BEGINNERS GUIDE TO REAL ESTATE INVESTMENT

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We believe knowing the most common myths is also a part of your education as a real estate investor.

Seed money, thorough research on property markets, and rents and patience over the long haul are necessary ingredients for a successful real estate investment career.

Before being successful in real estate investing, you first need to understand the key aspects of this business and become an educated real estate investor. In order to confidently build your wealth as a real estate investor, you first need to acknowledge there are no get-rich-quick schemes, plans, or programs in real estate.

This Beginners Guide to Real Estate Investing will walk you through the most important steps you need to take to become successful in this competitive arena. Real estate investing can be complicated and demanding, but at the same time full of personal and professional rewards for the savvy real estate investor who acquires an in-depth knowledge and perseverance.

You will learn, step by step what is the best approach for your real estate activities in order to achieve short- and long-term goals, to identify your objectives and determine a viable course of action toward your attainment. To become a real estate investor you must be able to visualize the big picture, which will help you maintain focus on your goals rather than on any minor setback.

Having the right attitude towards your business partners, associates, clients, renters, or anyone with whom you have business relationships will pave your way to new opportunities. This Beginners Guide will teach you how important respect is in this business and how to become a good customer service representatives by paying attention to detail, listening and responding to complaints and concerns, and representing your clients’ business in a positive and professional manner.

This Beginners Guide to Real Estate Investing presents you the importance of education in this area, which includes maintaining high ethical standards, understanding your risks, knowing your market and competition and keeping away from misleading statements. To be successful in real estate, you also need to understand how real estate strategies work and know when to apply them. There are different ways of investing in real estate, you just need to choose the right one for you.

In order to profit when you invest in real estate, you need to have a clear selection criteria when choosing a property and understand the rules that apply when taking this step.
REAL ESTATE INVESTING EDUCATION

The more research, education, support, advice, and understanding you can acquire before you decide to become a real estate investor, the better off you will be, as this will help you begin to understand how the world of real estate works and help you develop a keen eye for buying the right properties.

M A I N T A I N  H I G H  E T H I C A L  S T A N D A R D S

As with any business, it is imperative to stay up to date with the laws, regulations, terminology and trends that form the basis of the real estate investor’s business. Investors who fall behind risk not only losing momentum in their businesses, but also legal ramifications if laws are ignored or broken. Remember that when it pertains to the law, ignorance is no excuse. Successful real estate investors take the time and make the effort to stay educated, adapting to any regulatory changes or economic trends.

In the case of real estate investors, unless they are associated with membership-based organizations, are not usually required to maintain a particular degree of ethics in their business practices, as long as they operate within the boundaries of the law. Although this may sound tempting and it would be easy to take advantage of this situation, most successful real estate investors, and especially those who remain in the business for the long run, maintain high ethical standards.

Since real estate investing involves actively working with people, an investor’s reputation is likely to be far-reaching. In the case of an investor lacking in ethics, the consequences can be damaging. Effective real estate investors know it is better to conduct fair business, rather than seeing what they can get away with.

U N D E R S T A N D  Y O U R  R I S K S

Being able to understand the risks is also part of your real estate investing education.

For example, those who choose to invest in the stock or futures markets receive countless warnings regarding the inherent risks involved in investing. This has made it clear to people that investing in the stock or futures markets is risky, meaning they can lose a lot of money.

On the other hand, real estate investors can also be inundated with advertisements claiming just the opposite: that it is easy to make money in real estate. The best thing you can do is be a prudent real estate investor and understand the risks associated with the business - not only in terms of real estate deals, but also the legal implications - and adjust your businesses to reduce any risks.

K N O W  Y O U R  M A R K E T  A N D  C O M P E T I T I O N

To be an effective real estate investor you need to acquire an in-depth knowledge of your market.

The more an investor understands a particular market, the more qualified he or she will be to make sound business decisions.

You need to stay informed at all times of current trends, including any changes in consumer spending habits, mortgage rates, the unemployment rate, or any other factor that may influence your business. This will enable you to become a savvy real estate investor, to acknowledge current conditions, and plan for the future. Being familiar with specific markets allows investors to predict when trends are going to change, creating potentially beneficial opportunities for the prepared investor.

Real estate offers many ways to invest and that’s why it is important for real estate investors to develop a focus in order to gain the depth of knowledge essential to becoming successful. This involves learning everything about a certain type of investment, whether it is wholesaling or commercial real estate, and becoming confident in that area.

A long-term success of the investor requires taking the time to understand and master a particular market. You can start by studying the real estate market where you plan to invest. It can be a small area of a town or city, but it is important to concentrate your investment efforts there and set your goal to become an expert investor in that specific market. After you become familiar with the property values, the length of time to sell a property, which properties sell fastest and which ones sit on the market too long, you can think about expanding your area. Once this is accomplished, as a real estate investor, you can move on to additional areas using the same in-depth approach. Savvy investors know that it is better to do one thing well than five things poorly.

To be able to deal with competition you need to understand marketing. That means deciding on what you are going to specialize in, developing a method to define your target audience, and then attracting them with a well-written message using the different types of media to get the word out. The more knowledge, ability, experience, contacts, and resources you have, the more solutions you can begin to offer people in solving their problems. That means you have to advertise the fact that you are in a position to help while being well-educated, fair, trustworthy, and accurate in making quick decisions before the competition tries to persuade these people first.
We believe knowing the most common myths is also a part of your education as a real estate investor.

As the real estate market significantly rebounds, we know there are many real estate investors who are trying their luck for the first time, hoping they will make history or just achieve their silver-lining. Before moving on to the next step in this Beginners Guide to Real Estate Investing we believe knowing the most common myths is also a part of your education as a real estate investor, so here are the most misleading statements in the real estate industry:

**MYTH 1**

“SPRING IS THE BEST TIME TO SELL A HOUSE”

**Truth:**

It’s true there are still more homes for sale in the spring, but that applies in the case of families who wanted to move during the summer so their kids could start anew in September. But the truth is, the best time to sell is during the holidays and right after. Today, more than half of buyers aren’t married, and their decisions aren’t based upon school schedules. So spring isn’t as relevant as it used to be. Instead, the best time to sell a home is in November, December and January. Many buyers are looking at properties in person and online right up until Christmas Eve. After New Year’s Eve, most buyers jump back into their routine with a resolve to get into the real estate market, even though many sellers wouldn’t even consider listing in January.

**MYTH 2**

“LAND BANKING IS THE BEST WAY TO MAKE MONEY IN THIS MARKET”

**Truth:**

Not really. First of all, it’s impossible to rent out land, so you’re earning no income from your investment. It may not be the best decision if you find yourself plunging your cash into a block of land while paying a monthly mortgage interest bill. If you borrow against equity to fund the deposit. However, investing in land is not necessarily a bad decision, if you are planning on doing something with it later on. Also, if buying and holding land for the long term doesn’t impact your bottom line, then your ability to grow your portfolio will not be limited.

**MYTH 3**

“The Wealth Is in the Land, Not the Property”

**Truth:**

The situation is a little more complicated. It’s not really a matter of yes or no. Twenty years ago, this assumption was correct. The ultimate goal was to own a family home on a block where your children can play safe and your dogs can run all day long. As the years went by and the population increased, so did the value of the land, while the actual structure got old and its value decreased. However, nowadays, due to urbanization and evolving family lifestyles, households are changing. There are more and more single-person homes, one-child families, single-parent families and urban professional couples without kids and with no intention of moving a big lawn. If this trend continues, there will be increasing demand for units and apartment-style living, which will encourage capital growth for these dwelling types.

**MYTH 4**

“NEGATIVE GEARING IS THE IDEAL WAY TO INVEST”

**Truth:**

The real question of the matter here is what are your main goals as a property investor. Are you investing in a huge asset worth hundreds of thousands of dollars to save tax or to create wealth for your future? The smart answer here should be “to create wealth, of course!” and any tax bonuses should just be seen as that. Just imagine for a second if something terrible happens and you lose your job; then tax benefits no longer apply to you and you might start having some regrets. A positively geared property may require to pay a little extra tax on your cash flow profit, but it would also bring some additional income. Investing in negatively geared property certainly has its place in many investors’ portfolios, but it’s not the only way to go. Before a decision like this you should first know your goals and set up your achievements.

**MYTH 5**

“POSITIVELY GEARED PROPERTIES ARE HARD TO FIND”

**Truth:**

Somehow connected to the previous myth, the thing you should remember is that resource investments are not the only opportunity to locate a positively geared property in today’s market. But if this type of property doesn’t suit your investment strategy or your risk profile, then there are many other options available to you. For instance, you could create a solid income stream by developing. Savvy investors can seek out properties that are situated on large blocks of land suitable for subdividing or developing.
It’s actually proven that high IQ and higher education are not enough to make an investor intelligent. He needs to be patient, disciplined, and eager to learn, while at the same time act professional and create new opportunities. In order to achieve all your goals as an investor you first need to develop the emotional discipline that successful investing requires.

In the case of stocks, an intelligent investor should make distinction between investment and speculation in common stocks and realize that stocks become more risky, not less, as their prices rise - and less risky, not more, as their prices fall. Knowing this, he will then fear a bull market, as it will make stocks more costly to buy and welcome a bear market, which puts stocks back on sale.

Being an intelligent investor has nothing to do with IQ or SAT score.

In fact, that’s what you’ll be marketing – your own personal brand. The moment you begin talking to others about real estate, you are building a brand around yourself – so you better guard your brand fiercely. As a new investor, and not only, it is important to always be honest. The worst thing you can do is to start speaking about things that you don’t actually know much about and misrepresent yourself.

If you really want to be successful at what you do, use every opportunity to learn as much as possible. In fact, one of the best ways to grow as an entrepreneur is to ask a lot of questions and listen to those who are willing to teach.

Keeping your integrity will also help you a lot. It is what keeps people coming back to work with you, while recommending you to others. As an investor, your reputation will precede you wherever you go. This means that you need to continually be sure you are acting with the highest level of integrity.

Also, if you want to be seen as a business professional, then act like one in everything you do: every decision, relationship you build and item you buy. You don’t need to be a million-dollar business to look like one. You just need to pay attention to the little details that make the difference: the way you dress, the car you drive, the business cards you order and the voice-mail on your phone – all need to represent you as a business professional.

The Online World offers a lot of marketing and networking possibilities. For example, having a personal website portrays you as professional in the industry. Social Media is a great platform to help you build relationships, so spend your time building solid relationships and make a name for yourself as someone with knowledge. A blog can help you establish credibility in your investing field but can also be a great tool for sorting out your thoughts.

Just remember your greatest marketing tool is yourself.

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BEGINNERS GUIDE TO REAL ESTATE INVESTMENT

Now that we have briefly covered your education in the industry of real estate, it’s time to apply what you’ve learned. When it comes to real estate investing you should focus on two important things: an investment vehicle and a strategy for using that vehicle.

CHOOSING YOUR REAL ESTATE NICH

You need to choose your market and specialize in it.

Once you know the niche you want to get started with, you will be able to narrow down your focus, become an expert, network with individuals within that niche, and begin building wealth by taking action and executing a plan of action. Here are some example of niches you can choose from:

- **Condos, vacation property**
- **SMALL APARTMENTS**
  - Small apartment buildings are made up of between five and fifty units. These properties can be more difficult to finance than single family homes or 2-4 unit properties, as they rely on commercial lending standards instead of residential ones.
- **SINGLE-FAMILY HOMES**
  - These are relatively easy to rent, easy to sell, and easy to finance. That said, in many areas, the rents derived from SFRs (single family rentals) won’t be enough to provide a passive income. However, they are relatively easy to rent, sell, and are more likely to hold their value over time.
- **APARTMENTS FOR ONE TO FOUR FAMILIES (residential duplex, triplex, fourplex)**
  - Small multifamily properties (2-4 units) combine the financing and easy purchasing benefits of a single family home. Bought properly, these can cash-flow quite well and there is often less competition than you’d run across bidding on single family homes. Another advantage is that the majority of banks look at small multifamily properties with four units or less with the same guidelines as a single family house, which can make qualifying for a loan much easier.
- **COMMERCIAL**
  - Hotels, motels, strip malls, office complexes, mobile home parks, storage units, parking lots, garages, restaurants, stores, apartments for five or more families, and more. Commercial investments can vary dramatically in size, style, and purpose, but ultimately involve a property that is leased to a business.
  - Some commercial investors rent buildings to small local businesses, while others rent large spaces to supermarkets or big box retailers. While commercial properties often provide good cash flow and consistent payments, they may also carry with them much longer holding periods during times of vacancies; commercial property can often sit empty for many months or years.
- **INDUSTRIAL**
  - Factories, refineries, manufacturing plants, and so forth.
- **FARMS**
  - Farmland, ranches, and other agricultural properties.
- **RAW LAND**
  - Lots, vacation, recreational, sub-dividable residential, commercial, industrial, agricultural, and special purpose. Land on its own can be improved to add value, it can be leased or rented to create cash-flow, or it can be subdivided and sold for profit.
- **SPECIAL PURPOSE**
  - Churches, schools, hospitals, power plants, theaters, sports arenas, golf courses, marinas, and so forth.

WAYS OF INVESTING IN REAL ESTATE

- **REITs**
  - REIT stands for Real Estate Investment Trust. A large number of individuals pool their funds together, forming a REIT, and allow the REIT to purchase large real estate investments such as shopping malls, large apartment complexes, skyscrapers, or bulk amounts of single family homes. The REIT then distributes profits to individual investors. REITs allow you to gain access to real estate investment if you are new to investing and are looking for a hands-off approach. REITs relieve investors of all management responsibilities and allows for them to pool resources in a collective effort to accomplish what they couldn’t have done on their own.
  - REITs experience several tax advantages. For instance, capital depreciation can be deducted by the REIT. Also, investors do not have to pay taxes on capital growth until his or her units are sold. REITs also allow investors to collectively acquire diverse types of properties such as: malls, hotel, residential apartments and more. This is one of the most hands-off approach to investing in Real Estate, but do not expect the returns found in hands-on investing. You can buy shares in a REIT via your stock account and they often have a relatively high dividend payment.

- **RELP**
  - RELP stands for Real Estate Limited Partnership, which is a partnership formed to generate income by acquiring, managing and selling real estate. Limited partners benefit from the economy of scale associated with larger-scale ventures, but without the risk.
  - In this case, limited partners do not possess any management control, making them least exposed to risks that may arise as a result, and are only responsible for investment debt up to the amount they invested, meaning they can’t lose more than they initially contributed. Usually RELPs involve at least one general partner, who takes over the risk and legal liability. RELPs offer tax savings and relative investment security, due to the general partner who assumes liability. Limited partners are only passive investors and don’t need to worry about the hassles involved in the administration or management of them. RELPs are more likely to invest in multi-residential and commercial buildings where risk of loss due to vacancy is mitigated because the investment is spread over several units.

- **DIRECT OWNERSHIP**
  - Being a direct owner means you are legally registered as the owner of a unit or property, have complete flexibility over the investment and assume all responsibilities that come with owning a property. In other words, the owner is responsible for paying the mortgage, fees, insurance, taxes, maintenance costs, rental collection, tenant placement and all move-in-or-out inspections.
  - The main benefit when investing via direct ownership is that the investor has complete control over the property. This means the owner can perform renovations in order to justify a higher rent. If the owner doesn’t want to deal with day-to-day management and maintenance, he can bring on a property management company to render the investment.

There are dozens (if not hundreds) of different ways to make money as a real estate investor and it’s up to you to choose the niche you want to get into.
Real estate investment offers a lifelong income stream.

Real estate investment offers a lifelong income stream from rents, appreciation that has surpassed an 8 percent return averaged over a long period of time, and assets that can be leveraged for additional investments or personal expenses.

Effective real estate investors often attribute part of their success to others, whether a mentor, lawyer, accountant or supportive friend. Rather than risk time and money solving a difficult problem on their own, successful real estate investors know it is worth the additional costs (in terms of money and ego) to find help when they need it and embrace other people’s expertise.

Investing in real estate isn’t like buying another home for your family. Other criteria apply and the problems you will face extend beyond you are used to. Not every rental is a nightmare, but few will arrive in your portfolio problem-free. If you can do your first deal with an experienced investor, you will limit your liability, reduce your risk and get an education all at the same time. Write a partnership agreement up-front that delineates your duties and puts a time frame or process to the property’s disposition. By the time you sell, you will be ready to take on a project by yourself.

Once you have done a few successful deals, maybe surpassing your regular income, you might consider going full time. That might not be the best decision you can make, especially considering that every time you take out a loan to buy a new building it is based on your regular income. If you have a bad year in real estate, you may be unable to get your next loan. And most banks don’t even consider capital gains profit as income when you apply for a mortgage. Investing in real estate doesn’t come with health insurance or a retirement plan. Instead, keep your job and view the real estate investments as a supplement to your lifestyle and retirement. The depreciation - a tax write-off available to investment income - can be used to shield rental income and sometimes some of your regular job income. Maybe the real estate investments will allow you to retire a few years early, but don’t risk your future on having them take the place of your job.

Even more, there are some advantages of investing while working a full time job:

- Partnering in a larger piece of property
- Buy-and-hold property with property management
- Serving as a private or hard money lender
- Investing in notes (mortgages)

Location is the fundamental principal of economic geography and the basis for your profit. That being said, don’t buy a property in the middle of nowhere and then expect to reap the benefits of high appreciation. Expect a high vacancy rate and low resale value. Look for properties that can be carried by their rents—that is, the rents will pay all the expenses associated with the buildings - in areas that are close but not right next to freeways, have low crime rates and are near good schools, job centers and public transit. Look for communities that have a diverse economic base and do not depend on only one or two large employers.

Don't quit your day job

Once you have done a few successful deals, maybe surpassing your regular income, you might consider going full time. That might not be the best decision you can make, especially considering that every time you take out a loan to buy a new building it is based on your regular income. If you have a bad year in real estate, you may be unable to get your next loan. And most banks don’t even consider capital gains profit as income when you apply for a mortgage. Investing in real estate doesn’t come with health insurance or a retirement plan.

Instead, keep your job and view the real estate investments as a supplement to your lifestyle and retirement. The depreciation - a tax write-off available to investment income - can be used to shield rental income and sometimes some of your regular job income. Maybe the real estate investments will allow you to retire a few years early, but don’t risk your future on having them take the place of your job.

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Pay importance to location

Location is the fundamental principal of economic geography and the basis for your profit. That being said, don’t buy a property in the middle of nowhere and then expect to reap the benefits of high appreciation. Expect a high vacancy rate and low resale value. Look for properties that can be carried by their rents—that is, the rents will pay all the expenses associated with the buildings - in areas that are close but not right next to freeways, have low crime rates and are near good schools, job centers and public transit. Look for communities that have a diverse economic base and do not depend on only one or two large employers.
The Buy & Hold Strategy involves purchasing a property and renting it out for an extended period of time. It's probably the most simple and purest form of real estate investing that there is. Essentially, a “Buy and Hold investor” seeks to create wealth by renting the property out and either collecting monthly cash flow or simply holding the property until it can be sold for a gain in the future. Amongst the advantages of this strategy is that during the time that you hold the property and rent it out, the mortgage is paid down each and every month, decreasing your principal balance and increasing your equity in the property.

For a new buy and hold investor it is important to know how to evaluate deals and opportunities. The main downside of a bad property evaluation is buying bad deals. Another thing rookies should take into consideration are underestimating expenses, making bad decisions on tenant selection and failing to manage properly. However, all these mistakes can be avoided with the proper education and thorough experience.

First thing a real estate investor should do in order to properly carry out the Buy & Hold strategy is to identify the ebbs and flows of the market that property is located in. Ultimately, when these are at a low point (prices low, inventory high), investors should purchase them. When the market becomes over-heated, an experienced Buy & Hold investor will usually stop buying until they see things settle back down. During these slow periods, they may sell or simply continue to hold their properties.

Wholesaling is the process of finding great real estate deals, writing a contract to acquire the deal, and then selling the contract to another buyer. Generally, a wholesaler never actually owns the piece of property they are selling; instead, a wholesaler simply finds great deals using a variety of marketing strategies, puts them under contract, and sells that contract to another for an "assignment fee." This fee is typically between $500 and $5,000 on average, or more depending on the size of the deal. Essentially - the wholesaler is a middleman who is paid for finding deals.

Many investors choose to begin with wholesaling due to its reputation of being an easy strategy and one with low-start up costs when first beginning. Because the property is never actually owned by the wholesaler, there are no rehab costs, loan fees, contractors, tenants, banks, or other complications.

Wholesalers must continually seek out the best deals in order to have inventory to sell to others and must have a well designed marketing funnel to continually attract these leads. Wholesalers also must continually seek out buyers for the deals they acquire.

The Flipping Real Estate Strategy is probably one of the most popular tactics for making money in real estate. House flipping is the practice of buying a piece of real estate at a discounted price, improving it in some way, and then selling it for a financial gain. To better understand the concept, just think of the “buy low, sell high” model in the retail industry.

Single-family homes are the easiest properties to flip. Following a rule of thumb known as the 70% rule, an experienced house flipper will buy a home for 70% of its current value minus any rehab costs.

One of the key aspects in flipping a house is speed. A house flipper will attempt to buy, rehab and sell the property as quickly as possible to ensure maximum profitability and to avoid many months of expensive carrying costs. These carrying costs include monthly bills such as financing charges, property taxes, condo fees (if applicable), utilities and any other maintenance bills required to keep the house in good financial standing.

Flipping properties looks a lot like an active daily job. When an investor stops flipping, they stop making money until they begin flipping again. Many investors choose to use flipping to fund their day-to-day bills as well as provide financial support for other, more passive investments.
One of the things you can do is decide to list your home with an agent. It is important however to choose one that will be able to sell your property as soon as possible to reduce the holding time. For that to happen, you also need to pay attention to the price you want to sell your property for. A high price will increase your holding time, while a low price will make you lose money. That’s why a good agent should be able to look at other similar properties and determine the best price to list at. Although it might be a lot easier to list your property with a real estate agent, if you don’t want to give away that commission, you can always sell your property “For Sale by Owner” or FSBO. A major downside to this is that your property will not be listed on the Multiple Listing Service - or MLS. This list (or lists) is a collection of all the homes listed by all the real estate agents known as Realtors, across the country. Without being on the MLS, you’ll lose the ability to reach the vast majority of individuals looking for a property. Selling FSBO also leaves negotiation, setting up title & escrow and managing the closing in the hand of the seller.

When it comes to sell a property that you own, chances are you will have significant taxes due. However, if you are paying taxes in the United States - the government provides a way to “defer” those taxes to a later time. There are a number of rules that need to be followed, but if done correctly, you can possibly re-use the money you would have paid towards capital gains tax, and can use it as part of your next property. Essentially, this is the government’s way of “partnering” with you on your investment deals. There are a lot of complicated things that go into a 1031-exchange so be sure to talk to a qualified tax specialist before making any decisions.

It is very likely that in your real estate investing career you will find yourself wanting to get rid of one or more of your properties for various reasons. When that happens, choosing the best strategy for exiting your real estate investment is just as important as deciding which one to buy.

As a new investor in real estate it is important you always protect yourself and have an exit strategy or a backup plan. So, as part of your business plan ask yourself some questions first: If it’s the case, how are you going to exit the deal? Do you flip, lease option, wholesale, bird dog, sell the note, sell the entity holding title, rent and hold, or some other technique?

**SELLING WITH A REAL ESTATE AGENT**

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**SELLING AS AN OWNER**

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**AVOIDING TAXES ON A SALE**

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**SELLING USING SELLER FINANCING**

Selling using seller financing (also known as “carrying the contract”) takes place when an owner sells a property to a buyer, but carries the mortgage rather than requiring the buyer to get their own mortgage. This is done by many investors all over the world for a variety of reasons and across different investment types. In a normal sale, the buyer will go to a bank to get financing for the house and the seller will receive the total sale price (less selling closing costs) in one lump sum.

In the case of seller financing, the seller plays the role of the bank, so the buyer will provide a down payment directly to the seller and make monthly mortgage payments to the seller for the life of the loan or until the buyer decides to sell someday.

Seller financing is generally only applicable if the home is currently owned without a mortgage and provides advantages for both sides: it helps buyers who don’t typically qualify for a normal mortgage and benefits investors who want to receive monthly income that doesn’t involve maintenance, tenants, or rentals. When a property is sold via seller financing, the property is 100% the new buyer’s responsibility, and with that comes all the rights and expenses that come with ownership (including taxes, insurance, and maintenance).

A seller may also choose to use seller financing in order to offset the taxes due at the end of their investing career. The IRS classifies this as an “installment sale” and allows the seller to spread out any capital gains taxes that may be due.

The biggest risk when using seller financing is that your buyer might stop making the monthly payments, in which case you are subject to the same laws and foreclosure process as any other lending institution, which takes time and money. After the foreclosure is complete, you will get the house back and be able to sell it all over again, but you may have to deal with repairs and other issues before the home is ready to be sold again. To avoid this, you should try to get as high of a down payment as possible and carefully screen the buyer.