

3 WAYS TO AVOID LOSING MONEY ON YOUR PROPERTY

In my experience, there are **3 main reasons** why people end up having to sell property early and lose money.

1. They didn't understand the numbers.

They might have planned for a \$500k purchase price, but they didn't factor in the extra costs of purchasing, e.g. legal fees. Or, they didn't have a buffer in the case of rental vacancy. These buyers eventually realise they bought a property they couldn't afford, run out of puff, and end up having to sell early for a loss.

2. They over-estimated capital growth.

Some people expect properties to double in value in 7-10 years, without analysing market growth indicators. These buyers may not understand property market cycles, and may expect capital growth when they've bought in a market at the top of its cycle. Investors have to understand what drives capital growth, and how these factors connect. This will enable you to be able to effectively read a property market.

3. They didn't have a long term wealth creation plan.

This needs to be bigger than a short-term decision to buy a couple of investment properties. Investors have to understand debt reduction, long term lending, and management of how to get their equity back.



When you attend your local Property Investor Night this month you'll hear more about how you can create wealth through property investment.



About the author:

Sue Irons Property Coach | Positive Real Estate

Sue has spent the last 15 years investing in property herself and coaching new and experienced investors throughout New Zealand. Sue has mentored many of New Zealand's leading investors and, with a background in financial control, management and life coaching, Sue brings a balanced and professional approach to her relationships with clients.

Understanding her clients' aspirations, strengths and weaknesses, and working closely with them to achieve their goals are central to Sue's approach to mentoring.

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