

How to become a property investor - the fundamentals

 By [Sindy Peters](#)

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Neale Petersen, founder and publisher of *Real Estate Investor Magazine*, kicked things off at the recently launched Property Buyer Show. The first leg of the show took place at the CTICC in Cape Town, 8-9 April.



Neale Petersen, founder and publisher of *Real Estate Investor Magazine*

Petersen, who's been involved in the property game for [over 25 years](#), discussed the required mindset to becoming a property investor. He was part of the [Property Investor Theatre Programme lineup](#).

Financial freedom

Property is the way to go if you want to achieve financial freedom, said Petersen, but it's a long-term game. What makes it such a compelling sector is that everyone has to live somewhere, and with the current housing shortage in South Africa, property makes for a smart investment choice, he explained.

Drawing from his experience and from working with a range of investors, Petersen provided practical tips to use on a day-to-day basis to outperform the market.

Educate yourself, he said. Along with reading books, he advised that keen investors should attend industry seminars and broaden their circles with like-minded individuals in order to create a support network.

Drill into the details

Verify your information, he emphasised, and sort the fake news from the legitimate news as not doing so could lead to poor decision-making. One of the big property lies is that there is one single market, he explained: "There are multiple markets, and you can break them down into different sectors, different areas - so there's not just one size fits all for everybody - it doesn't work like that. You need to go into the street... you really need to drill down into the details."

Next, he advised, is to put together a strategy based on what you hope to achieve - whether you're a first-time investor, a more seasoned player, whether you're looking at commercial or residential investments, or if you're looking to invest off-shore.

Find partners, he said, and events like the Property Buyer Show are the places you're most likely to find them. As far as big deals are concerned, opportunities are available every day: "Debt, death, departure, divorce, downsize - that's where your big deal is - and that's your starting point... because these things happen every day," Petersen explained.

Avoid the emotional rollercoaster

Be prepared for things going wrong, he said: "The most important thing is to not give up when the going gets tough because sometimes it does. If you're in it for the long term and something happens, you've got to pick yourself up, dust yourself off and move on."

Always keep your emotions in check, said Petersen, or you may end up on an emotional rollercoaster: "When we see a wonderful property and love how it looks and get stuck in it, we sometimes forget about the price and whether it fits into the affordability category. As soon as we get sucked into that trap, that's when things tend to go wrong, and it starts with all the optimism right through to euphoria, but then when things go wrong we hit despondency and even depression." Having an investment team, from a mentor to a property manager, will help you overcome these problems, he said.

Apart from the necessary skill set, more importantly, said Petersen, a property investor needs the right mindset. And that comes from focusing on all of the above.

Real Estate Investor Magazine will this year be holding its second annual Investor of the Year Awards. For more information and to enter, go to www.reimag.co.za.

For more info on the Property Buyer Show and the Gauteng leg coming up this October, go to www.propertybuyershow.com.

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