Success is not a miracle. Nor is it a matter of luck. Everything happens for a reason, good or bad, positive or negative.

And it’s the same with success in property investment. While real estate is generally considered a sound investment, only a small number of those who get involved eventually develop financial independence.

It probably won’t come as a surprise that when you study those who have achieved financial freedom through property investment, you will find they come from a variety of backgrounds, walks of life and educational standards, but there are certain traits shared by all these successful property investors.

If you want to join the ranks of these investors you need to model them - you need to copy those who have achieved the success you desire.

So in this special report I am going to share the habits these wealthy investors share in common.

How do I know these things? Well over the years I have worked with and rubbed shoulders with the many successful property investors and developers around Australia and South East Asia. In fact I have arguably educated more successful property investors than anyone else in Australia.

But what I’m going to share is not theory… I’ve been a property investor for over 37 years and have grown a very substantial property investment - one that has given me financial freedom.
So let’s look at what I’ve found. When looking at successful property investors they:

1. **Have a strategy.**

   Successful investors have defined goals and a wealth creation plan to help them achieve their goals.

   Having a plan also allows these investors to visualize the big picture and helps them maintain focus on their goals rather than on the inevitable minor setbacks they encounter.

   It also means that every property purchase they make is based on proven investment criteria rather than on emotions. This allows them to say “no” more often - they bypass the mediocre investments so they can take advantage of the great investments.

   I know I have made more money by saying “no” to so-called opportunities than by saying “yes” to them.

   Real estate investing can be complicated and demanding and a solid plan can keep investors organized and on task.

2. **Treat their investments like a business.**

   Successful investors realise that it’s not how much money they make that matters. It’s how hard that money works for them and how much they keep that counts, so they treat their investments like a business.

   They are financially fluent and understand “the system” of finance, tax and the law. They get the right type of finance and set up financial buffers to buy themselves time through the ups and downs of the property cycle. They also set up the correct ownership and asset protection structures to own their properties and they know how to legally use the taxation system to their advantage.

   It is also important for real estate investors to approach their property activities as a business in order to establish and achieve short and long-term goals. They have a business plan that allows them not only to identify objectives, but also to determine a viable course of action towards their attainment.

3. **Keep educating themselves.**

   Most Australians want to improve, grow, and lift their personal ceilings of achievement. However they think they can do this through trial and error – they are prepared to learn from their mistakes. Sure you can learn and improve this way – but only so far and so fast. Learning from your mistakes is a slow and demoralising way of growing.

   In contrast seeking out and learning from mentors who have achieved what you want to achieve can help raise your level of achievement dramatically and in a relatively short period of time. It’s a huge leap of faith to assume that starting at the bottom of the investment ladder, with only their knowledge and experience, an investor could ever reach the place where a proven model begins.

   That’s why successful investors are prepared to invest in their education and never stop learning. They keep reading and attending seminars; they have mentors and join mastermind groups.

   Successful real estate investors take the time and make the effort to stay educated, adapting to any market changes as well as economic trends and regulatory changes.

   Keeping current does require additional work, but they view it as an investment in the future of their business.
The 18 Habits of Successful Property Investors (continued)

4. Think big

While the average Australian is content on buying a home and slowly paying it off over time, those who become financially free paint a much bigger picture for themselves. They see themselves building a substantial property investment portfolio that will one day replace the income from their day job.

There is nothing new about this. Before Donald Trump became a TV star in The Apprentice and became well known for the saying “You’re fired”, one of his favorite sayings was “Think Big.”

5. Know Their Markets

Effective real estate investors gain an unfair advantage by acquiring an in-depth knowledge of their selected markets. The more an investor understands a particular market, the more qualified they will be to make sound business decisions.

Successful investors like to invest in an imperfect market. This means that they are more likely to be able to buy an investment below its true value, or sell it above its true value. Let me explain this in more detail….

The world of shares is not a completely perfect market, but it’s about as perfect as it gets. That’s because it is a liquid market where investors are well informed. You can buy stocks at the same price as anybody else can. In general, the overall marketplace has the same information as you have, because for the most part the information is equal. This shared knowledge creates a more ‘perfect’ market.

On the other hand, real estate is what I would call an imperfect market. I know many people who have bought properties at 10, 15 or even 20% below real market value. If property was a perfect, liquid marketplace, you would not be able to buy a property considerably below its intrinsic value. I can do this every time, and so could you because information, contacts and expertise help you get an insider’s edge in an imperfect market and reduces their risk.

Being familiar with specific property markets allows successful investors to predict when trends are going to change, creating potentially beneficial opportunities for the prepared investor.

They also keeping abreast of the big picture macro economic trends including any changes in consumer sentiment, mortgage rates and the unemployment rate, to name a few. This enables them to acknowledge current conditions and plan for the future. They realize that successful property investing is a bit like chess. They know they do better if they can think three or four steps ahead of the others.

6. Develop a Focus or Niche.

Because there are so many ways to invest in real estate, it is important for investors to develop a niche in order to gain the depth of knowledge essential to becoming successful. This involves learning everything about a certain type of investment and becoming confident in that arena. Taking the time to develop this level of understanding is integral to their long-term success.

Once a particular market is mastered, savvy investors keep doing the same thing over and over again. They know that it is better to do one thing well than five things poorly. That’s how they become experts in their field.

7. Understand the Risks

Beginning real estate investors often get saturated with advertisements claiming that it is easy to make money in property, that it can be made overnight and with none of your own money.
Prudent real estate investors understand the risks associated with the business of property including property cycles, fluctuating interest rates and the inevitable “X factor” that come out of the blue to undo the best laid plans. And they take precautions to reduce their risks.

8. Take full responsibility for their lives.

Successful people know they are the pilot of their own lives, while the average Australian feels they are just a passenger going along for a ride.

I don’t believe in circumstances or luck. 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 will 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. And of course the opposite is true. If you feel you are not in control of your life, it is very difficult to feel happy and satisfied.

I find that under achievers love taking responsibility for good results but always seem to blame others for their bad results. They tend to 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 is no one else is to blame for either.

9. Are Decisive

While the average person tends to be indecisive, waiting for the right time, the right opportunity or the right price, successful investors take action.

Learn from them and become decisive. Once you have made a decision stand by it. We all make decisions in different ways. Some of us just make our decisions intuitively. Others are more analytical – they must think through all the ramifications before making a decision. Yet others make their decisions based on “gut feel” - they know what feels right.

Whichever way you make a decision once it is made, stick to it and don’t question it, even if others around you do. Obviously you will never only make good decisions - that’s impossible. Just accept your decision. Follow through. Then deal with any problems that arise immediately. 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.

10. 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 other potential buyers can’t see – such as adding value to a tired...
property through renovations or solving a vendor’s problems you will make money.

11. Embrace change.

It is often been said ‘the only constant thing in life is change.’ So look forward to change and see it as an opportunity and while others are frozen in the past take advantage of the opportunities that change presents to you.

Property markets change, interest rates change, supply and demand changes. Market sentiment certainly changes. The great thing is that whenever change occurs it opens up fantastic opportunities. If you are committed to moving forward, you will have to move out of your comfort zone. This is change and initially feels uncomfortable, but if things stay the same you will find you are really moving backwards.

12. They invest and don't speculate.

Speculation is based on hope. Investment is based on facts.

Speculators look for the things like the next ‘hot spot’, the next big thing or the latest fad and then they hope things will work out.

On the other hand successful investors recognise that property investment can be boring. They know its 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.

Rather than trying to pick the next hot spot, investors ask questions like “what has worked well over the last 20 to 30 years?” and follow a strong longstanding trend.

While 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 speculators live in the world of fantasy hoping luck will fix their problems. Sophisticated investors know that no matter how much they wish for something to happen, it is 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.

13. Build a competent team around themselves.

Successful investors surround themselves with people they trust who know more than they do. They don’t expect to do everything themselves and are not afraid to pay for good advice. I’ve often said ‘If you’re the smartest person in your team you are in trouble.’

So 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. Choose your one or two things to focus on, then find others that are better than you at the things you aren’t so good at and make them part of your team.

14. Have learned to use debt wisely.

Successful investors are not scared of taking on debt. They have learned how to use other people’s money to grow their own substantial property portfolio. While beginning investors use finance to buy properties, sophisticated property investors understand that once they have a property portfolio they will be able to borrow against it and use finance to fund their lifestyle.

15. Belong to a Mastermind Group.

Successful investors have learned to hang out with ‘winners’ not ‘whingers.’ You should also 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.

16. Act with integrity.

If you commit to do something always make sure you do it. I have seen so many people in the investment business that are full of “wind.” They tell you they will do something then create all sort of excuses why it hasn’t happened. Some of them are acting as honestly as they can. Some of them never had any intention of keeping their commitments.

To stand out from the crowd you must do what you commit to do. It will get you a great reputation in the real estate investing world.

17. See the big picture

Successful investors think of the big picture while underachievers tend to get lost in fine detail.

For example they recognise that the values of their property, if well positioned, will double every 7-10 years. Yet the average investor will worry about fluctuation in interest rates, land tax changes or other minor details. They tend to get lost in the short term detail and often get paralysed when analysing the situation and never take action.

Of course part of the reason successful investors look at the big picture is that they have a plan and know where they are heading.

18. Think very differently to average investors.

I’ve already explained that you should look for a good role model or mentor and learn what they have done to achieve their success. I once read that if you want to be successful at anything and can’t find a good role model, you should just look at what everybody else is doing and then do the opposite. It’s much the same with property investment….

If you think about it most property investors fail.

With less than 10% of property investors ever owning more than 2 properties and with close to 50% of property investors selling their properties within 5 years, the inconvenient truth is that close to 95% of property investors fail – they never reach their objective of financial independence through property.

This means to become successful you must do the opposite of what the vast majority of property investors do.

I’ve explained this clearly and in much more detail in my various books:

- *How to grow a multi-million dollar property portfolio – in your spare time* – lays out the successful property strategy that I have used to grow my own very significant property portfolio.

- *Thriving, not just surviving in changing times* – explains the new rules of money and teaches readers how to become financially fluent.

- *What every property investor needs to know about finance, tax and the law* – teaches property investors how to treat their investments as a business. Clearly this is different to what the average investor does.

If you want to become a successful property investor I suggest you consider putting these ideas and concepts into action. They have worked for others so, they should work wonders for you.
Conclusion:

Despite abundant advertisements claiming that real estate investing is an easy way to wealth, it is in fact a challenging business requiring expertise, planning and focus.

In addition, because the business of property revolves around people, investors benefit in the long run by operating with integrity and by showing respect to associates and clients.

Though it may be relatively simple to enjoy short-lived profits from property, developing a viable real estate investing business that can last for the long-term and give you and your family financial independence requires additional skill and effort.

Whether focusing on high growth properties, renovations or property development, highly effective real estate investors share these 18 essential habits.


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