

# How to be a fearless property *developer*



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Property development is widely recognised as one of the best ways to achieve financial security, yet we're told that only 8% of Australians own an investment property. That's a surprisingly small percentage considering property has created more millionaires than any other form of investment. Also, you don't need any formal qualifications to be a property investor so why not partner with a trusted expert and have a go?

What is it that sets the confident property investors apart from those who want to make money from bricks and mortar, but don't take the plunge?

Our experience shows that despite their best intentions, would-be property developers can inadvertently put up barriers that thwart their money-making plans. Often it's fear of failure, or a fear of not knowing what to do, or who can help you. Sometimes a would-be investor's plans for financial security are stalled by the fear of being first, or of not having enough time to follow through and do it 'properly'.

If any of these sound familiar, you're not alone. Every day, regular Western Australians are looking for ways to break down those barriers so that fear no longer hinders their ability to achieve financial security through property development.



## Here are our top tips to becoming a Fearless Property Developer:

### 1 Make peace with your emotions

We are all human and that means we can all fall victim to our emotions. After all, deciding to build a development property is a big deal. It involves time and money; usually a fair amount of both. It's natural to be wary when there are big sums of money involved. Often the nerves will continue even after you've signed on the dotted line. That's okay! It's perfectly understandable to be fearful of what the market is doing, or maybe whether you'll be able to find a good tenant. When you're investing in property, your biggest challenge is to understand all your fears and emotions. It's good to be aware of fear and its close cousin greed, but don't let either of them dictate your thinking.

Fear and greed often raise their heads during what property experts refer to as the 'euphoria stage'. This is actually the point of maximum risk in the property cycle; when everyone is getting into the market. It's when we can feel the most comfortable about jumping in, but that's exactly the wrong time to be investing. All too often we watch as greed causes people to buy after prices have already started to rise and we see fear make people sell after prices have started to fall.

Successful property developers make peace with their emotions and refuse to let them do the thinking for them.

## 2 Be a pioneer if you have to

Don't be put off by the fact that you may be the first of your friends or family to embark on a project development. Being the first can be a daunting prospect, especially if you're investing during a market downturn, or when others are standing back. It's human nature for us to feel far more comfortable when we're following, not leading. Sometimes you have to be a leader, not a follower.

## 3 Take the first step

The fear of the unknown can sometimes hold us back from doing what we actually already know is right for our financial future. Taking the first step, whether it's attending a seminar, or a free consultation with a property development specialist, for example, often provides all the momentum we need to get going. One of the benefits of property development is that anyone can do it. Getting started may be the hardest step to take, but it's the only way to get ahead.

## 4 Ask for help

Never be too proud to ask for help. Successful property developers are often the first to admit that there is always something new to learn. Even the most experienced property developers are happy to work with – and learn from – the professionals, knowing it will help them become the best property developer they can be. There are industry professionals who can help with all aspects of

property development, including education, planning, finance, negotiation, building, property management, accounting and so much more. Not only are two heads better than one, but also it's reassuring to have experienced advisors on your team. Seasoned developers will tell you paying for the services of an expert is usually money well spent.

## 5 Stay focused

Make time to attend seminars, do your research and talk to the experts, knowing that this is time well spent and part of your 'big picture' plans to achieve financial security through property development. There should be no room for excuses as every day delayed is an opportunity lost. You'll often hear the experts say that property investment is a long-term strategy and that the best time to invest is yesterday. They're spot on! Looking at the big picture also means looking past your first development. Reinvesting your equity, expanding your portfolio and remaining focused means your financial future can be even stronger.

## 6 Learn from mistakes

Everyone makes mistakes, even the best and most experienced investors. The key is to learn from a project that didn't quite go according to plan. It's also important not to succumb to the 'once bitten, twice shy' mindset. As we all know, some of life's best lessons are learned the hard way.



## 7 Tune into market cycles

While no one expects you to predict the future, it is important to recognise and understand where the current market is at, and to then use this to your advantage. Watching sales volumes, for example, is a good way to gauge what's happening in the market. Volumes will turn upwards when the market turns up, and they'll turn downwards when the market turns down. This is crucial to know because you don't want to be buying at the peak of the market and you don't want to be selling at the bottom. However, Fearless Property Developers know that there are opportunities to be found in any market if you know what to look for.





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