

Mortgage Broker
Compares loans from different banks to find the best fit. Often paid by the lender, not the borrower.

Negative Gearing
When rental costs exceed rental income. Often used as a tax strategy by investors.

Offset Account
A savings account linked to your loan. Money in the offset reduces the interest charged on your mortgage.

Pest and Building Inspection
Pre-purchase check for structural issues or termites, gives peace of mind before you buy.

Positive Gearing
When rent income exceeds property expenses, puts money in your pocket each month.

Principal and Interest
The standard repayment type , gradually pays off both the loan balance and interest.

Private Treaty
The most common method of selling a home , the buyer makes an offer and negotiates with the seller.

Refinance
Switching your loan to another lender or product to get a better deal or access equity.

Rentvesting
Renting where you want to live while buying in a more affordable area to invest.

Settlement
The day ownership of the property officially transfers to the buyer. You get the keys!

Stamp Duty
A government tax on property purchases, varies by state and price.

Strata Fees
Ongoing fees paid by owners of units/townhouses for maintenance of shared spaces.

Tenants in Common
A way to co-own property where each person owns a set share (e.g. 70/30). Shares can be sold independently.

Unconditional Approval
Final home loan approval, all checks are done and you're good to go.

Valuation
A bank's assessment of a property's market value to ensure it matches what you're paying.

Variable Rate
A home loan interest rate that can rise or fall with the market.

Yield
A measure of how much rental income a property produces, shown as a percentage of the purchase price.