

### **How much money do I need to invest in property?**

This depends on what type of property investment you are considering. You can invest in property via funds for a few thousand rands.

### **What returns can I get by investing in residential property?**

Property investment returns vary depending on the type of property investment and typically the time that you invest for. For example, you can invest in Buy to Let with annual return on your investment of 7-11% and average capital growth over a ten-year period of around 5%.

### **What return will I get from investing in commercial property?**

Commercial property is typically a long-term investment of ten+ years. You typically receive return of 15-20% from rental income with localised capital growth. However, some commercial properties may be better to purchase and make money from IF you can gain a change of use to residential.

Always use a local, independent qualified property expert to help you analyse the pros/cons of specific commercial investments.

### **What is the fastest way of getting a return on property investment?**

The quickest way of making money from property is actually one of the hardest. It's buying a property you know is at a discount, then immediately selling on at a profit. Not too difficult in a rising market but requires professional experience in a static/falling market. Other fast ways of making money are from self build or property development which can be turned around in less than 12 months.

### **What are the risks investing in property?**

The risks are great. Versus other financial investments, property is a medium to high risk investment. The difference between property and other financial investments is if it goes wrong it can go very wrong - as we have seen in 2008. Unlike stocks/shares/pensions if your property investment falls in value or you aren't able to cover the costs of holding your property investment you have to find MORE money to put in, if you don't you could lose everything and potentially go bankrupt.

### **What are the benefits of property investment?**

The main benefit that investors see is the opportunity to 'gear' the investment through borrowing money, so if you have R10,000 to invest and gain a 10% return, you'll receive R1,000 gross profit.

However, this only works when property prices are rising, you buy at a substantial (real) discount and/or you wait until the property has grown in value.

### **Can property investment deals help me get rich quick?**

It's unlikely. 2000 to 2005/6 were unprecedented years in property price growth, and it was only really during this time you make money within months or a year. You can invest in 'flipping' property, building property from scratch or renovating property and adding value. This can give you a 'quick' profit within a year. However, with the uncertainty around property prices, this increasingly requires professional help which can eat into any profits.

### **Is investing in property better than investing in the stock market?**

This depends on your attitude to investment risk and how much money you have available to invest. You should seek advice from an Independent Financial Advisor or **Jenga Properties** to help you identify the answer to this question. DO NOT RELY on any other companies/people to answer this for you they will have their own agenda!

### **What are the pros of investing in property?**

The pros of investing in property is that your choice of what you invest in are typically yours. You can also "touch and feel" your investment, giving you the feeling of more 'control'. If done well, property investment can deliver some great returns. However, property investment isn't easy and increasingly requires professional assistance from people/companies that have been investing successfully.

### **What are the cons of investing in property?**

The downsides of property investment are having to 'top up' your investments with cash if they don't perform and that you are to some extent at the mercy of macro and micro economic conditions. Finally, property investment is complex and not every property, fund, syndicate will deliver. The research required can take weeks and months and the amount of money now required is significant if done individually; hence **Jenga Properties** pools capital from different investors to reduce risk. Property investment from 2008 really requires professional expertise, rather than just anyone investing in any property or area.