



Combating 5 Common Excuses People Use for Not Investing In Real Estate

Every day hundreds, if not thousands, of new investors enter the real estate business. For every one new investor there are probably five that remain on the sidelines. They have the desire to get started and they see the tremendous upside but something is holding them back. Maybe that person is you. From the outside the real estate business can be quite overwhelming. Between the unique jargon and the fierce competition for deals the business is far from easy. That being said it is also one of the most rewarding careers you can enter. Don't let the usual excuses hold you back. Here are the five most common reasons for not getting started and more importantly how to deal with them.

- ***“I’m afraid of losing money”***. This is the most common excuse made by would be investors. This is a very natural instinct and a very real concern. Nobody wants to lose years of savings in the matter of months. This narrative is usually shaped from one or two stories they may have heard or read. While there is risk with every investment the

reality is that real estate offers the biggest security blanket. When you invest in real estate you are buying a tangible asset. To lose money on a real estate investment it would take a series of dramatic events. You would have to completely misread the market or miss a major flaw with the property. You would have to purchase the property way over market value or overestimate your after repair value. This isn't to say that those things don't happen but with the right due diligence you should have a very good idea of what you are getting into with every purchase.

- ***“I don't enough education to be an investor”***. You will never be completely comfortable with your knowledge base starting out. There is always an area that you are unsure on or would like to know better. You don't need to be an expert on every aspect of the real estate business. As long as you know a few core areas of due diligence you are ahead of the game. Depending on which aspects of the business you focus on you probably know enough already. Even if you don't you should have a solid team around you to answer any questions you may have. Every successful investor you see started out in the same position as you. They all had to close their first deal. There is more education and information on the real estate business than ever before. If you spend just an hour a day online or researching a specific aspect of the business you can quickly accelerate your learning curve. It takes years of real world experience before you will truly be comfortable with your education. You will learn more on your first deal than anything you can read online.
- ***“I don't have enough capital”*** Interest in real estate investing has exploded in recent years. One of the things that make the business so great is that you don't need excessive capital to get started. For starters there are many more hard money lenders than ever before. If you have a solid vision for how you are going to find deals and what you will do with them there is a good chance you can find the funds needed to get started. If the hard money route isn't the best option you probably know a handful of people that are interested in investing. These people represent a pool of private money lenders that act as financial partners. The bottom line is that a lack of capital should not be a roadblock to get started. Regardless of your financial

situation if you want to start investing there are funds available to do so.

- ***“There aren’t enough deals in my market”*** A common misconception that many new investors have is that deals will just fall on their laps. It can be a bit of an adjustment to realize that you actually need to go out and find them. In any market there are deals out there if you know where to look. They may be in alternative areas than you are looking but they are there. This may require you to change the way you approach the business. If you are waiting for your real estate agent to find you deals you may have to start marketing on your own. If there aren’t an abundance of distressed homeowners you can start looking in alternative areas. Finding deals requires you to think outside the box or look where other people aren’t. You can also find deals through your networking contacts and the people you know. A lack of deals is no excuse not to get started.
- ***“I’m not sure what I am getting into.”*** It is human nature to fear the unknown. The real estate business is no different. If you have never been involved in closing a real deal there can be a lot of anxiety and uncertainty. The best way to combat this is by being around other people in the business. You can get a good idea of the business simply by attending local networking meetings and real estate investment clubs. Talk to people who are actually closing deals in your area. Ask questions and find the answers you are looking for. Nothing will ever completely put you at ease until you close your first deal but the more you know about the real estate business the easier the transition is.

Instead of looking at the reasons to avoid getting started think about all of the positives for taking action. Investing in real estate gives you a blank canvas with unlimited upside. Your success is based solely on how well you perform. The quicker you avoid the excuses the faster you can start seeing the great potential.