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Real Estate Lessons from Mr. Universe

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If there's one thing I've learned that's worth remembering, it's that you never know when or where you're going to discover something you can use.

More specifically, you never know who is going to teach you something to guide you along on your journey—be it a friend, a client, or just some random individual who happens to come across your path.

To be honest, though, I wasn't expecting it might ever be Arnold Schwarzenegger who'd send me some tasty nuggets for thought, but that's exactly why a successful entrepreneur should always keep an open mind.

You may or may not know it, but like me, the well-known actor, politician and bodybuilder has also enjoyed a very successful career as a commercial real estate magnate. Beginning with his first purchase of a building in Santa Monica, California, he's gone on to build a substantial portfolio as an entrepreneur in this area with many profitable investments over the years.

"I wanted an investment that would earn money, so that I could cover the mortgage through rents instead of having to pay it myself," Arnold wrote in his 2012 autobiography, *Total Recall*.

"The math of real estate really spoke to me (and) it was just a talent I had," he said, recounting the two-and-a-half years he spent researching the market in Santa Monica before making his first move. He learned about every building in the city and examined numerous options and opportunities before finally making his first purchase of an apartment building off Wilshire Boulevard back in 1974.



But while this was all part of an interesting story, there was something a little deeper here that really struck me. In particular, Arnold went on to talk about his nay-saying friend and how negatively he reacted when “The Terminator” decided to take this initial risk with commercial real estate.

“How can you stand the pressure?” asked his friend, whom Arnold described as someone who never wanted any risks in his life. “You have the responsibility of renting out the other five units. You have to collect the rent. What if something goes wrong?”

“Problems were all he could see,” Arnold wrote.

But then the light bulb went on for the former California governor. “I caught myself listening,” he said, and that’s when he remembered not to let the fears of others prevent him from taking risks.

More significantly, Arnold remembered he didn’t even want to hear that negativity coming from someone else, as letting himself get attached to it could cloud his own judgment, which in the case of these investments certainly seemed to be sound and on the money.

“Don’t tell me any more of this information,” he told his friend. “I like to always wander in like a puppy ... Don’t tell me (the problem) ahead of time.”

“Often it’s easier to make a decision when you don’t know as much, because then you can’t overthink,” he wrote. “If you know too much, it can freeze you. The whole deal looks like a minefield.”

This is very sound advice. Certainly one is going to want to do due diligence with their research—as Arnold himself demonstrated—but that doesn’t mean it’s going to be in your best interests to seek opinions or take surveys around other people’s fears.





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On the contrary, once an investor has obtained adequate information to be an informed consumer, they're probably going to be better served letting their intuition side-step in and trusting their own judgment with what feels like the right move at that time.

There are no guarantees, of course. It's not an exact science. But in my own experience I find putting some trust in my instincts—provided they're clear and informed—makes for a truly sound investment.

And of course, it always pays to keep an open mind. You never know where your next nugget of wisdom is coming from ...

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