

TIPS ON INVESTING IN REAL ESTATE FOR BEGINNERS



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Contributing Writer

Investing in real estate is one of the smartest moves you can make. Whether you are interested in purchasing a single-family home for yourself or considering a rental property, over time real estate is a stable and safe investment. Unlike investing in the stock market, investing in real estate means you always have a physical asset to show for your

expenses. Real estate investing for beginners might seem overwhelming, but it doesn't have to be.

Before you start investing in real estate, the first thing you will need to do is to make sure your FICO score is as high as possible. The higher your credit score the lower the interest rate you can qualify for, leaving more money in your pocket to put into a purchase. If you need to repair your credit, consider applying for a secured credit card. Make it a priority to pay off all credit card debt, automobile and student loans. Make it a point to live below your means.

Do your research – knowledge is key. The more you know the better. Understand everything about the comps and market conditions in the area. See at least 30 properties before you decide to buy one. Seek the advice of a top realtor that is knowledgeable and experienced in the neighbor-

hood you are interested in. Remember not to rush. Being fully informed about the market can help ensure that you are making wise decisions and can expect a successful outcome. Quite often you can make more money on the buy (and not on the sale side) of a real estate transaction.

Start out with just one affordable property or a duplex that is within your budget. Don't get in over your head! Consider purchasing a fixer. If you don't have the skills to renovate a home then look for an experienced partner or contractor that you can team up with who can accurately predict renovation costs and minimize the amount of time that a home is off market. Once renovated, take the profit and revest it into the next deal. When you have equity in a property, refinance it out and continue to put your capital to work. Be patient and build your wealth one step at a time/



over time. Although it is tempting to want to own properties free and clear, the return on equity is far higher when those assets are leveraged and redeployed. While interest rates are low don't be afraid to borrow money.

Start small, do your research, and consider your short-term and long-term goals. Speak to experts. Watch YouTube videos and listen to the advice of successful real estate investors. Most importantly, don't

rush. Once you have recurring income combined with sound management you can realize financial freedom for a lifetime. Avoid procrastinating – the sooner you enter the market the sooner you will begin building wealth for a secure retirement.

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