

SECRETS OF SUCCESSFUL PROPERTY INVESTING

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These concepts provide a template for the property investor but are also true of how successful people in any sphere of life handle themselves. In any country there can often be a tendency to blame government or others for our own short-comings rather than accepting that you are the one in charge of your own destiny. Now that can be good news or bad news dependent on how you take charge!

The concepts have been edited from article by Michael Yardney in Australia's 'Your Mortgage' magazine. Michael is the author of "How to grow a Multi-Million Dollar Property Portfolio – in your spare time". He is a widely sought after speaker at property seminars and well worth listening to, if you have the opportunity.

1. **Take full responsibility for your life** – Successful people know they're the pilot of their own lives. Less successful people feel that they're just a passenger going along for the ride. People create their own luck by putting themselves in the right frame of mind to accept success. Everything that happens to you is a result of your thoughts, your feelings and your actions. So take responsibility for both the good and the bad things that happen to you. Become a pilot – not a passenger. By taking responsibility for both the good and bad things that happen in your life, you'll reduce the number of bad situations that occur and increase the number of good things that happen to you. Psychologists have shown that the more you feel in control of the various aspects of your life, the more happy and satisfied you feel.
Don't blame the economy, the government, the property market, their employer or their employees – anybody else other than themselves for why they haven't become financially successful. Successful people know that both the good and the bad occur, and that there's no one else to blame.
2. **Become decisive** – Once you've made a decision, stand by it. We all make decisions in different ways. Some of us just make the right decision and make it intuitively. Others are more analytical – they must think through all the ramifications before making a decision. Others make our decisions based on 'gut feel'. They know what feels right. Whichever way you make a decision, once it's made, stick to it and don't question it, even if others around you do. You'll never always make good decisions. That's impossible. Accept your decision. Follow through. Then deal immediately with any problems that arise. Don't let problems sit around and fester – they never disappear. When things go wrong, don't beat yourself up over it: deal with it and move on.
3. **Embrace change** – It's often been said that 'the only constant thing in life is change'. So look forward to change and see it as being filled with opportunities. And take advantage of these opportunities while others are frozen in the past. Property markets change, interest rates change, supply and demand change. Market sentiment certainly changes. The great thing is that whenever change occurs it opens up fantastic opportunities. If you're committed to moving forward, you'll have to move out of your comfort zone. This is change, and initially feels uncomfortable, but if things stay the same you'll find that you're moving backwards.

4. **Find opportunities where others see problems** – Some people see the cup half full, while others see it as half empty. When confronted with opportunities, the average person finds reasons why not to do something, yet successful people look for reasons why they should take action. Find ways to make the situation work, rather than not work. This is particularly true in property. If you can find a ‘twist’ – a hidden opportunity that other potential buyers can’t see, such as adding value to a tired property through renovations or resolving a vendor’s problems – you’’ be adding value and making money.
5. **Successful property investors invest, they don’t speculate** – Speculation is based on hope. Investment is based on fact. Speculators look for the things like the next ‘hot spot’, the next big thing or the latest fad. Then they hope things will work out. Investors recognise that property investment can be boring. Investors know it’s not very exciting buying a property and waiting for it to increase in value, but they don’t look for excitement in their investments. They don’t want to speculate. Investors ask questions like: “What’s worked well over the last 20-30 years?” They don’t try to pick the next hot spot but follow a strong long-standing trend. While experienced successful investors avoid risk by looking for predictable returns, speculators would say: ‘Well, this area hasn’t performed for a long time and it must be about time for it to perform’ or ‘Now it is time for things to change’. Many speculative investors live in the world of fantasy; hoping luck will fix their problems. Super successful investors know that, no matter how much they wish for something to happen, it’s not luck that’s going to make it happen. They look at the reality of every situation and realise that they make their own luck by working hard and focusing on facts.
6. **Successful investors build a competent team around themselves** – They don’t expect to do everything themselves and they aren’t afraid to pay for good advice. Successful investors surround themselves with people they trust who know more than they do. Be honest with yourself about your abilities. You can’t be good at everything but you have the potential to be great at one thing.
7. **Successful property investors have learnt to use debt wisely** – They’re not scared of taking on debt. They’ve learnt how to use other people’s money to grow their own substantial property portfolio.
8. **Successful investors belong to a Mastermind Group** – They’ve learned to hang out with ‘winners’ not ‘whingers’. Find a group of like-minded people and meet with them regularly to help you in your investment endeavours. Learn what makes winners, and copy their habits.
9. **Successful investors act with integrity** – If you commit to do something, always make sure you do it. Some people in the investment business are full of ‘wind’. They say they’ll do something then create excuses why it hasn’t happened. To stand out from the crowd, you must always do what you commit to do. It will get you a great reputation in the real estate investing world.
10. **Successful investors think very differently from average investors** – They have a different mindset and think of the big picture, while underachievers tend to get lost in fine detail. For example, successful investors recognise that the value of their property, if well positioned, may double every seven to ten years. Yet the average investor will worry about fluctuation in interest rates or other minor details. They get lost in the detail and often get paralysed while analysing the situation and never take action.

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