The *Cashflow Soldier's* Guide to Real Estate Wealth

5 Rookie Mistakes New Real Estate Investors Make (and How to Avoid Them)

Presented by: *The Cashflow Soldier*

These 5 lessons took me years (and thousands of dollars) to learn. You can skip the hard part.

Mistake #1: Buying with Emotion, Not Numbers

When we started investing, we made the mistake of renting to people based on feelings rather than facts. One example? Renting to a tenant without proper screening because we felt bad for their situation although their situation had nothing to do with us. This can ruin you before you even have a chance at success in real estate. In other words, mind your own damn business!

Why It Hurts: Emotions cloud judgment. When you skip numbers and rely on gut feeling, you end up with cash flow problems, late rent, and evictions.

How to Avoid It:

- **Use deal analysis spreadsheets.**
- **Set rules for tenant qualifications and stick to them.**
- **Let data drive decisions, not sympathy.**

Mistake #2: Skipping Property Walkthroughs

Some investors buy sight unseen. We made the mistake of relying too heavily on online listings or others' opinions. That cost us thousands in unseen repairs and neighborhood surprises. One of our deals occurred after we were a few deals into our journey and thought we had it all figured out. So we tried the new strategy of "Sight unseen". It can be very lucrative and save lots on travel expenses but you have to be very diligent with this process.

Why It Hurts: Pictures can lie. Neighborhoods can shift dramatically block-by-block.

How to Avoid It:

- Always walk the property and neighborhood.
- Visit at different times of day.
- Talk to neighbors, contractors, and local agents.

Mistake #3: Underestimating Rehab Costs

One of our duplexes had "minor" damage—or so we thought. What looked like a $20,000 rehab turned into a $35,000 project due to hidden plumbing and electrical issues.

Why It Hurts: Rehab overruns can crush your ROI and delay income. Although we were still profitable overall in the deal, delays were costly due to us not being able to rent out the units on schedule.

How to Avoid It:

- Get 2-3 contractor quotes.
- Add 15–20% buffer for unexpected costs.
- Use a detailed scope-of-work checklist.

Mistake #4: Ignoring Property Management Costs

We tried self-managing to "save money," but quickly realized it cost us in stress, time, and tenant issues. Eventually, we hired a property manager—but didn't plan for the cost.

Why It Hurts: If you don't factor management costs into your numbers, you might think a deal cash flows when it doesn't.

How to Avoid It:

- Always include a 8-12% property management fee in your pro forma.
- Interview 3+ managers and get references.
- **Even with a manager, stay involved.**

Mistake #5: Not Treating It Like a Business

We hired family members into roles they weren't qualified for. We made tenant decisions with our hearts. That led to loss of time, money, and reputation.

Why It Hurts: Real estate is not a charity. It's a business that requires systems, discipline, and clear expectations.

How to Avoid It:

- Set up processes: tenant screening, rehab estimating, financial tracking.
- Use project management tools like Trello or Notion.
- Don't mix business with family unless expectations and accountability are crystal clear.

About the Author: *The Cashflow Soldier*

I'm a U.S. Navy veteran, real estate investor, and mentor. My wife and I grew our portfolio to 14+ properties across the U.S. in less than 2 Years, using VA loans, Private Lenders and smart strategies to build wealth, freedom, and the ability to retire overseas.

We made mistakes so you don't have to. My mission is to help aspiring investors build real cash flow and financial freedom the right way—from day one.

Next Step: Join the Mission

Want to skip the costly rookie mistakes?
Join my free newsletter and get access to tools, templates, and real deal breakdowns.

Or book a free strategy call.

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