

13/10/07 Gold Coast Bulletin

Time to sign up and join the army of real estate investors

PROPERTY has changed the lives of lots of ordinary hardworking Australians. It has turned many into millionaires – and it has sent some bankrupt.

For many, the idea of investing in property can lead to an internal struggle. The prospect of getting rich is a big temptation, but the fear of taking a risk holds them back.

So what does it take to overcome the fear? And how can you make sure you're one of the success stories? The answer can really be summed up in just one word – knowledge.

Investors who aren't informed run the risk of buying in the wrong suburb at the wrong time. But it's not just the property you're buying and its location you need to be up to speed on. You need to have a strategy. Work out what you want

to achieve and seek independent financial advice from a professional to make sure you're on the right track. Then determine the type of properties you need to buy to help you reach your goal.

Will it be a house or a unit? Negatively geared or positive cash flow? Are you going to buy, renovate and sell, or buy and hold for the long term? Do you have a deposit saved up or will you need to borrow the entire amount?

Talk to people – accountants, lenders, real estate agents and, most importantly property investors. Ask them what mistakes they've learned from; what tips they can suggest.

If you're going to get serious about this, you need to start familiarising yourself with what's happening with the economy and in the property market.

PROPERTY POINTERS

New column by **Eynas Brodie**
(*Australian Property Investor*)



Learn about inflation and interest rates, the property cycle, building trends, investment strategies.

Find out about property price trends and get your head around the readily available statistics that can help guide your decision – median prices, vacancy rates, population growth, median rents.

Discover what makes a property market boom so you know what to look for when you are tracking down the next hot spot.

Research techniques used by successful investors so you can apply their strategies to your own investing.

Depreciation, tax breaks, stamp duty, body corporate fees, land tax, property management – these are all concepts you need to become familiar with.

For newcomers, it may sound overwhelming and like a lot of hard work, but this knowledge is the difference between the people who make their fortune in real estate and those who lose it.

It's like anything in life. Once you have got the basics down, it gets easier and you'll reach the stage where it becomes habit and you will operate on autopilot.

Become well versed on what property investing is all

about so that it doesn't intimidate you.

And where better to begin than here on the Gold Coast?

Everywhere you look, there are people making money from real estate. It's one of the most active property investment markets in the country.

Of course, the Gold Coast (and Queensland as a whole) has attracted more than its share of dodgy property marketers who have caused inexperienced investors to suffer financial loss, bringing us back to the point of being well informed.

It's not rocket science. You want to make money, so you need to buy a property that will go up in value or deliver you a strong rental return, or both.

That means buying well, so negotiating a low price for a property that will continue to be in high demand.

And there's no shortage of

opportunities on the Gold Coast, where lifestyle becomes a major factor in the buying decision.

Is the property on or near the water? Is it located close to transport infrastructure and general amenities (for example shopping, schools, hospital)? Will it be a permanent-let or a holiday-let investment prospect?

At *Australian Property Investor* magazine, we hear many stories of Australians, of all ages and from all walks of life, who are making property investment work for them.

There's no reason why you can't be one of them.

It's exciting, it's rewarding and the results can be truly life changing.

Eynas Brodie is editor of *Australian Property Investor* magazine. She lives and invests on the Gold Coast.