

## **Reality Check For Potential Investors In Rental Property**

I appropriately named this eBook as I hear so many people that want to get into investing in real estate and quite honestly it can be a very profitable and a wealth building vehicle but there is no magic way to get to that point. Forget about all the get rich schemes that are sold on late night infomercials and on the internet promising get rich quick and thousands of dollars in immediate cash flow. Those are the same people that will get you involved in no money down purchases and getting money back at closing. That is a sure fire quick way to get you in foreclosure and bankruptcy court in a short time. You need to invest in real estate with real MONEY!!! It should be disposable income and not your life savings. If you don't have the liquid assets and the financial wherewithal to get in real estate to have working capital and be able to capitalize your business, plus some time to commit to owning your own business ~ THEN DON'T DO IT.....PERIOD!!! Getting involved in buying and managing real estate is hard work ..... a lot of hard work, and it is a long term financial risk.

If you are buying this e-Book and don't have working capital or money to invest without depleting your life savings; then stop reading this right now and go enjoy the rest of your life knowing you just saved yourself a lot of money, time, effort, and heart ache for the small investment of the cost of this book. If you do have liquid assets (cash) and want to go forward then let's begin!! But I warn you if you are hesitant at all and not completely committed to starting this business.....DON'T DO IT!!!

**If that didn't scare you then let's begin!!**

My journey began in 1980 when I first started my real estate career and the owner of the real estate brokerage that I was affiliated with said these profound words at one of my first sales meetings that I attended. If you want to be in real estate.....THEN BE IN REAL ESTATE!!! Meaning if you want to be successful in a real estate career then you should own, buy and sell real estate. That is the best way to create and generate your own business. I took it to heart and within my first 6 months of my real estate career I had purchased my first property. I won't bore you with the details on how I did acquire that except to say I did buy my first rental property on a land contract, but at that time interest rates were at

17½ % if you could even get a mortgage and if you could; you needed a minimum of 25% down payment on non-owner occupied investment properties.

Here are some things to consider when purchasing your first rental property: Some of these are a gut check and reality check into who you are and do I have thick enough skin to be in this business. My top 10 questions as to whether you should be in the rental business.

1.) Can I financially afford to invest in a second property? Do I have enough additional capital and cash flow to support another property if it is vacant for an extended period of time?

2.) Do I have the time necessary to maintain my rental property? Let's do an honest evaluation here ~ if you don't maintain your current home and take care of the maintenance it requires, why would you buy another property to neglect and defer maintenance on?

3.) What is my maintenance IQ? Do I have the knowledge it requires to own and maintain another property? (Another reality check ~ if you are not somewhat of a handy man and able to fix small minor repairs, I would say buying rental properties is not for you)

4.) Do I have the patience level to handle all the problems that come with owning rental property? Dealing with tenant issues, maintenance issues, collection issues, and delinquency issues can be stressful and trying to say the least,

5.) Do I have the personality to solicit tenants, show my properties and collect rent? If you are introverted, shy or have a hard time meeting and talking with strangers if so, then this can be an issue.

6.) Do I have the tolerance to deal with difficult tenants who either don't pay their rent, don't maintain the property, or consistently breach sections of their lease?

7.) Do I have the market knowledge to buy a rental property at or below market value and know which areas and locations in my community rent better than others and have lower vacancy rates? (This can be a critical issue in your success as a landlord)

8.) Can I afford good legal counsel when tenant issues come up and I need to be represented by an attorney or litigate a problem?

9.) Do I know how to deal with lenders and real estate professionals when I start my rental business?

10.) Is my marriage or relationship strong enough to survive the roller coaster ride being in this business? If you are having problems in your relationship this will not help it and will probably only make them significantly worse especially if any of them are financial.

If you said no to more than one of these questions above then I would recommend you stop reading this and go about the rest of your life and look at other avenues of investing as this probably isn't for you. If you said no to only one of them that is probably manageable and can be just a matter of acquiring knowledge or may be an issue that can be overcome. If you said yes to all the above you will do just fine and should have no problem being successful in this business providing you answered these questions honestly.

My suggestion is to start slow, be selective in what you buy, don't over leverage yourself either financially or with your time and realize that you are running a business now and not a hobby. If you want to have a hobby do something else that has a lot less financial risk, a lot less stress, and a lot less commitment of your time. Otherwise you will be miserable in this business venture. I started my rental business with this saying "If you want to have a big ship, then you need to be in deep water". Meaning if you want to make and have a lot of money then you need to take a lot of financial risk. Trust me if you get into the rental business, the more successful you become and your business grows the more financially risk you will have!!!!

I hope this eBook gives you some insight into the thoughts of someone that has experienced just about every high and low you can have in the rental business. If you have already made that leap of faith and started into the rental business you will find valuable information in the series of eBooks on how to manage rental properties. I highly recommend you purchase my eBook "Let's Talk About How To Get Started". That will provide some important information that will help you get started in your rental business. Good Luck!!!