

Higher off the ground: a guide for investors

By Margaret Lomas
Author and Founder of
Destiny Financial Solutions

As we reflect on 2007 and ponder the way forward for 2008, it is prudent for us to consider the past, and place some real expectations on what the future holds for property investors.

Since buying our first property in 1998 many events have occurred. Firstly, the Y2k millennium bug, which was going to throw our portfolio into pandemonium. Interest rates rose, which cut a hole in many of our positive cash flow properties. The sharemarket crashed, September 11 followed shortly thereafter and if that was not enough, the Iraqi war commenced and once again they said all of our property would soon be worthless.

More recently we have faced rising interest rates, falling yields and again the threat of world-wide economic disaster as the sub-prime market

collapses in the United States. As each event occurred, we discussed the possible outcomes, considering how far we could notch in our belts to stay in the market. So far, we haven't had to implement any of the strategies we developed, as the fears never materialised.

My father used to tell me he was worried about me — investing so often and taking risks. He would say 'what happens if the Lomas Bank falls over?', inferring that my borrowings may send me into collapse one day. I remember telling him, "I have two choices in life. Do nothing, and I have a 100 per cent guarantee that I will get nothing in return, retire on the pension and live my life hand to mouth. Or, take the risk and hope that it will work out."

So far it has worked out better than I had hoped. And while none of the forecast

events have occurred yet, I have no doubt that if they did I would do what most people would do — find a way to manage them. You too need to take the plunge and know that whatever transpires, you will find a way to cope.

Invest today while the going is good, and soon enough you will be in a position to weather every storm, as and when they arise.

If you aim for the stars, you might only hit the treetops, but you will be much higher off the ground than those who never aim for anything at all.

For more information, call 6286 9022, or visit the website www.destiny.net.au



Chance: Markets fluctuate