

LEARN THE **HARD CORE**

# Facts

ABOUT

REAL ESTATE **INVESTING**



DISCOVER WHAT YOU REALLY NEED TO KNOW  
TO **MAKE MONEY AS A REAL ESTATE INVESTOR**  
IN ANY TYPE OF MARKET!

BY ANNETTA POWELL

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# INTRODUCTION

If you genuinely want to make your fortune, you've come to the right place.

Real estate has created more millionaires than any other investment vehicle in the world. It doesn't matter what the condition of the current real estate market is, you can rest assured there is plenty of money there for the taking - **you just need to know what rules to follow.**

That's right, if you are willing to roll up your sleeves and genuinely follow some clear directions you can become a rich, semi-retired man or woman in no time from now.

## **So what's it going to be?**

Will you soon be living a life filled with life's finer things, such as a new car, a new house and a new TV? Or will you continue struggling to get by, searching for answers but believing little of what you uncover?

## **Did You Know That There Are Many People in the World Who Subconsciously Do NOT Want to Get Rich?**

Well, it's true. Many of these people even go around repeatedly saying that getting rich is their one ambition. But in reality it's not, **the proof is in their actions** or rather their lack of action in taking the steps they need to take to start making money.

**But please don't confuse subconsciously not wanting to get rich with being skeptical, or even doubtful, of my claims so far.**

I welcome doubters - as long as you can keep an open mind. So please get comfortable, turn off your cellphone so you won't be interrupted and start reading this book now.

You are going to discover how to make more money in real estate than you previously dared dream possible.

You're going to discover:

- **How to get your first buyer and your first multi-thousand dollar check ... in a mere matter of weeks or even days!**
- **The absolute fastest way to get out of debt and build wealth!**
- **The key ingredients to becoming wealthy no matter how much or how little money you have to start!**
- **The real steps to accumulating wealth through real estate - follow these and your whole future will change (practically in the blink of an eye)!**
- **And much, much more!**

## **So Who's Ready to Make Their First Million in Real Estate?**

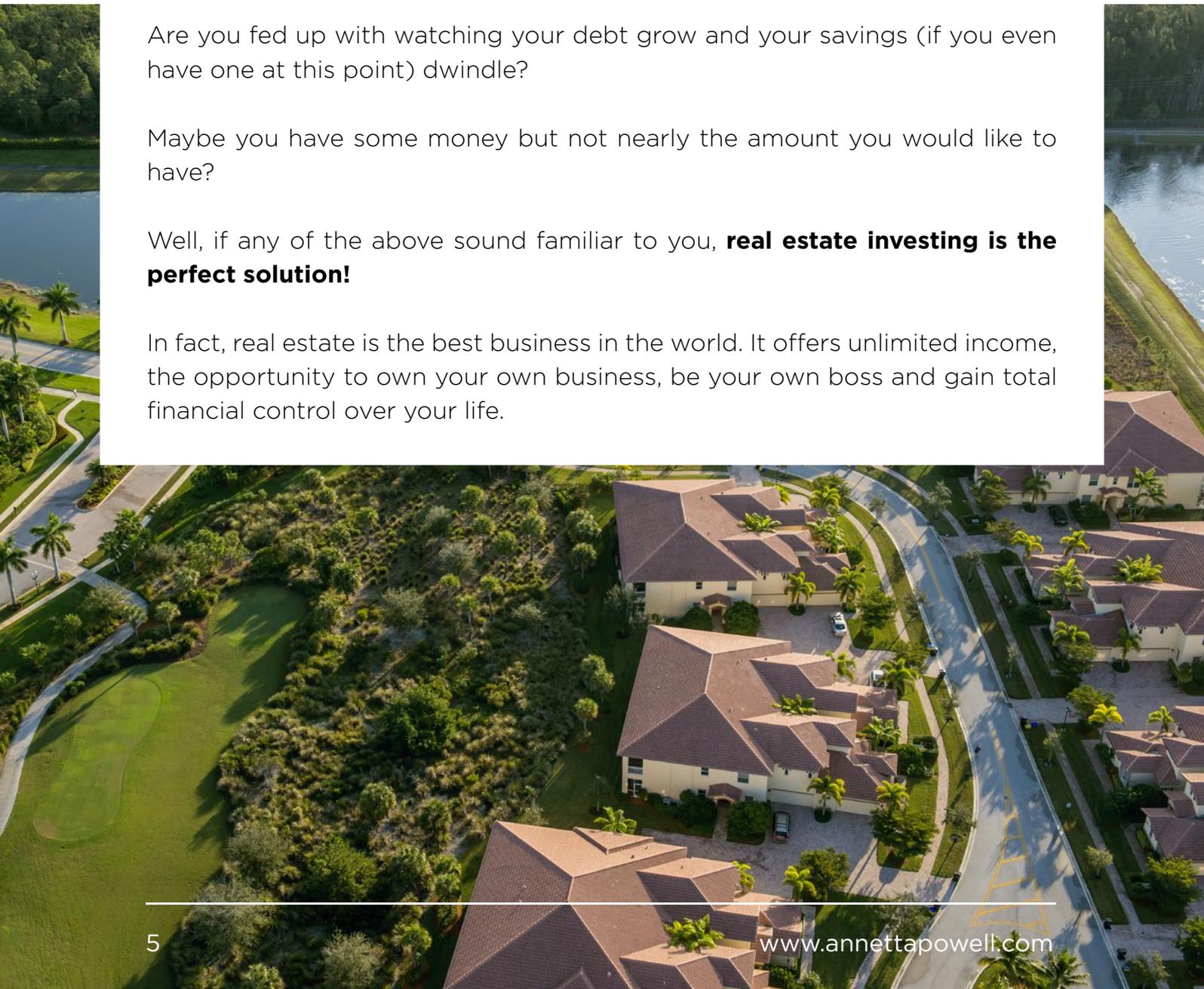
Are you sick and tired of being broke?

Are you fed up with watching your debt grow and your savings (if you even have one at this point) dwindle?

Maybe you have some money but not nearly the amount you would like to have?

Well, if any of the above sound familiar to you, **real estate investing is the perfect solution!**

In fact, real estate is the best business in the world. It offers unlimited income, the opportunity to own your own business, be your own boss and gain total financial control over your life.



Here's more of what you'll learn reading this comprehensive guide:

- **Exactly how to create consistent and growing real estate revenue streams that will send cash flooding your way!**
- **How to avoid costly mistakes that can quickly derail your real estate investing success!**
- **All of the reasons why today's real estate market is the MOST PROFITABLE in the past 75 years and how you can best take advantage of that fact to send your income soaring!**
- **The REAL key to finding houses at a discount and then selling those houses for major profits!**
- **How to find the very best deals, including insider tips on *what's* the best buy in real estate and why, what areas are best and what conditions to look for - *in short, you'll get the targeted advice you need to ensure your profits skyrocket!***
- **How to begin investing in real estate even if you have bad credit and no income!**
- **How to locate bargains quickly - *these simple suggestions will save you both time and money!***
- **And much, much more!**

## **Getting This Guide is Your Chance to Discover How to Make Massive Profits in Real Estate ... Without Going Through Any Costly Trial & Error!**

Ask yourself what if:

- **You could make more money than you do now without interfering with your current work schedule or family commitments ... or you could even make enough to quit your boring day job and run your own successful business from home?**
- **You could instantly create new revenue streams that would send profits flooding your way during the day, at night and even on the weekends?**
- **You could make money doing something that is simple, fun and rewarding?**

Well, that's what real estate can offer you.

- **In all honesty, real estate is the best way of making money I've ever come across.**

It's a career that allows me:

- **To take vacations to wherever I want, whenever I want, for as long as I want!**
- **To have total job security!**
- **To determine how much money I want to make instead of relying on a boss!**
- **To decide what my work hours are. If I want to get off early one day, it's my decision!**
- **To finally escape the competitiveness, the backstabbing and the long hours of the rat race!**
- **To spend much more time with my family!**
- **To live the wealthy lifestyle that I've always dreamed of!**

And it could allow you to experience all of the above benefits as well! It really is great! I wouldn't even call what I do "work." Real estate investing is actually fun to do and even more fun when you see all that money being deposited into your bank account.

And now it's easier to do than ever before thanks to this guide!

So unless you stumbled upon this book by accident, you are here for one reason, and one reason only - to discover how to make money, lots and lots of money, in real estate ... and that's EXACTLY what I intend to show you how to do!

We are going to get down to the hard core facts in this book. This is for people who are serious about becoming real estate investors and are eager to take action.

So let's get started ... when it comes to making money as a real estate investor there are three highly effective techniques you can use, and we are going to cover each in this guide. The techniques are:

Wholesaling

Flipping properties

Landlording

We'll start by taking a look at wholesaling, but first let me tell you a little more about myself.

## CHAPTER 1

# My Own Real Estate Success Story

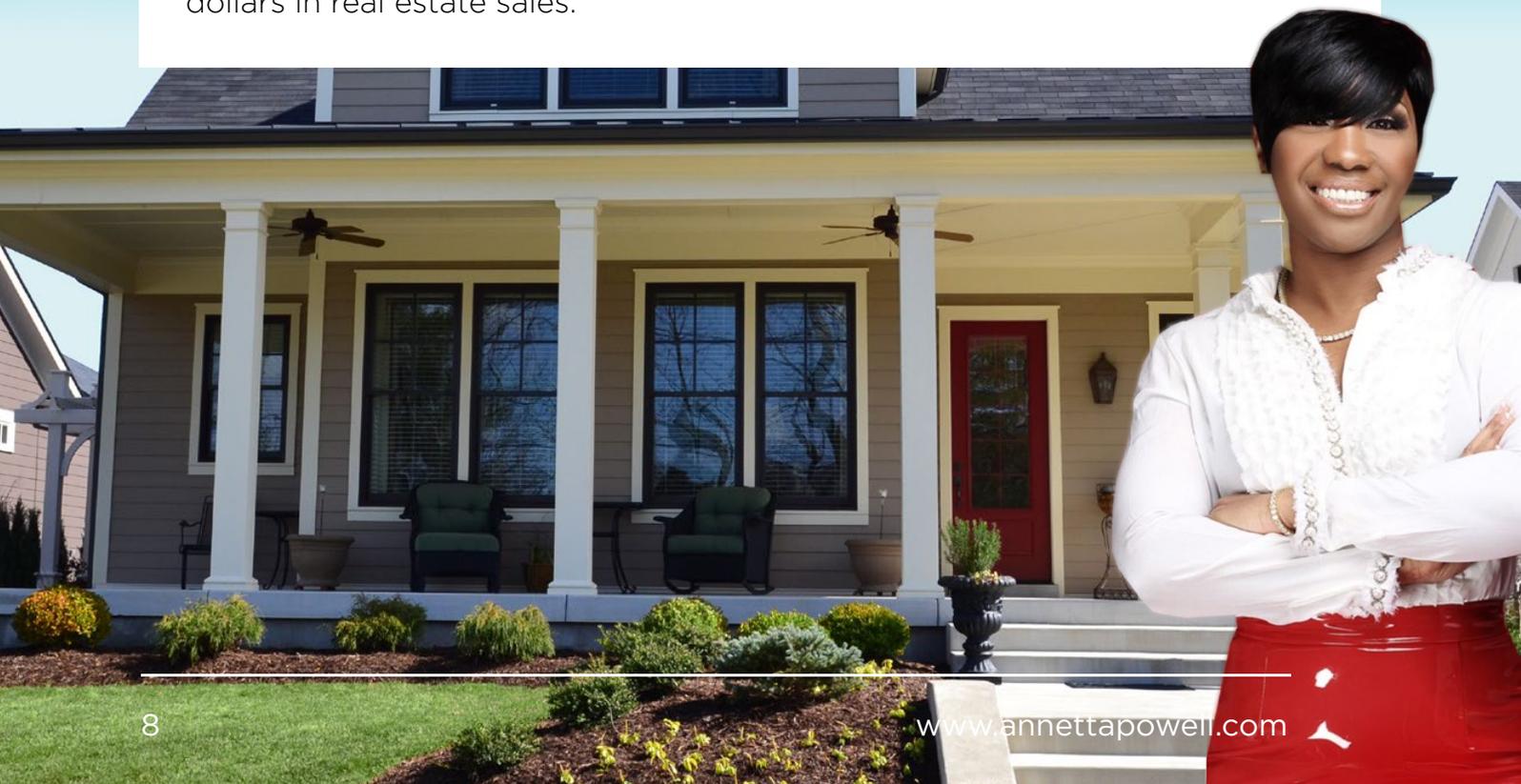
My name is Annetta Powell and I'm a living testament to the power of real estate investing to transform a life.

At the age of 24, I was tired of living paycheck to paycheck and I decided that I was no longer going to work as a Materials Coordinator for Johnson Controls, a job I had started when I was 19.

I had recently graduated from the University of Phoenix in June 2002 and my dream at the time was to become a director at a company, but once I graduated, I realized that I was never going to become a millionaire working for someone else.

Once I realized I could never become rich working for someone else I decided it was time to take control of my financial future, so I purchased my first real estate property for \$18,000.

**After making the necessary renovations, I was able to sell it for a profit of \$24,000.** That one transaction ignited a fire within me and since 2002, I have purchased, renovated and sold more than 600 properties totaling \$50 million dollars in real estate sales.



Now I'm not telling you all of this now to brag. I just want you to know that you are finally dealing with someone who has achieved success at what you want to do and who knows how to help you do the same.

**In other words, reading this book won't be a waste of time.** You are going to learn real-world strategies that will allow you to join the ranks of successful real estate investors like myself.

And to be honest, this is a great way to earn a living. The income potential is tremendous and it also comes with the time flexibility that will allow you to truly enjoy your life.

As a real estate investor you'll be able to set your own hours. You'll be the boss. You won't have some "tightwad manager" watching over you and telling you when you have to work.

You also won't be making somebody else rich - real estate investing is all about making yourself rich.



Annetta Powell

## CHAPTER 2

# What is Real Estate Wholesaling?

Real estate wholesaling is where an individual, or wholesaler, acquires a contract from the seller of a property and then assigns that contract to an end buyer.

In other words, a wholesaler is a middle man. Wholesaling is a great way for people to break into real estate investing and is considered one of the best short term investment strategies.

The key to success is being able to identify properties being sold under market value. Then you must be able to sell the contract to another buyer. You would earn a wholesaling fee in exchange for finding the valuable property.

## What Makes a Good Wholesaler?

Good wholesalers have the following traits and skills:

**Creativity** - To succeed as a wholesaler you need to be able to look at potential deals and see their upside potential. You have to be willing to go where others won't dare. It's not enough to see things just as they are, you need to go above and beyond and think creatively - that's when you'll be able to find the real profitable deals.

That means no sleepwalking through life. You have to wake up and really notice what is happening around you.

**Persistence** – There’s no way around this trait, you have to be persistent. If you are going to give up the first time something doesn’t go your way ... if rejection is going to send you into a tailspin, wholesaling is not for you.

Too many “would be” investors fall out of this business because they lack staying power or persistence. These days, it seems everyone wants to take the easy way. But the easy way won’t get you success as a real estate wholesaler. You have to be willing to put in the work. That means sending out marketing materials consistently ... that means making regular phone calls ... that means getting out and physically looking for houses in your market area. Do the little things and you’ll be amazed at the cash you can soon generate as a wholesaler.

**Being a ‘People Person’** – Simply being nice and friendly will get you a long way in this business. It’s true. If you take the time to really talk to people and are kind people will want to do business with you. Just because the rest of the world seems “ticked-off” about any and everything, doesn’t mean you also have to be. Become a person who loves life and enjoys being around people and watch your financial position change for the better.

**Being a Good Negotiator** – The truth is we all negotiate for something every day in our lives – it would be with family members or co-workers or strangers. The successful wholesaler understands how important good negotiation skills are to his or her success.

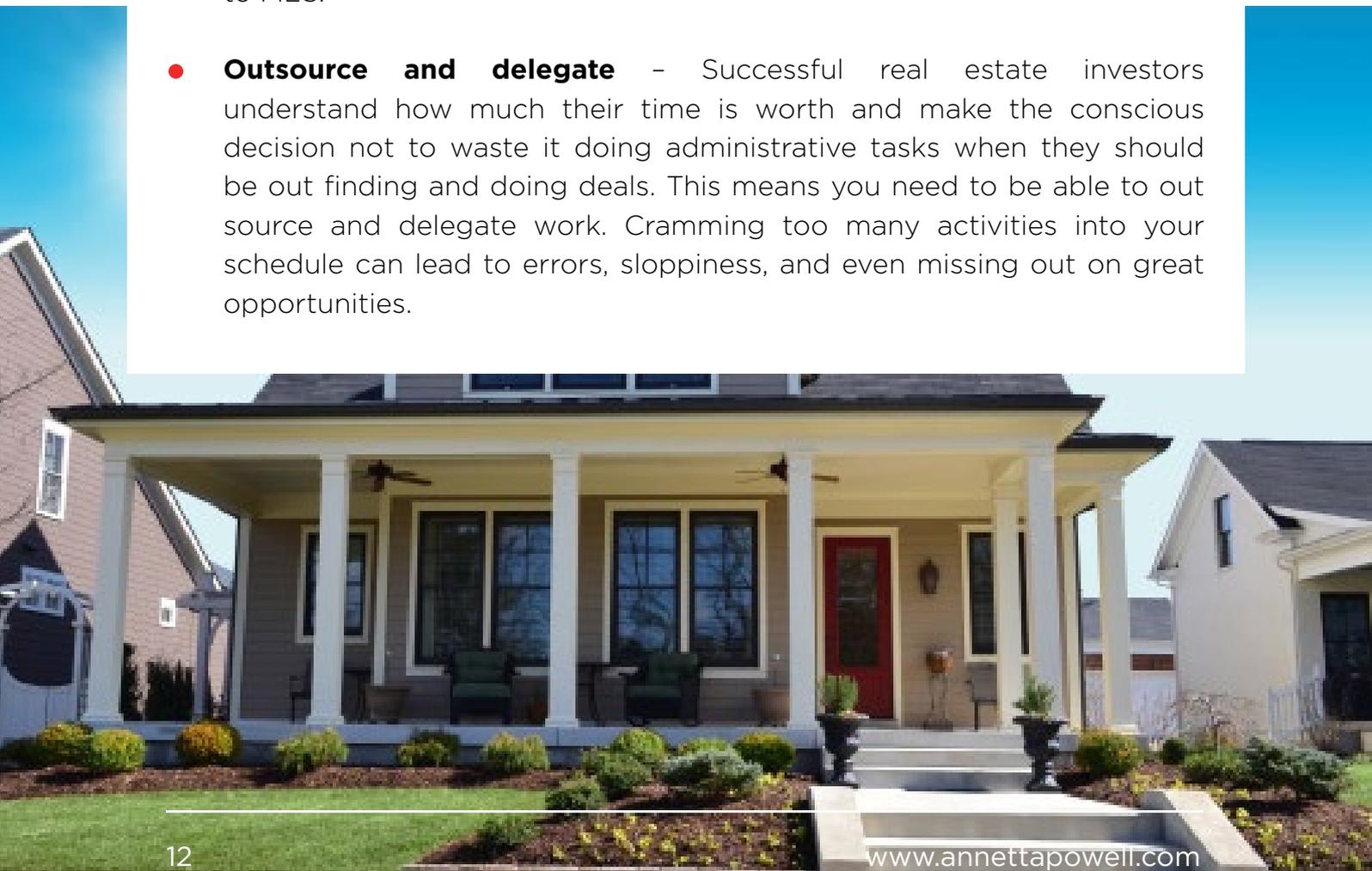
By being able to negotiate effectively you will be able to craft better and better deals where both sides are happy – and even more likely to do business with you again in the future!



**Here's a tip to become a better negotiator:** research, research, research. That means research the property and the seller. This will give you insight into who you are dealing with and can help you better negotiate.

Here are some more success tips for would-be wholesalers:

- **Be disciplined** – that means attack each and every task with consistency and dedication.
- **Make use of technology** – using the latest technology can save you time and money. It can also help you generate more leads and turn those leads into clients.
- **Get an effective website** – The National Association of Realtors says over 50% of home buyers find their home online. That means you have to have a website. A good website will also help you better establish your brand and authority, which in turn will drive even more business your way.
- **Get access to reliable neighborhood comps** – This is important. The simple truth is a real estate investor's success often comes down to their ability to identify neighborhood comps so they can price their properties competitively. Comps will also help you more easily identify properties that are being sold for under market value. One way to access reliable market comps is to partner up with a real estate agent who has access to MLS.
- **Outsource and delegate** – Successful real estate investors understand how much their time is worth and make the conscious decision not to waste it doing administrative tasks when they should be out finding and doing deals. This means you need to be able to outsource and delegate work. Cramming too many activities into your schedule can lead to errors, sloppiness, and even missing out on great opportunities.



# The Pros and Cons of Wholesaling

Wholesaling's pros include:

## **You can earn profits in less time than with other real estate investing methods.**

If you do your due diligence and educate yourself on the wholesaling process, this can, quite simply, be a very lucrative business. Wholesaling is especially great for beginners because it requires little to no money or experience. All you have to do is find a good deal – and if you find one don't be afraid to offer a relatively low price because chances are the owners are desperate to sell. Then if your offer is accepted, you could close the deal and receive your check within 30 to 45 days or less.

How it works: let's look at a potential deal so you can get an idea of the profit potential that comes with wholesaling. Let's say you find a property that you know is worth at least \$200,000 after repairs. You offer \$100,000 and put the property under contract. Then you find a buyer who is willing to pay \$125,000 – so you close the deal. Boom, you just made a cool \$25,000. Both you and your buyer benefit from the deal – and the seller gets rid of the property quickly like they wanted. Note: don't forget to add the buyer's information to your buyers list so that you can market to them in the future. With deals like this, they may be eager to work with you again!

## **Gain Real Estate Investing Experience Quickly.**

As I said earlier, wholesaling is terrific for beginning investors because they gain a lot of industry experience in a short time and without having to spend lots of money. Few investing techniques are better for helping investors learn such valuable skills as marketing, negotiating, organizing, and acquiring proper legal documentation. All these skills will carry over into other investing techniques and will benefit you in the future as you further your career. Complete a few wholesale deals and you will truly understand what to look for in deals and what to avoid.

## **You Can Do This With No Cash & Bad Credit.**

If you want to invest in real estate but thought a low credit score or limited capital would prevent you – it's time to think again. Wholesaling makes it easy to invest in real estate even if you have bad credit and no cash. The reason is

because you are not actually the one purchasing the real estate – that’s the end buyer. You are merely the “middle man” who is facilitating the deal. The end buyer is the one who will have to undergo the credit check. Here’s another big benefit of wholesaling – you can often put as little as \$10 down to put a property under contract! This seriously mitigates your personal risk if a deal falls through.

Now here are wholesaling’s cons:

### **No Guaranteed Income.**

As a wholesaler you won’t receive a steady paycheck every two weeks. You only get paid when a deal goes through, which depending on timing could prove to be stressful. You also won’t receive employer provided health insurance or retirement benefits. That means if you are becoming a full-time wholesaler you will have to carefully manage your money. TIP: Create a “rainy day” fund so that you have extra cash on hand in case a deal doesn’t materialize as planned.

### **Finding Buyers.**

The key to being a successful wholesaler is being able to quickly locate buyers for a property – of course, this is often easier said than done. If you are unable to find a buyer you may have to repay your seller the amount you put in escrow. This amount can vary by deal and as we said earlier it can be as little as \$10 depending on how the agreement is written. But here’s something else to consider, even if you are only going to lose \$10 the truth is failing to complete a deal can have a big impact on your reputation and cause other homeowners not to work with you in the future. To avoid not being able to find a buyer you should immediately start building a buyers list that you can market to and have potential buyers lined up before you even make an offer on a property.

### **Keeping Buyers ‘Warmed Up.’**

It’s not enough to just have a list of buyers, you need buyers who are eager to do deals with you. That means you have to market effectively. You also have to know the preferences of your buyers so that you can maximize them. For example, if you have a buyer who wants to invest in rental properties you don’t want to waste your time bringing him a rehab. On the other hand, if you have a rehabber you don’t want to waste your time and energy bringing him a rental property. Don’t make the mistake of offering every property you come across to every contact on your buyers list. Instead only reach out to those you truly believe will find value in that particular property. Remember, creating win-win deals is essential to your long term success. You want to do deals that benefit both you and your buyer. This will keep them coming back to you again and again. So be sure to stay on top of your buyers list by taking note of personal tastes. This will help ensure that you grow a base of loyal clients.

# The Next Step ...

Should you decide that you want to pursue wholesaling, one effective way to get started is to read my guide “Learn the Hardcore Facts About Wholesaling” which is available at [www.hardcorefactsaboutwholesaling.com](http://www.hardcorefactsaboutwholesaling.com).

I've also written a book entitled, “10 Ways to Invest in Real Estate With No Money in the bank” that is available at [www.nomoneydowninrealestate.com](http://www.nomoneydowninrealestate.com).

The book reveals how anyone can get started as a real estate investor with no money and bad credit. It really is possible and I tell you how to do it in this book. You'll learn:

- **How to overcome “the money challenge” and get all the cash you need to do profit-producing deals**
- **How to eliminate the frustration and anxiety that comes with applying for traditional lending and instead have individuals basically lining up to give you money to invest**
- **How to tap into a funding source that is available to everyone but few people use – this strategy will change your life and put your investment goals within reach in no time**
- **How to find private lenders and then convince them to invest their money with you**
- **The advantages and disadvantages of using hard money lenders and under what circumstances should you consider using them**
- **And much, much more**

## CHAPTER 3

# What is House Flipping?

House flipping is when a real estate investor buys a house and then quickly resells it for a profit.

The time between the purchase of the house and the sale of the house usually ranges from a couple of months to possibly a year.

There are two basic types of house flipping:

- The first is when an investor buys a property, also known as a “fixer-upper,” that has potential to increase in value with the right repairs and updates. After completing the work, the investor is able to sell the house at a price that is much higher than what he or she paid for the property.
- The second type is when a real estate investor buys property in a market where home values are rising rapidly. In this case, the investor makes little to no updates on the property but after holding the property for a few months is able to resell it at a higher price.

When done properly – that means making wise buying decisions and being smart with the home renovations – flipping can be a great investment method. It’s a way to make significant profits as you can sell the house for much more than you paid for it.

Of course, flipping can also go wrong. For example, what looked like a good investment can turn into a “money pit” that has a poor foundation, or a leaky roof or other problems that cost you more money than you planned and reduce your potential profits.

Here are some tips to avoid making a bad decision when buying a house to flip:

- 1. Have the home inspected** by a professional before you officially buy. When you’re under contract, use your inspection period to get a home inspection and any other specific inspections you may need. It’s always better to know about problems early rather than be surprised later on.

**2. Study the market.** One way to identify hot markets is to work with an experienced local real estate agent, one that knows the area like the back of their hand.

**3. Set a budget** for your house flip and stick to it. Know your price range for purchasing a home, making any repairs, completing renovation projects, and selling it before you seal the deal.

**4. Be smart with your renovations.** That means stick to your budget and focus on renovations that actually boost the value of the home. Don't get carried away and make a bunch of renovations that won't actually pay off down the road.

# Who Makes a Good House Flipper?

A lot of people think they can buy a house, make a few repairs and sell it for a profit. Unfortunately, it's not usually that easy – that's why everybody isn't out there flipping houses.

Here are some qualities that can help a person succeed at flipping houses:

## **Be a 'Team Player'**

Yes, a house flipper can do it alone and succeed but the truth is the entire process is much easier when you have experts that you can consult.

This means you need to put together a team that includes a real estate agent to help find houses and identify hot markets; an attorney to help with paperwork; a contractor or renovator that you trust to handle repairs; a home inspector; and an insurance agent.

## **Be Knowledgeable About the Area**

One of the best things a flipper can have going for them is an understanding of the area where they are buying houses. If you know what markets are hot ... if you know what the schools are like and where the best amenities are ... you can make the best buying decisions.

## **Be a Good Estimator**

To succeed at flipping houses you must be able to accurately estimate the cost of any repairs you are going to be making so that you can pursue deals that will net you the most profits. That means you should be familiar with construction materials, local construction codes, cost of local labor and the time a job will take.

## Be a Do-It-Yourselfer

The best house flippers often have some home improvement skills and are able to step in and lend a hand or help get something done themselves. For example, the knowledge of how to install a sink, change a countertop, do basic electrical or plumbing work, and/or shingle a roof can help you estimate cost and rehab time. However, I don't recommend that you actually do the work because you need to spend your time and energy on flipping houses and closing profitable deals.

## Have Patience

Finally, a good house flipper will have patience. That means don't rush into a deal simply because it's been a while and you need to do a deal. You need to have the patience to keep looking for the best deals that are going to produce the best profits with limited risk. Higher risk deals could prematurely end your flipping career.

# The Pros and Cons of Flipping

## Pros of Flipping a House

- **Quick Profit Potential** - This is the main reason why people flip a house ... to make a good profit quick. If done correctly, this real estate investing method can definitely help you accomplish this goal. You can make big profits in a mere matter of months.
- **Gain Valuable Knowledge and Experience** - Flipping a house will give you insight into construction as well as the local market. This is all knowledge that can benefit you during your real estate investing career as you pursue different types of deals.
- **Get Connected** - Flipping a house will also naturally increase your network of contacts as you will need to work with real estate agents, contractors, inspectors, insurance brokers and possibly even other investors. All of these contacts could come in handy as you pursue deals in the future.
- **Career Satisfaction** - House flipping also offers a great deal of career satisfaction. After successfully flipping a house you will feel like you were able to see potential in a property that few others could see and then you have the vision to turn that property into something more valuable. This can be very satisfying.

- **Failing to Profit** - Unfortunately, there are a number of factors that can cause a house flipper to lose money instead of making a profit. Those factors include: unanticipated expenses, higher taxes, costs associated with holding a property and difficulty selling. You have to be able to find buyers who are ready to take action. Every day you hold the property could mean fewer profits for you.
- **Stress** - Another negative that accompanies house flipping is stress. The whole process from finding an undervalued property to buying it to rehabbing it to selling it can be filled with stress. You need to have patience and confidence in your knowledge and ability to succeed long-term as a house flipper.

## The Next Step ...

I, myself, got started as a real estate investor by flipping houses. I still remember my first deal when I bought a house for just \$18,000 and then was able to resell it for **a profit of \$24,000**.

That first sale ignited a fire within me and since then I have sold more than 600 properties generating \$50 million dollars in real estate sales.

This is my simple formula for success:

1. Purchase a property that is priced well below market value
2. Invest money and time to renovate the property
3. Once the renovations are complete, sell the property at retail market value

**Do those three simple things and you can build a fortune quickly.** This formula can earn you incredible returns on your investments.

I recommend that you only invest in rehab projects that will earn you a minimum of \$10,000 in profit on each property.

My average profit for each property that I acquire, renovate and sell is a minimum of \$15,000.

**I have found during my lengthy career that the best properties to purchase are distressed properties.** Urban blight, America's struggling economy and our nation's aging population have sparked a great proliferation of distressed properties. I have found that you can buy these properties for cheap, make repairs and then sell for major profits.

**These properties are your ticket to financial freedom and the lifestyle of your dreams.** Oftentimes, the owners of these properties are eager – even desperate – to sell. Fortunately, you can create a win-win situation for them and for yourself.

Think of distressed properties as diamonds in the rough. When you purchase them for a bargain price and polish them into gems that sparkle, you can sell them for top dollar.

To learn much more about succeeding at flipping houses I recommend that you get my book "**Finding, Fixing and Flipping Properties**," which is 224 pages long and focuses exclusively on house flipping. It is available at [www.findingfixingandflippingproperties.com](http://www.findingfixingandflippingproperties.com).

You will learn:

- **Step-by-step formulas you can use to make money investing in real estate – even if you have no experience, bad credit and little to no money in the bank!**

Plus, you'll get tips on:

- **How to sell properties for maximum profits ... along with how to handle all the paperwork so that you never lose money on a technicality!**
- **How to recruit a real estate dream team that will make growing your real estate investment business easier than you hoped!**
- **How to boost your purchasing power through private lenders and other sources ... guess what, it doesn't always take money to make money ... that's why you may be very surprised by what you learn here!**
- **How to sift through the coal and find the real diamonds when looking for houses to invest in!**
- **How to sell a property fast after you fix it up – find out how to attract motivated buyers and then have them practically begging to buy from you!**
- **How to negotiate to win ... as well as how to strategize for long-term investing success!**
- **And much more!**

If you are ready to take action and complete your first house flipping deal but don't want to do it alone go to [www.annettpowell.com](http://www.annettpowell.com) and click on our coaching tab.

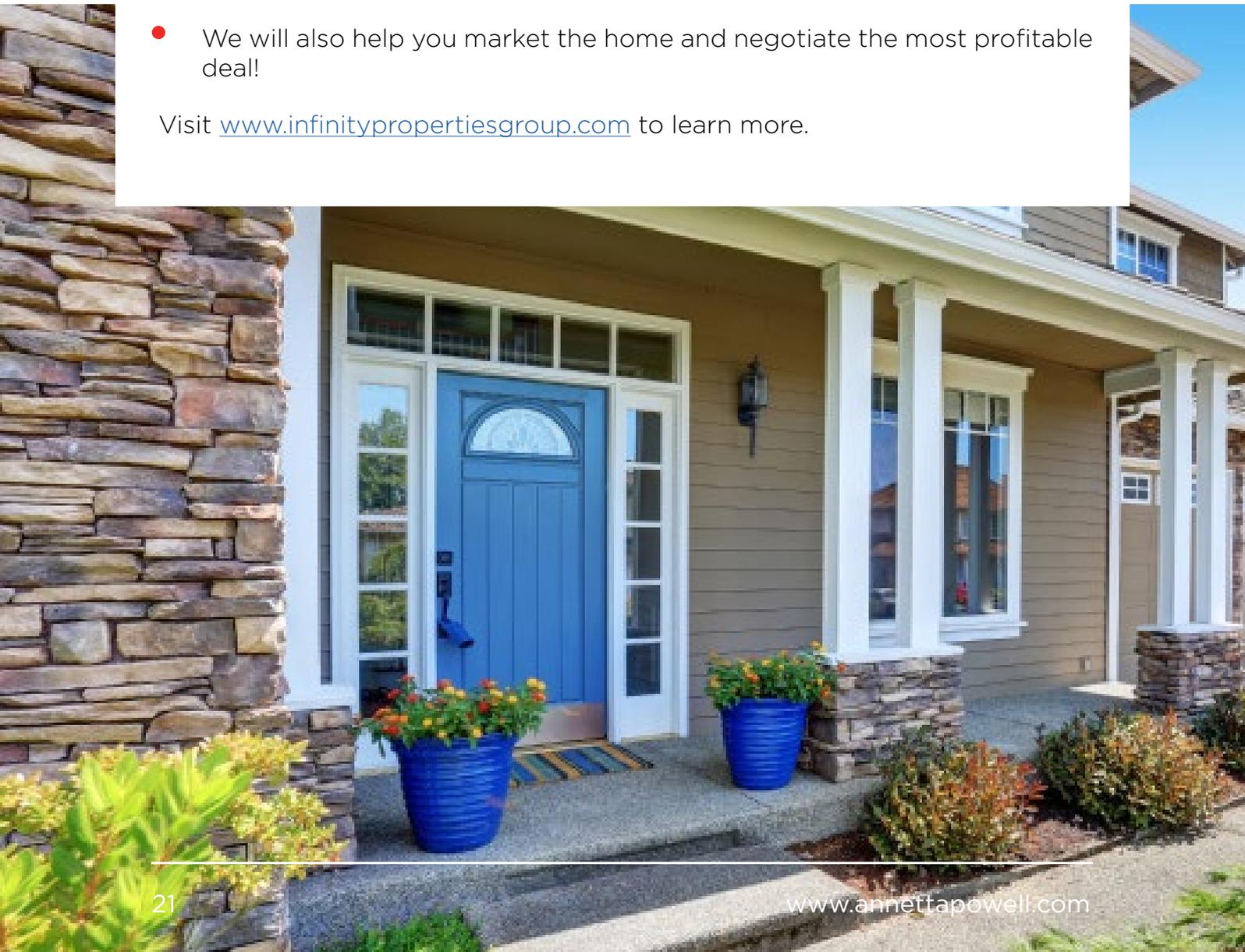
We have training programs available and I also coach beginning real estate investors – helping them to achieve success faster than they dared dream possible.

In addition, we often partner with beginning real estate investors at Infinity Properties Group.

If you are looking to purchase a house:

- We will meticulously search through available housing to find that true diamond among all the coal!
- We will help you purchase your house at a price that fits your budget!
- If the home needs repairs, we will use our top-notch contractors to renovate the property!
- If you would like to flip the house for a profit, we will help you develop a complete plan of action that nets you maximum profits in minimal time!
- We will also help you market the home and negotiate the most profitable deal!

Visit [www.infinitypropertiesgroup.com](http://www.infinitypropertiesgroup.com) to learn more.



# What is Landlording?

Basically, a landlord is the owner of a house, apartment, condominium, land or real estate which is rented or leased to an individual or business.

**The good news is landlording can be a great way to build wealth** – of course, there are some drawbacks to using this real estate investment method as well and we are going to discuss both, the advantages and disadvantages, in this chapter.

First off, let me ask you: Have you ever felt like you can't afford to retire because you don't have enough money in your retirement account to last you for the rest of your life?

Are you ever afraid that you'll run out of money during retirement and you'll have to go back to work?

One more question – are you sick of your job but not ready to retire fully yet?

**Well, if you answered yes to any of these questions landlording could be the perfect solution for you.**

The truth is landlording can allow you to create a passive income stream that sends money consistently into your bank account. It really is a great way to build wealth.

As an example, let's compare landlording to investing in the stock market.

The stock market is cyclical. It always has up swings and down swings. It's the natural cycle of stocks. It can't keep going up forever. At some point it WILL go down.

So what happens if you have all of your money, or your entire retirement in the stock market and the market "corrects" like it did in the dot com crash of 2000 and the subprime meltdown of 2007?

Well, as we say in those unfortunate circumstances, you can quickly lose half, if not all, of your net worth very quickly – and you may never be able to get it back.

**The sad truth is a 50% reduction in net worth requires a 200% correction just to get back to even.**

When something like this happens to you, after you've spent the better part of your life "saving" for retirement it can be devastating!

This is why the stock market is a very risky place to have your retirement funds. And this is why it is impossible to get wealthy by just "saving" money.

**A much better approach is to have multiple income streams - including rental property.**

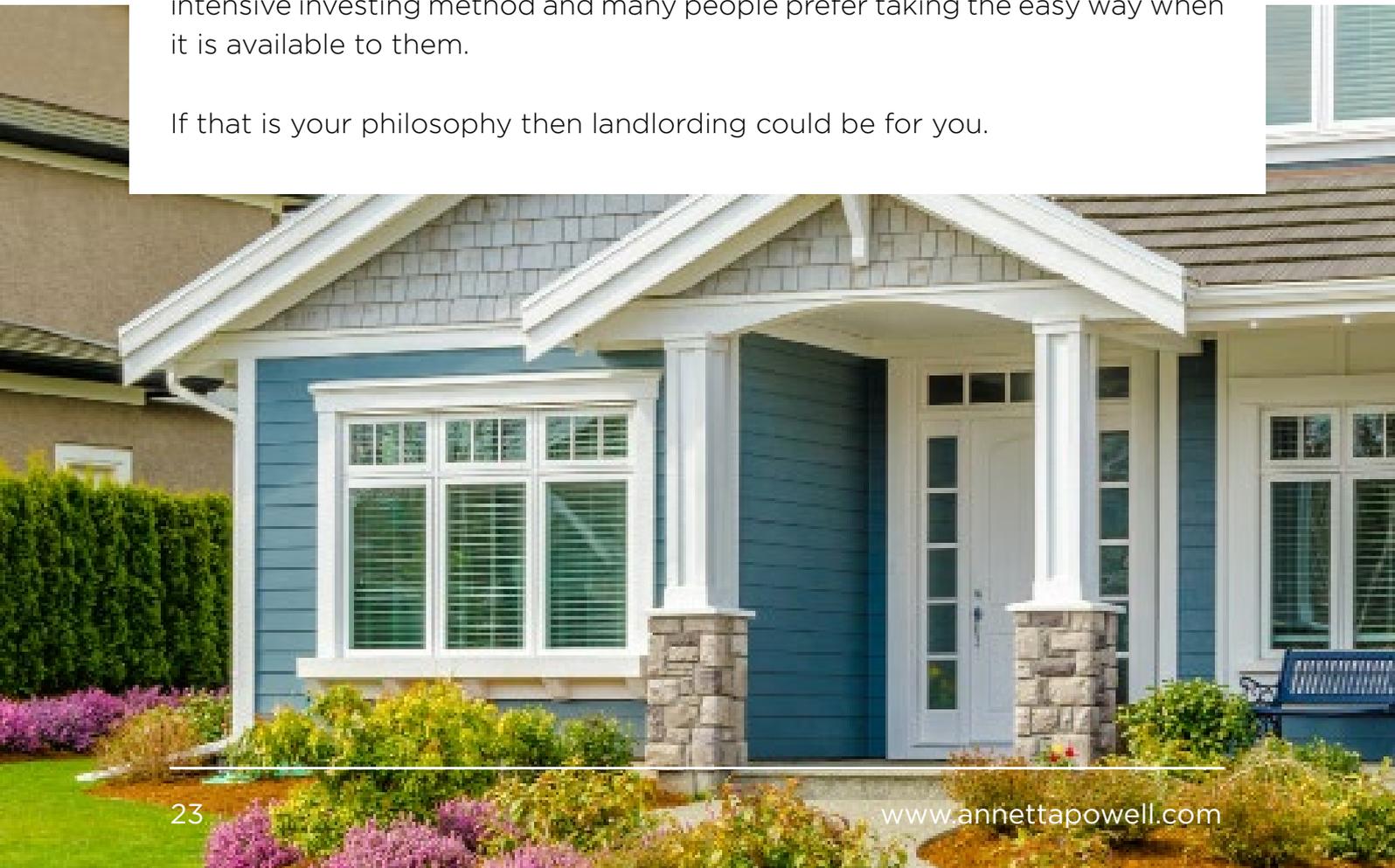
Here's more good news: you don't need cash, good credit, experience or any special licenses to become a landlord.

Landlording is also much less work intensive than flipping properties. Many house flippers discover that finding a house, fixing it up and flipping it never ends up producing the amount of money they expected when they started.

Plus, doing just one fix and flip deal can take a good amount of time. One more thing, it seems like everybody is flipping these days. It has become a very competitive marketplace. Landlording on the other hand is much less competitive and much less time consuming.

Now don't get me wrong, as we discussed in the previous chapter, you can make a lot of money fixing and flipping houses - it's just a more work intensive investing method and many people prefer taking the easy way when it is available to them.

If that is your philosophy then landlording could be for you.



# What Makes a Good Landlord?

As we just discussed, a good landlord is someone looking to make money investing in real estate but wants to do it using an approach that is less work intensive than flipping and wholesaling and who is willing to trade the thrill of big paydays for the consistency of steady payments over a long period.

If you want an income source that you can count on ... if you want to receive steady income that you can use to pay bills or build your wealth ... few methods are better than landlording.

## **So what qualities make a good landlord?**

First, it is important to note what makes a bad landlord. Here there are two very common things: one is being a pestering menace and the other is the complete opposite – being nearly impossible to contact.

A good landlord falls in between these two things. Here some skills and qualities a good landlord should have:

**Communication Skills** – Good landlords are good communicators. They may use a real estate or leasing agent as a middle man but will be quick to answer questions or provide emergency maintenance if needed.

**Requires Documentation** – A good landlord asks tenants to sign a proper lease and documents any extras in writing.

**Provide Maintenance** – A good landlord makes sure a property is clean and in good shape. This is very important to tenants.

**Provide Customer Service** – Yes as a good landlord you will need to provide customer service. Keeping your tenants happy will get you repeat business. That means you need to make sure repairs get done in a timely manner – you don't want to become a “slum lord.”

**Be Honest and Transparent** – A good landlord will operate with honesty and transparency when dealing with tenants. Don't cover up past issues. Instead let tenants know about them and promise to work with them should a problem reappear.

**Be Reasonable** – A good landlord understands the difference between normal wear and tear and genuine damage to property.

**Maintain Distance** – A good landlord stays a respectable distance from the property. You don't want to be looking over tenants' shoulders every day.

**Be Flexible** – Of course, a good landlord should expect prompt payment of rent and so forth but in difficult circumstances a little bit of compassion can go a long way as well.

**Be Trusting** – A good landlord trusts that tenants are doing the right thing until something happens to create distrust.

# The Pros and Cons of Landlording

The pros of being a landlord include:

## **Passive Income -**

This is the main reason most investors decide to become landlords. Every month (provided you've selected good tenants who pay on time), you'll receive cash you can use to pay bills or build wealth.

One thing to keep in mind here: when it comes to having multiple rental properties it can be much more profitable to have multiple units in the same building or area as opposed to units all over town. Having units together can reduce management and maintenance fees.

## **Tax Benefits**

As a landlord you may be able to take advantage of the following tax deductions:

- Repainting
- Replacing damaged furniture
- Replacing water pipes and disposal duct
- Buildings and contents insurance
- Accounting processes
- Cleaning and gardening
- Professional services
- Depreciation in the form of wear and tear (usually around 10% of the gross rental income)

There is something else I would like to discuss here and that is **Section 8 Housing.**

At Infinity Properties Group, we do a lot of work with Section 8 tenants, which is a HUD program.

Here's why we do this: **the government will pay either all the rent or a portion of the rent.** That can be a good security blanket to a landlord.

Of course, there are disadvantages when working with the Section 8 program as well. Primarily, an inspector from the Section 8 program comes out each and every year to inspect the property to make sure it's up to code.

If it's not up to code they give you a due date to bring it up to code and if you don't bring it up to code they will put your rental payments in abatement.

If you are a responsible landlord, this really shouldn't be a problem - allowing you to take full advantage of having your rental backed by the government.

### **Long-term security -**

By renting property you'll have the security of consistent monthly income plus if your living situation changes you could always use the property yourself (so long as you uphold any contracts signed with tenants).

### **Management Rewards -**

Being a landlord is like managing your own business, which can be very rewarding. You get to make the decisions on costs, contracts and terms, plus whether or not you want to sell your asset, and when. You're the boss!

The cons of being a landlord include:

### **Tax**

Despite the tax breaks we mentioned previously, you will still have to pay tax on any rental income and deal with the associated paperwork.

### **You're in for the Long Term**

Landlording is a long term investment that costs you to get in and costs you to get out. When you do choose to get out, it may take some time to sell the property and release your assets.

## **Additional Costs**

Being a landlord can also result in additional costs that you may or may not be prepared for. These costs can include:

- Tax on rental income
- Tenancy deposit scheme
- Repairs and maintenance
- Landlord insurance
- Furniture and decoration
- Property Management Fees

## **Emergency Maintenance**

Burst pipes, lost keys, broken boilers... all the household emergencies that could apply to you at home apply to your tenants, too.

Unless you employ an agency to deal with this sort of thing (an extra expense), you need to be prepared to deal with panic-stricken phone calls at all hours of the day or night from tenants needing help.

## **Legal issues**

You will also need to be up to speed on the latest property law and legislation affecting landlords, and also know where you stand when it comes to late rent payments, deposits and evictions.

## **Voids**

A 'Void' is the period in-between tenancies when a property is not rented. These periods can quickly eat away at your profits.

If you minimize your void periods you will maximize your rental profits and create healthy positive cash flow from your rental portfolio. It really is that simple!

Many say you should expect to lose 10% of your annual rent in voids. I don't buy this for one moment! By being proactive with your marketing you can shorten your voids and increase your profits. That means advertising a unit during a tenant's last month - not waiting until they are gone to market it.

# Things to Look for & Avoid When Selecting a Rental Property

Not all potential rental properties are the same. There are some things that tenants simply hate, avoid these, to ensure you get a rental property that will be desirable to prospective tenants.

Successful landlords need to ensure that they are doing everything they can to ensure their properties attract the best tenants and premium rents. Essential to this is an understanding of what tenants hate the most and what things will put them off renting your property.

Here is a list:

## **Poor location -**

The old adage location, location, location certainly holds true. Tenants want to live in good areas and neighborhoods that are close to shopping and transportation options.

## **Lower floor or ground floor apartments -**

While some prospective tenants actually prefer lower floor housing a higher percentage wants to stay away from these rentals due to security concerns. It can be easy look into a window of a lower ground floor or ground floor apartment and see everything inside and it is fairly easy to tell whether anyone is home or not. Some lower ground floor units have bars on the windows. These do not give tenants any assurance that the property is safe but instead suggest that there is a security problem. When considering a lower floor or ground floor unit be sure to analyze the area.

## **Dirty properties -**

Don't market a dirty property and promise your prospective tenants that it will all be cleaned up before they move in. If you intend to clean it before they move in, then why not clean it before you put it on the market? This should also mean that you will have to conduct fewer viewings in order to rent your property and you will suffer fewer and shorter periods where it is unrented.

Also, when a Landlord promises to clean a property, the tenant is unsure of exactly what he or she means by clean. What the Landlord means by clean could be just giving the place a quick once around with a vacuum cleaner! If you clean the place before you market it then the tenant is in no doubt what you mean by clean.

Plus, at the end of the tenancy, your tenants are far more likely to return the property to you in a clean condition if it was that way at the start of the tenancy.

### **Carpets in bathrooms or kitchens -**

This is a big no-no as most people now see this as unhygienic. Kitchen and bathroom carpets need a lot of maintenance which most tenants do not have the will or time to do. Tiled floors are the best since they last a long time and are very easy to clean up to look as new, at the end of the tenancy.

### **Lack of proper security -**

Security is very important to tenants who are out at work during the night. Professional tenants have a lot of electronic goods and the risk of burglary is a very important consideration. When renting to students, parents often play a part in the decision making process of choosing a property and most parents are very concerned about security for their 'little darlings'. Having a good lock on the front door is essential. A security system may also be beneficial.

### **Old furniture & décor -**

First of all, when it comes to furniture keep in mind that you will only provide furnishings if you are specifically offering units with furniture. That means you should charge an additional fee for a fully-furnished unit compared to a unit that is unfurnished.

If you are furnishing a unit don't make this common mistake:

We all know how it goes. You come round to replacing old furniture or curtains in your own home and wonder what to do with your old ones. There is nothing wrong with them; they are perfectly clean but those big floral patterns are just a bit untrendy. You feel they are too good to throw away and you think you should hang on to them just in case you ever want to use them again. Then you have a thought. Why not put that 70's floral sofa with matching curtains in your new rental property?

**Stop, don't do it!** The best home for your old furniture is your local dump and not your rental property. If you think 70's floral patterns are untrendy, what makes you think your tenants will love them?

Always furnish your property with new modern furniture. Avoid the absolute cheapest range of beds, sofas etc. This is because most landlords choose these ranges and your tenants are most likely to have seen other properties furnished with exactly the same stuff. Choosing mid-range furniture will make your property stand-out from the crowd and will help you rent quicker.

### **No washing machine -**

Your busy tenants want convenience and do not have the time or inclination to come home from work, load all their clothes into a bag and go a laundromat. Always try to provide a washing machine and a dryer, even if you are renting a property unfurnished.

### **Electric heating or cooking -**

Electric heaters are perceived to be more expensive to run than gas central heating. This is not exactly true with modern electric heaters but it is very difficult to convince tenants of this. Gas central heating is what they are looking for. Prospective tenants also prefer gas ranges to electric ones.

## **The Next Step ...**

If you are interested in pursuing landlording as a way to make money as a real estate investor, you can learn much more about it in my book "Learn the Hardcore Facts About Landlording" which is available at [www.hardcorefactsaboutlandlording.com](http://www.hardcorefactsaboutlandlording.com).

One way to get started in landlording is to work with me and my team. We routinely work with beginning landlords to help them execute their first investment and avoid any costly pitfalls.

If you want to buy a rental property:

- We will diligently search to find the right property in the right neighborhood – specifically we will look for areas with high demand and significant income potential!
- We will acquire your property at the lowest possible price
- If the property needs repairs, we will use our top-notch contractors to renovate the property to ensure that it generates top earnings for you!
- We will then utilize our connections and standing in the community to ensure the property is rented out as quickly as possible so you can experience immediate cash flow from your investment property!
- We will also work closely with you on your exit plan to ensure you earn maximum profits from your investment if you decide to sell your property in the near future!

No matter what your real estate goals are, when working with us, you can count on learning important information like:

- How to maximize your investment profits step by easy step!
- How to evaluate properties and find the real diamonds among all the coal!
- How to find the hidden potential in run-down properties – plus, how to rehab homes quickly to boost your profits!
- And much more!

When you choose to work with me and my team, you are selecting a partner that is dedicated to meeting your needs and providing you with superior service. Your satisfaction is our #1 priority.

To learn more about working with us, visit [www.annetapowell.com](http://www.annetapowell.com).



# Conclusion

Why has real estate proven over time to be such an effective investment vehicle?

One reason is because, quite frankly, it's easier than other types of investing. It doesn't require the amount of research that investing in the stock market does (that is if you want to really make money doing it).

It doesn't require the attention that investing in mutual funds requires.

It sure doesn't require the time involved in trading on the Forex market.

It's also possible to get started in real estate investing with no cash of your own and poor credit. That means there isn't anything stopping you from achieving the success you desire.

Now that you are more familiar with three ways to invest in real estate, it's time to take the next step and start doing deals.

If you are still feeling hesitant and would like more assistance in learning how to invest in real estate successfully go to [www.annetapowell.com](http://www.annetapowell.com) and click on the coaching tab.

You could be doing deals where you are making \$15,000 or more! Just think what you could do with all that extra cash.

Visit [www.annetapowell.com](http://www.annetapowell.com) now to get started. Don't forget to check out our store while you are there to learn more about other real estate investment products that we have available.

For instance, our "10 Ways to Invest in Real Estate With No Money" is a great book for beginners looking to get started as investors with no money in the bank.

No matter how you decide to proceed we wish you the best of luck!