

**🤖 The "one property" trap**

1 message

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PLUS: Mortgages have just got interesting

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PropertyPulse

**Welcome!**

There's a dangerous phase in property investing that nobody talks about.

It's not when you're struggling to buy your first property. It's not when you're managing a substantial portfolio.

It's the awkward middle stage when you own exactly one investment property.

Why one is the loneliest number

When you own a single property, you're technically an investor. You've taken that crucial first step. But you're also in a strange no-man's-land where you've taken on all the risks without accessing most of the rewards.

It's particularly bad for accidental landlords. You likely own the property in your personal name, meaning rental income is piling onto your tax bill. You're suddenly expected to understand a mountain of regulations that professionals spend years getting to grips with.

But even for intentional investors, the one property stage is dangerous. A two month void period is likely hitting your personal funds. A major repair doesn't average out across multiple properties. And everything seems like a big deal, because you haven't built up the experience to shrug off everyday challenges.

The truth is, you're in the trough where you've "become an investor" but it hasn't made any meaningful difference to your life yet. You've accepted all the responsibility without experiencing the freedom that property ultimately promises.

Breaking free of the trap

The solution is straightforward but requires discipline: treat your single property as a rickety bridge that you need to step off as soon as possible.

This means channelling every spare pound back into your next deposit.

It means staying engaged with the market even more intensely than before. Now that you have practical experience, you'll see opportunities with fresh eyes and greater understanding.

Most importantly, it means setting a concrete timeline for your next purchase. Without this, it's too easy to drift indefinitely in the single property limbo.

The view from property two

The second property feels totally different: hey, you have a portfolio! And you've proven to yourself that the first one wasn't a fluke or a one-off.

Risk begins to spread. The impact of repairs is diluted. Tax planning options start to expand. You begin to benefit from economies of scale.

But perhaps most significantly, you experience the "snowball effect" that makes property so powerful. That second deposit comes together faster than the first one did. Your knowledge compounds with each transaction. Your network of contacts grows.

So if you're currently in that one property phase, celebrate what you've achieved – but don't relax until you've left the danger zone behind.

This week's biggest news...

- The Renters' Rights Bill should have finished its all-important [Lords committee stage](#) by this morning – taking it one step further to becoming law. It seems unlikely that there will be any major changes, and most people I speak to reckon we're heading for an implementation date before the end of this year.
- Not only are [mortgages now at their cheapest since 2022](#), the upside-down-world situation of longer fixes being cheaper than shorter ones is almost over too. There's now only 0.08% on average between a 2-year and 5-year fix.
- How things change. When we started Property Hub, we were having to drag people kicking and screaming out of London. Now, [65% of London-based investors are buying outside the capital](#) – compared to 24% in 2007.
- [Knight Frank has revised its property price growth estimate upwards](#), now believing we'll see 3.5% rather than 2.5% growth this year. Over the next five years, they forecast cumulative growth of 22.8%.
- Flat-ish property prices might not be exciting, but they're good for yields. [According to Paragon Bank](#), yields have hit their highest levels in 14 years – as rents continue to rise faster than prices. (I'm always dubious about the actual numbers reported in these studies because they're so easily influenced by methodology quirks, but they're directionally accurate.)

Your next steps...

To watch: [Is it time to invest in London again?](#) It's not as crazy as it sounds – as I explain in our latest YouTube video.

To listen: When property prices do make a break from their current flat-ish state, what's going to be the direction: boom, or crash? [We examine the arguments for both sides, and give our opinion, on this week's podcast.](#)

Have a great weekend!

Rob D

p.s. If you were forwarded this by a friend, [sign up here to receive your own copy in future](#) (and welcome!)

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