

q property: PROPERTY FIT

What kind of investor are you? Why most property investors fail

The vast majority of Australian property investors only own one or two investment properties – and there's a huge difference between those who simply buy a property or two as an investment, and professional property investors who have the knowledge and skills to build long lasting property portfolios. So, why do most property investors fail to achieve their investment potential?

First up, you need to decide what type of investor you want to be. Are you happy investing in property as a hobby, and satisfied with relatively modest results? Or, are you seeking outstanding results and willing to treat investing as a professional business by putting in the corresponding time and effort? Keeping this question in mind, let's take a step back to establish what type of investor you are.

If you're not already financially free then you likely fit into one, or a combination, of the investor types profiled below. Bear in mind that while the categories are obvious generalisations, you're still likely to recognise parts of your personality.

The Wannabee Investor has a genuine interest in investing, and enjoys reading and engaging in investment information sources. But their talk doesn't walk - they know a confidence to carry action.

The Frugal Investor benefit in spending make money later. pennies but missing and would be better by seeking out seasoned property them achieve better

The 'I'll Try Buffet' Investor is toe into anything to broaden their they're happy to educate themselves. to seek for a single can mean they waste trying everything capital to invest), on a strategy and relevant to them and



information sources. always match their lot, but require more out truly meaningful

struggles to see the money upfront to They end up saving out on the pounds, off in the long term valuable input from professionals to help results.

Everything at the eager to dip their investment related knowledge, and spend money to However, they tend magic strategy that time and money on (and leaving little rather than honing in knowledge that is their specific goals.

The Impatient Investor has a passion for property and is eager to get started. However they tend to throw their money at any old wall (or in this case market) to see what sticks without establishing a sound strategy first. They prefer to bypass all the 'boring/trivial' education to try and get rich quick; addicted to immediate outcomes rather than planning for the long term.

The Burnt Investor tends to dwell on past investments that 'went wrong' or didn't live up to their expectations. Their inability to let go of the past, learn from their mistakes and create a better strategy holds them back. These investors need to own the outcome of their investing – take responsibility for it – so they can learn from their mistakes and move forward successfully.

The Cynical Investor asks lots of questions and doesn't settle for mediocrity. They have a curious and eager mind, with just enough scepticism to be able to think critically. However they tend not to trust themselves and, by extension of this, anyone else - letting doubts and worries get the better of them and impede their decisions. To get better results they need to spend more time educating themselves on what could work, rather than focusing on what doesn't.

The Been There has had their past, big or small, think they know it all, little bit too proud they need it, even if the next level, safer, predictably.

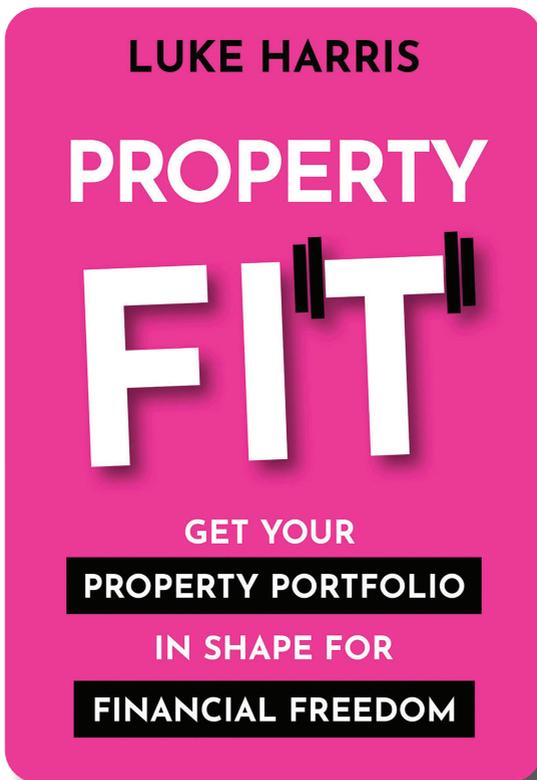
The Ah-Ha Investor all investment of risk, but they they need to take to change. They ego, decided to are surrounding an expert team. they don't know are willing to get necessary, but also better to delegate to dedicated

The Armchair that their skillset is line of work, and that can't do everything can often achieve seeking external on value, not cost, surrounded themselves with an efficient trusted team of advisors.

There are numerous variations on the investor types above, but you can see that there are only two groups that can succeed at a sustainably high level - the 'Ah-Ha Investor' and the 'Armchair Investor'. If you identify with any of the other types, that's okay, because that means there's room to grow if you want to pick up your property game!

The choice for any investor is: Do you want to continue making the same (largely avoidable) mistakes, or are you looking to enhance your learning experiences and increase your investment results?

Whatever your reasons are for investing, if you accept that you need to create a clear plan, surround yourself with great people and recognise that achieving results is going to take time and effort, then virtually anyone can achieve outstanding results.



Done That Investor successes in the and may erroneously They can be just that to ask for help when it could take them to faster and more

understands that carries some level also recognise that action for anything have let go of their ask for help and themselves with They accept that everything and their hands dirty if know when it is specialised tasks professionals.

Investor understands best focused on their to build wealth they themselves and better results by help. They're focused and have usually

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