

Why you are not investing in property (and should!)

 By [Barrie Swart](#)

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When we conducted a poll last year, 66.6% of South Africans surveyed said that it's always better to own your own home - and a quarter stated that they weren't able to move from renting to owning, much less consider investing in a portfolio of properties.



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There are a number of reasons why individuals think they cannot invest in property – some are valid, but more often than not, they are excuses. Here are some of the biggest excuses I've encountered when it comes to buying property:

“I can't quit my day job”

Don't quit your day job! You may feel that you need to devote 24 hours a day to your investments, but being self-employed makes it so much harder to secure financing. Your day job is an advantage, not a hindrance. You will need to invest some time in research and viewings, but with the right agent and the right broker you will be able to do a lot of the legwork in your spare time. Once you've put the legwork in in the short-term, you can reap benefits for life.

“I don't have the cash”

This is probably the most common excuse in the book. I wouldn't advise anyone to save up a lump sum in order to buy a property with cash in hand. You do need to become loan-worthy though. You can ask family or friends to offer up surety. You can invest with a group of friends or partners. You can use your existing residential home as equity. You can borrow to let (if you can find a property with good rental returns). And most of all, you can plan to get the money. Cut back on expenses and set a target date for when you will have the funds you'll need. Use the time it takes to get to that target date to learn everything you can about the property market. You are already ahead of most of the population if you spend less than you earn, so make the most of it.

“I haven't got a clue where to start”

Lack of knowledge is not a barrier in the internet age. Buy a book, attend a seminar, watch videos on YouTube or download a podcast. Once you have the fundamentals you need, you can start recruiting the partners you'll need – a broker, a banker and an estate agent will be happy to provide you with advice... their goal is to see you own a property, and they will

help you get there.

“There just aren’t any good deals out there”

Before you think there aren’t good deals out there, you might have to define what a good deal is. If you are looking for a dirt-cheap property in a prime area with huge rental yields that does not require any maintenance in an up-and-coming neighborhood... good luck to you. Everyone is looking for that magic deal, and everyone is unlikely to find it. Investment is a marathon, not a sprint. Set your investment goals for the long-term and find a property that matches. Do you want to buy to flip, demolish or rent? Who do you want to rent to? How much do you want to earn? Once you’ve set the goals, the deal will pop up in good time.

“I don’t have the right contacts”

Sometimes all you need is a search engine and a classified site. There are more home owners uploading private deals at lower prices than ever before. Set up alerts, ask around, drive around. You might just be able to nab a bargain from right under the noses of property veterans who’ve been doing this for years.

You will always find a reason not to invest if you look hard enough, but the opposite is also true. Sure, there are risks. There are also massive rewards. Anyone can make a profit from property – including you.

ABOUT BARRIE SWART

Barrie Swart is the head of operations at Guntree Property. He has spent a decade working in the fields of marketing, media and management in both South Africa and China, holding both an MBA and a bachelor's degree in marketing. Swart was responsible for launching ProTool For Property, a sophisticated property dashboard, that is now being used in South Africa and Mexico.

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