

MAREE TASSELL



THE 'BEST WAY' TO INVEST

There are many strategies to achieve a successful property portfolio, writes **Maree Tassell**.

Just like you can find an article on Google or Facebook that perfectly justifies or validates any belief you may have, it seems the same with property investment. There are volumes that will tell you that chasing cashflow is the way, the truth and the life, yet there are many successful investors who have created their wealth through buying for capital gains. New builds, old homes, do-ups, blocks of flats, subdivisions, off-the-plans, the list goes on (and so do the arguments).

I've met people whose journey to success has come via purchasing "inferior" properties in less desirable locations, and then I've met just as many on the other side of the camp who have only ever purchased new houses in good locations, and everything in between.

SO HOW DO YOU KNOW WHICH IS THE BEST STRATEGY FOR YOU?

Property investment is just as much an art as it is a science. As well as the numbers, other areas need to be taken into consideration such as your risk profile, time availability, location, income, amount you can invest, team and other factors such as whether or not you're allergic to a paintbrush.

In short, you have to be comfortable with your own strategy. It can be hard to think that through when you are new to investing, so here is what not to do:

- Don't consult with the BBQ committee. Talking about property investment can be akin to bringing up religion and politics and what you may find is that those with

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the strongest opinions have the least actual knowledge or experience. (Any time you hear someone start a sentence about investment with "they reckon" run for the hills.)

- Don't default to doing nothing. Paralysis by analysis can occur in your quest to find the perfect road or the perfect deal and then nothing gets done. While it is important to educate yourself there comes a point where action must be taken.

WHAT I RECOMMEND (WHAT I SEE SUCCESSFUL INVESTORS DO):

Spend time with people who are actively investing, are proud of what they do and

how hard they work, and who love to share their knowledge. Property investor associations are great and there are a few good online groups that are free.

- Get some knowledge and then listen to your gut. Take action.
- Ask for help if you need it; that's not a weakness, it's a strength.
- Don't be tight when it comes to paying for professional advice. Property investment is a team effort and your accountant, lawyer, building inspector, property finder, property manager are all important to your success.
- Embrace your mistakes. You're going to make them and it's all part of the learning process. What you can do though by doing the above is mitigate your risk substantially.

You need to be comfortable with your strategy and the easiest way to work that out and make a start is to simply decide what appeals to you most, fits your property goals and is feasible with the resources you have.

Also remember that how you initially approach property investment can have very little in common with how you finish. By this I mean that whilst you may love the idea of buying commercial property in Auckland, if you only have \$300,000 to spend then you are probably going to struggle initially

Everybody has to start somewhere. What matters most is that you make the decision to start, receive good advice, set a goal, don't worry about what others who are on a different path might say, and get stuck in. ■

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