

Real Estate: Part 7

Real estate is not just my specialty, but an inherited passion. I look at real estate as Qays looks at Layla. (Qays and Layla are characters in a 12th century Persian love poem.) Of course, Qays didn't win Layla over in the end, but you will share his feelings on the day you sell your first property either for need, profit, or mismanagement. Real estate is also like a child. It consumes time and effort in the process of purchasing, designing, licensing, and constructing. Then it's cut from the womb with inspections by the fire department, the municipality, and getting the permit to connect electricity. What suffering!

After that, the owner's turn comes and he disfigures his child with building violations and bad finishing. Shortly after renting it, he even becomes the enemy of his own poor child. He stops spending money on maintenance and leaves it in the care of a guard whom he sees only once a month to collect the rent. The guard is the master of the palace, acting as he likes, lounging on a worn sofa in the building's lobby while surrounded by loose street cats.

Unfortunately, this is why our cities suffer from ugliness and lack architectural identity. This is not really our topic today, so we will only focus on tips for the real estate investor and their financiers.

First, real estate developers should be cautious in the next two years, especially as we will start to see financial fluctuations which will effect interest rates and the purchasing power of the dinar.

Second, new real estate investors shouldn't rush before buying because we are moving to a corrective downturn but not a market crash, and this is something healthy.