

Foreword

“Opportunities come infrequently. When it rains gold, put out the bucket, not the thimble”
— Warren Buffett

Life is full of opportunities and challenges. In order to live a successful life we all need to maximize the opportunities and make them help us overcome challenges. In all spheres of life we find ourselves with knowledge that we can use to create an opportunity for income generation. Most of the time it's easier to see challenges than opportunities. Challenges affect our comfort, while opportunities can never be seen or noticed. Property Investment provides a lot of opportunities that overcomes a lot of life's challenges, however many fail to utilize the opportunities.

Pat Riley said “If you have a positive attitude and constantly strive to give your best effort, eventually you will overcome your immediate problems and find you are ready for greater challenges.”

In my perspective, ‘Property and You’ by Mr. Chisebwe Fumbeshi- Registered Valuation Surveyor, Registered Estate Agent, Property Manager, Development Consultant and Motivational speaker- provides a guide on how to become a property investor.

He brings out practical challenges faced in everyday life and uses common strategies to show how to overcome them.

Born in Ndola, Zambia Mr. Chisebwe Fumbeshi, is the Founder, Chairman and CEO of Fairworld Properties Limited a Property Valuation & Advisory Services Company. He is a motivational speaker and teacher. Mr. Fumbeshi provides Valuation Surveying and other property services to me and my wife.

‘Property and You’ gives you the steps you need in your property investment endeavors. It also helps you discover the power of networking. Mindset and taking action is central to this book extremely vital to all property investors.

It’s often said that when it is obvious that the goals cannot be reached, don't adjust the goals, adjust the action steps. Many people talk about property investment, many will take steps to invest and ‘Property and You’ will be a guide that will be used for many years to provide step by step action.

“Real estate investing, even on a very small scale, remains a tried and true means of building an individual's cash flow and wealth.” - Robert Kiyosaki

- Diego Casilli

Step 1

Develop Your Property Knowledge

“Property Investors are Students”

“Human behaviour flows from three main sources: desire, emotion, and knowledge.”

-Plato-

Step 1

Introduction

This book on property investment is divided into five parts, with the first part dealing with the basic concepts of real estate or property, its different characteristics and last but not least, why you should invest in property at all.

The book uses the word “property” to mean “Real property”. Alan R. Romero defines Real property as “land and things that are attached to the land, which is why land is sometimes called real estate or realty. Even though wood, steel, and other building materials aren’t land, when they are built into structures attached to the land, they become real property. Trees and other plants naturally growing on the land are also part of the real property.”

A good Property Investor is always a ‘student’. This is the advice I gave Peddie. Peddie is a young man who had just finished his first degree from University. He had many goals and desires. “I don’t want to work forever, I want to have freedom to do what I want when I want” said Peddie when I asked about his career goals. Everyone wants what Peddie wants: freedom,

choice, time and money. “How do you intend to achieve this?” I asked. Though Peddie had the desire and knew that property investment gives monetary benefits, he lacked the knowledge and skills to venture into this.

To be an effective property investor you must always enrich your understanding of property. Property investors never stop learning. Property investment is easy but the commodity involved has peculiar characteristics.

Since this book is about property and investment, we have got to get a grasp of the concept of property and its many characteristics, be that physical, economical or legal. The basic physical and economic characteristics of property are scarcity, land improvements, permanence, area preference, non-homogeneity, indestructibility and immobility. Though some of them are similar to the characteristics of land – and land is of course a very important part of a property – they are not entirely the same. Land is indestructible – it cannot be altered or moved. Land is also non-homogenous; two pieces of land may look exactly the same, but there will be imperceptible differences geographically.

Physical characteristics of property, however, are quite different. Land is part of the earth’s surface, including the subsurface and the upper air. Property is part of land – the part that is attached to it. Therefore, while looking for an investment opportunity, you should note the area along with the infrastructure, the neighbourhood and of course, the location. Because of its immobility and indestructibility, property – with land as a part and parcel of it – is considered to be a good investment. No matter what the wear and tear, it will always be

there for you, and the value of a property in most cases appreciates with time.

The legal characteristics of property are more abstract; property is something that belongs to somebody, be it as a component or otherwise. It might be physical or incorporeal; it might pertain to a person's estate; it might be owned by a person, a group of people or any legal entity such as a corporation or society.

Another aspect of the discussion in the first part of the book is dialectics between the "value" of a property and the "cost" of property. The value is more subjective while the cost is what is paid to build or acquire a piece of property. The value may go up, especially while renovating a property; it certainly adds to the owner's perceptive value, but also it adds to the cost of the property.

Lastly, why invest in property? Simply, because property is perhaps the only investment which normally appreciates with time. It allows the owner to have a profitable cash flow and most of the time acts as a wonderful retirement plan as well, especially when one invests in rental plans.

The above aspects of property and investment will be discussed in detail in the chapters that follow, hopefully throwing some insight onto how to make a profit and also improve your lifestyle in the years to come.