

# Your **A** to **Z** Guide to **Property** and **Real Estate**



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## Appraisals

Investments, terms for loans, processes, and other parts of real estate can often be overwhelming to someone who hasn't received a degree in real estate. If you are looking for definitions and actions behind those definitions, then don't forget about getting the right appraisals. This will help you if you are looking for the right market for your home.

An appraisal consists of a professional opinion that is made about a property. Included in this opinion are several factors that allow for this statement to be made. Overall, the appraisal will lead to the conclusion of what the market value is. If the market price can not be defined easily, then someone can look at the different parts of the property and determine what they believe the market price should be. Usually, this will be done by an inspector looking at the various mechanics that may have been swept underneath the rug.

An appraisal is a necessary requirement when one is looking into selling a home or having the property insured or financed. It may use several external resources and definitions of what market value may include in relation to the opinion being made in order to determine the price value of a home. When getting an appraisal, you can expect that the estimates will be based around the various factors that are related to the market at the time. Instead of just examining the parts of the property, an appraiser will also examine the neighborhood and see what everything else is worth in relation to the property.

By appraising a property, you will know how much the home is worth in relation to your own needs on the property and in relation to everything around it. By observing the standards that are set both inside and outside, you will have the ability to know when the timing is right to get involved with your piece of real estate.

## **Avoiding Extra High Financing Costs**

Did you know that there are ways for you to pay less while you own more? If you know exactly how to work with the real estate market, then you can also find ways to avoid extra financing costs. By finding the right area to focus on for your investment, you will be able to pay lower amounts without extra charges.

One of the easiest ways to avoid extra costs is to make sure that you pay your loan on time. Usually, mortgage companies will add in extra finances if you don't pay by a date that they have set for you. Over a specific amount of time, this can cause you to pay hundreds of extra dollars in financing at one time. Staying ahead and consistent will help you to keep costs stable and lower.

Of course, knowing the loan options that are available to you can also help you to avoid financing costs. Some homes will require that you invest more, and some loan programs will also ask that you invest a higher amount. You will either want to make sure that this will be beneficial to you in the long run or you will want to look into a different type of plan. The plans that you invest in for mortgages will make a large difference in how much you pay overall and how much you pay each month.

The finances don't stand alone when you are trying to avoid extra costs. The value of the property that you are investing in will also make a difference. The goal for any real estate investment is that there should be a high quality home for a lower price. You want to get as close to this goal as you can. Even if you pay on the home for a while, it will allow you to benefit later on with the investment that you have made. You will have the ability to have more returned to you when you decide to invest in something bigger and better.

Real estate financing can be beneficial if you approach it correctly. Understanding how all of the parts of your loan, your home and your individual needs work

together can help you to find the best deal.

Over time, you will not only have a home to live in, but will also have an investment that can help you to make the most of what you have.

## **Factors to consider when purchasing a Foreign Property**

The factors that will determine where an individual buys a foreign property relates mainly to their motives for purchase. Someone who buys a property with financial gain solely in mind may not give much attention to the climate or sociological factors of a potential place. They will look at the likely capital growth and yield that the property is likely to offer.

In contrast, an elderly retired couple, one of whom has arthritis would pay very close attention to climate considerations of the region the property is in - as well as other social factors such as the lifestyle enjoyed by its citizens. Capital appreciation is not likely to be high on their agenda for choosing a retirement property.

Here are some of the considerations that should be kept in mind when deciding where to buy a foreign property:

- Language spoken – you may find the most picture perfect place in the world, but is it of much use if the buyer is unable to converse with the locals?
- Investment potential – this should be a factor not just for those who use property as an investment vehicle. It could be a very painful mistake if real estate is purchased in a location that is experiencing a horrid downturn in the property market. On this note, rental yields must also be considered.

- Socio-political issues – the crime rate, attitude towards foreigners and economic prosperity should also be taken into account. Is the town and country bustling with prosperity or is it on a downward trend? These issues often filter down and affect quality of life experienced by the general population.
- Climate – anyone who has experienced a bitterly cold London winter will have this planted firmly on their list of important factors. In fact climate is one of the major reasons cited by Brits for choosing to live in alternative countries such as Spain, Portugal, Italy and even Greece among others.
- Those who are moving but will still need to work must investigate how marketable their job skills are in their new location.
- Moving to another country can have an impact on the person's status in their home country. For example, claiming welfare and benefits may elapse by moving abroad.
- Those with children will have to investigate the availability of suitable schools.
- Different countries have different rules regarding not only tax matters but also procedures relating to withdrawing pensions. It is vital to investigate these matters thoroughly prior to making any commitments.
- Other factors such as the cost of healthcare, taxation, environmental pollution and general cost of living will also need to be given due thought before deciding on any particular location to move to.

## **Bypassing Pitfalls of Balloons**

If you aren't familiar with options for financing, it is never too late to get started. Understanding the different terms and having the ability to relate them to each other will help you to avoid situations that are not financially helpful. One of the terms that you should know is balloons. This can either help you financially, or cause you problems. Understanding the details of how balloons work and using them to your advantage will give you the ability to pop into the right loan.

Balloons can be used to reduce the interest rate on a loan and lower monthly payments. It does this by putting a term on the loan in which a lump sum is due in full. This allows the lender the reassurance that they will have their principal paid back in a shorter period of time. At the predetermined balloon date, the remaining principal balance is left.

This can be good or bad. If you plan on selling a property before the balloon payment is due, or if you are refinancing into a more favorable loan, then a balloon can work in your favor. However, if you do not prepare correctly for the payoff date, then you can have a serious problem. If you aren't certain of your financial status and what it will be in ten years, then a balloon will most likely not help you.

Because you will be expecting to pay a large amount at the end, it can lead into debt and won't help you to make an investment on another house in the future.

Because balloon loans are considered to be risky, legislation has passed in many states that restrict balloon loans from residential properties. Commercial property loans are more common these days.

## **Building Value with Home Equity Loans**

The last thing that anyone wants after they have moved into a home is to find that everything needs to be repaired. Whether you have just moved in or are in the process of re-modeling, you will want to make sure that the home you have is comfortable. If you want to make sure that you keep the finances low key for repair, then make sure that you have the right loan. One option to consider is a home equity loan.

Home equity loans are a loan that allows you to borrow money against your home value. For instance, if you have a mortgage, you can take out a second loan behind the first mortgage, known as a home equity loan. You can use this extra money in order to pay off payments or to remodel your home.

Home equity loans aren't necessarily to just help you pay off or repair certain things. You can use the loans as a way to invest in your home so that it can be improved and you are able to profit more off of the changes. Many will get home equity loans in order to improve their home. Others will get the loans in order to consolidate other bills and pay other things off. This will essentially give them a higher credit score and allow them to receive a better standing when higher investments are made.

One of the major considerations to make before getting a home equity loan is whether you will be able to profit off of it. Several will take out the loan which will only add on debt instead of help them to take it away because payments are not made. Because the loan is against your home, if you aren't financially stable, you may end up losing your home. Make sure that you are prepared before you jump into this kind of investment.

If you are looking for a way to improve your home, or to consolidate your credit or to simply help pay off your mortgage, then home equity loans are one option. If

you know the ropes of this type of loan, you can easily benefit from the various things that it has to offer.

## **Building Your Credibility**

Whether you are just getting into a new home or are looking for an investment, your credit score is important. This plays a large part in helping you to qualify for the amount of money that you want and need. By keeping up with your credit score, and understanding how it will tie into your investment, you can be sure to benefit from the points that you have.

Before you get involved in a loan, you will want to check your credit score in order to make sure that you will have the ability to get the loan you want. There are three major companies that rate your credit score, giving you points for good credit and how your history has related to the credit that you have. The companies that you can get your credit score from are Equifax, Experian, and Transunion.

Credit scores will affect the loan you get because it helps you to be pre-approved for a loan. Lending companies will be more willing to work with you if you have a higher score. They will also have the ability to give you a higher amount of money. This usually means that you are responsible with keeping up with your payments, have a good history, and how you have handled things such as overdue payments. For some, this is the only way that loans will be approved. For others, other factors will be considered, such as financial stability, your income and job status. Before even beginning the process of finding real estate, you should make sure that these are in the right place.

By adding up the points you can also add up the abilities that will take place with your loan. Understanding the various elements of your credit score can help you

to save money, time and to get approved for the loan that you want. Simply adding it all together will be the place that you want to start in order to build your credibility.

## **Choosing the Right HomeOwners Insurance for Your Situation**

Buying a home is more than just walking into a house. Not only do you want to make sure that you have the right investments set in place, but you also want to make sure that you have the right things to protect you in case something happens. Having home owners insurance is an important part of investing in real estate and into moving into a home.

With most lenders, it is required that you have home owners insurance. This is because some of the property that you will own on the real estate home is also theirs. Most home owners insurance is chosen during the final closing of your home in order to protect all of your assets as well as pieces of property that belong in the home. By finding the right home owners insurance, you will be sure to be protected against any accident or natural disaster that may happen.

Home owners insurance will be divided into a variety of categories, all which will be beneficial to different situations. The best way to decide on home owners insurance is to first add in how much you own and the value of the home. You will want to make sure that you are able to cover as much as possible and are able to get returned on everything that you are able to own.

Another factor to consider with home owners insurance is the type of coverage that is offered. Some companies will have different categories according to the types of things that you own and how this relates to what you will need replaced. After you have assessed the value of everything, you will also want to add in what you know you will want covered and which category of insurance this will put you into.

Home owners insurance is one of the ways that you can ensure that your real estate and property investments stay covered. If anything happens, you will want to be assured that you have lost little to nothing in the process.

Home owners insurance is one of the ways that you can keep cover with your investments and out of the damage.

## **Choosing your First Home**

If you are ready to move out of your apartment, there is no time better than now. Beginning to search for your first home is an important step to having the ability to build better finances and to live in a place that is comfortable. If you are considering a new home, there are specific things that you will want to know before jumping in with both feet.

Before you even begin to look at homes, make sure that you conduct your own investigation. This will mean that you should find the going rates, how much other owners are paying every month, and what you can or can't afford. You will also want to see what types of houses are selling and what they are going for. If you know the basics of what is available, it will be easier for you to get exactly what you want. You should also consider things such as your credit rating and your pay check. You don't want to walk into something that is over your head or start to look for something, only to find out that you won't be able to move in.

From here, it is all a matter of getting involved with the right people. One of the most important decisions that you can make is to find the right real estate agent. This will make a large difference in the type of deal that you get as well as what type of home and mortgage you end up with. Real estate agents have the ability to do investigations for you and find something that is best for you. You will also want to make sure that there are connections with home inspectors and the right

lenders. Without the right people set in place, there will be problems with getting the best deal with your new home.

After you begin to look with your real estate agent, make sure that you begin to understand the terms that are being given to you. Loan terms, terms about the market, and other real estate jargon will often times be spoken about. If you don't know what something is, look it up right away or ask. Getting into a first home is a large step from an apartment, making it important that you understand what you are getting into.

The process of finding a new home can be challenging and fun. Making sure that you open the front door instead of having to crawl through the back can help you to get exactly what you want. By learning the ropes from the very beginning, you can be certain to get what you want, only to move up from there.

## **Counting the Dollar**

If you are deciding to move into a home, it is more than just getting a house. More important than any part of the real estate business are the investments and finances that are a part of the process. If you are looking at any type of property, you will want to invest some of your time to becoming familiar with the financial options that are available to you.

The first set of terms you will want to familiarize yourself with is with loans. There are several types of loans and arrangements of loans that are available. If you don't get the right one, you can end up paying more than you want or need with a specific type of investment. You will want to know how the loans are divided, exactly what you will be paying on, and how this will affect your investment in the real estate.

After this, you will want to look into your own finances in order to see how they will balance with the loans. If you have other loans, such as car loans or student loans, it will be important to factor this into what you will be paying with your home loan. You will also want to check on things such as your credit report and your financial plan. Your history of finances and your present situation makes a large difference in what you are able to pay on a property.

If you aren't finding something that fits exactly right, it will simply be a matter of changing the rules a little. Even though you will mostly be looking at the ways you will be spending money and how this will change your lifestyle, you can also look at ways to deduct the money back off of your investment. There are options for deductions off of taxes and investment deals if you need to pinch pennies for other types of needs.

More than being able to pay thousands of dollars every month is the need to make sure you are getting into the right deal. Understanding and evaluating your situation and seeing how it will fit into a loan plan will make a large difference in the type of investment you make. Before putting your money somewhere else, you should always make sure that it is a place worthwhile to you.

## **Deciding on the Loan you will get**

It isn't always easy to decide which type of loan will benefit you the most. All of the possibilities that are opened to you are different and will provide you with various benefits. Before jumping into a loan, you want to make sure that you have evaluated your individual needs. The main idea behind a loan is to help you financially in more than one way.

The first consideration to make for a loan is by determining how long you plan to stay in a particular area. If you plan to move after a few years, you want your

records from your loan to show that you have invested in the property. If this is your plan, then getting a loan that allows you to pay unlimited principle while you are there will help to show the benefits. If you want to stay for a longer term and pay off the home, then finding something like an interest first loan will work better. With any type of loan, timing is everything.

The second evaluation that you will need to make with the loan options available to you is with how much you are able to pay each month. If it is a larger amount, then you might want something that is fixed or more stable. At the same time, if you are not in a financial position to pay a lot now, but know you will later, you can get something that will increase by percentage rate over time. If you are in the situation where you expect increased income, you can also consider a balloon, which will have you pay a large amount during the closing of your home. Determining what is best for you and your financial situation is important when deciding on a loan.

Of course, a lender will always be available to help you with your concerns and to answer your questions. Keeping yourself open to options, understanding your financial positioning and evaluating your individual needs can help you to invest your money the right way. By doing this, you can build your own investments into larger profits over a period of time.

## **Defining a Real Estate Team**

Finding a place to call home is one of the ultimate goals of anyone who is using the term real estate. However, actually moving into finding that home includes much more than packing boxes and moving in. Not only will you have to find a home, but you will also have to find the right resources and people to help you achieve your goal of finding exactly what you want.

The first person that you will want to include on your team is a real estate agent. When you are trying to find a real estate agent, you will want to make sure they have the right credentials and understand your goals. Real estate agents will be the mediators between you and the right home, as well as the other people that will be considered on the list.

Often times, you will want to find a mortgage banker at the same time or before you find your real estate agent. Mortgage bankers can help pre-qualify you so you know how much home you can afford prior to searching in the marketplace. Being pre-approved can have a huge advantage for getting your offers accepted by the sellers as well. It is important to have the right offer, and your agent can help you best with this negotiation strategy.

After you have examined the various neighborhoods and are set on investing in a specific place, you will want to begin finding others who will help you with the rest of the process. Either you or your real estate agent will be responsible for finding an inspector. The house that you are buying will need to be looked at in order to make sure everything from plumbing to wiring is in the right place.

If you want property, you will also want the right people in the right place to make sure that you achieve your goals. Finding the above people that will have your best interests in mind can help you to move in faster and more efficient. By getting the right people in place, you can pack your bags and know that you won't be waiting for a better place to show up next year.

## **Distressed Property; Is it a Positive Investment?**

There are many investments that are made in real estate, most which are expected to allow the price of the property to go up. However, sometimes the value of a

property starts down. If you have run into a property that is like this, you will want to decide if it is worth investing in. Distressed property is one of the questions that several ask when investing into real estate.

If a property is distressed, it means that it may not have had the care and attention needed by the previous owners. Most likely, the home is part of a foreclosure, short sale, abandoned home, or other problem or may have not been lived in for a specified amount of time. A distressed property may need a lot of attention given to it if you decide to invest in the property.

Before looking at this type of property, you will want to make sure that it will be worth your investment. While a distressed property can have a lower price because of the quality, it may not be cheaper. It will be expected that you put a specific amount of work and money into the home in order to repair it and get it back up to being part of the market.

If you are able to get a rehabilitation loan or have extra money to fix up a home, then a distressed property is for you. However, if you don't want to put in the extra effort, then finding this type of property may cost you money and comfort in your own home. You will also need to decide whether you will be able to profit off of the investment in the long run according to the neighborhood, market, and your intentions for using the property.

While a distressed property can benefit, it will need to fit your goals and your lifestyle in order to be an effective investment. As long as you have assessed your financial stability and goals and are able to put in the extra money, time and work, you can take a distressed property and turn it into what you want. This will give the property the dream of moving from rags to riches.

## Finding a Realtor

If you know your situation, have an idea of what you want for a home, and know what you need, you don't want to be the only one that knows. Finding the right realtor will help you to improve your chances of getting exactly what you want and finding the best deals that are in the market. If you aren't sure what to look for, then you can follow a few general guidelines to find the perfect match for your needs.

One of the easiest ways to make sure that you are getting involved with the right person is to do your research. Most likely, realtors will all have a reputation about how well their services are and what they were able to do for others. By looking into Internet sources or by asking other people, you can start out to find the right person and to eliminate some potential problems with realtors who aren't looking out for your best interests.

You don't just have to look at realtors from what others are saying. You can also look at how they have their services set up. The most important part of this is determining the commission that they will receive. Many first time homebuyers aren't aware that the commissions paid to the Buyer's Agent are actually paid by the seller of the home, and is built into the asking price. Therefore, as a buyer you aren't paying the agent directly for their commissions. In fact, by trying to negotiate a home purchase on your own, you may end up overpaying for a home simply because you don't know all of the facts. Real Estate is the Agent's full time business and they may have information you don't have, might know more details about a particular home or motivations of the seller. If you went to the Listing Agent and wanted to put in an offer directly, that Agent could have the possibility of making "both sides" of the real estate agent commissions. They may entice you to do this by lowering their fees and dropping the sales price a small amount, but think through this process in detail before deciding to move forward with something

like that. You have to ask yourself, "Will this Listing Agent have MY best interest in mind, or will the side towards their first priority client which is the Seller?" Many Listing Agents are fully unbiased and will ensure that all parties are in a win-win situation, but it's very important to make sure you're comfortable in the situation and you're not overpaying for the home. The Appraisal Value will of course also substantiate the actual market value of the home, but knowing what other real estate agents' opinions are is extremely valuable.

Having the right agent will make a huge difference in how much you end up paying for your home. You will also want to look at credentials and how long they have worked in the area. The more that they know, the more they will be able to help you.

If you have never had a realtor before, you will want to educate yourself and understand the standard procedures for how they are supposed to approach you with the business. For instance, you shouldn't have to sign a contract at the beginning of the deal. You also shouldn't have to put any money down until you have found a home and signed a contract with the lender. More importantly, make sure that the realtor is going to listen to what you want and need and doesn't try to take advantage of what you don't know. You will usually be able to tell where a realtor stands with your business by how they respond to your questions and needs with the first phone call. Every realtor has their own personal touch to showing homes. If you aren't comfortable with how they are proceeding, it is best to not use them.

Whether the home is your first or fiftieth, finding the right realtor to help is a huge key to walking into what you want. It is through the realtor that you will have the easiest time with making negotiations, communicating with the others involved and finding exactly what you want. Always make sure that your realtor knows that your home is where the heart is.

## Flipping Properties

If you want to maximize your profits off of a property, then the way to do it is to flip properties. Flipping properties is a term that is commonly used in real estate. It is where someone will walk into a property, put in some small changes, and resell the property for more profit. If you want to invest little and make more, then this is a great way to get into the real estate business.

Usually, you will begin flipping a property by finding a home that is under priced for the current real estate market. These are usually called 'fixer upper' homes and are available all the time on the market. Any type of foreclosure, home at an auction, or home that has been neglected can be bought for a lower price. Flipping properties will most likely be done by sophisticated investors, but it is possible for anyone to take part in the art of flipping properties.

After you have found a home that needs some fixing, you will buy it like you would any other home. Usually, you will be liable for going through the mortgage process and will sign a deed of trust for the property. When you do this, you will want to make sure that you do it as a business instead of an individual and you discuss your goals of paying off the mortgage in a short period of time. You may have to choose a Hard Money Lender that specializes in short term holds. As soon as the paper work is done, you can make repairs and changes, and put it back on the market for a higher price. Again, this is only on investment properties where the lender is ok with you paying off the loan in under usually 6 months or longer. Explain your goals and investigate your exit strategies wisely. Plan for problems that could arise such as extra remodel expenses, longer selling turn times and extra holding costs. Some investors have decided to change to longer term rental property holds instead of flips based on current market trends and selling times. Discuss your investment ideas with experts before signing on the dotted line.

Renovating and reselling is the major art behind flipping properties. If you want to stay ahead in the market and begin to profit, then understanding the basics of this and how to work as a business with real estate is one of the potential ways to make a living. There are several who have worked with real estate and flipping properties that have had the ability to make a large amount of money off of the investments. Finding the right team is critical. Ask for referrals and references EVERY time.

## **Getting Into the Negotiation**

Whether you are buying or selling real estate, you need to do the right talking to the right people in order to get the best deal. Being or using a negotiator is the best way to make sure that you know exactly what is going on and are able to fall into the right piece of property. Whether you are a negotiator or working with someone who negotiates, you will want to make sure that you walk into a home with your facts straight.

The first thing to do as a negotiator or to look for in a negotiator is to make sure the facts are there. You will need to know going rates, real estate investments and the market, the trends that are in place, and what facts will be best for the properties that are being looked at. Of course, this will mean that you want to spend time to find the right deal and the right piece of property. Whether you are an individual looking for property, or are working with a negotiator, make sure that your individual needs come first.

If you are working with or as a negotiator, you want to make sure that they have your best interests in mind. Often times, negotiators will try to sell someone on a deal just so they can receive commission. This is not necessarily a good way to negotiate or find a deal. Everyone should walk away feeling like they won with the investment in the property. This starts with finding the right information and ends with making and signing the right contract.

If you are interested in real estate or just want to work with a negotiator, make sure that they fit your description of a good sales person to work with. This will make a large difference in the property that you invest in as well as a difference in your ability to have your individual needs met.

## **Getting Over the Fear of Money**

For those investing in real estate, you may find that there are several unknowns that have to be accounted for that are related to money. This investment relates to both home owners as well as those involved in the real estate business. There are several common fears that are related to money in real estate.

One of the major problems that are part of real estate investing is taking risks. If you are investing in a property to own a home, you will have to take out a loan. If you are unable to pay taxes or the loan at any time, you will be at risk of losing the home. This can cause several levels of fear to occur, which may lead to the wrong loan being purchased for security. Knowing how much risk you are willing to take with your loan will define what type of loan you should get.

Another common fear factor with money is in relation to investing in a property during the wrong time. If the economy is at a low or if the market price is not good, investing in a certain property may mean a loss. This is a risk factor that many real estate companies will decide to take in order to sell a home. When deciding if this is a good investment or not requires some risk and can cause fear if you are unsure about the economy and sale of the home.

Money in the real estate business means taking risks. Whether you are a home owner or are in the real estate business, there will be several times where you will have to determine logical decisions without knowing if there will be money to back up the decision. It is important to acknowledge these fears so that certain

boundaries can be set in relation to them. This means that you know when you are going too far with a purchase or investment or when the fears are holding you back from making the right moves. By knowing the financial details of a home purchase, you can move past your fears and make the right investments.

## **Home Equity Line of Credit**

Money is one of the elements that easily comes and goes just as easily. If you have a home, you want to make sure that the flow of money coming and leaving is to your advantage. By investing in a home equity line of credit, you will have the ability to invest, finance and profit off of what you are able to have in property value. Having that safety blanket in times of need is critical.

As a reminder, a home equity loan is where one can borrow against their own home with the loan that they are using. It will allow you to take out a second loan in order to consolidate debt and pay off major parts of remodel expenses or other loans. When this is in a line of credit, the way in which the transaction is made will differ. A regular home equity loan will give you a sum of money at one time with pre-determined payments. When this is in a line of credit, it will shift the balance as you pay the loan back. During the loan period, you can borrow a certain amount, much like a credit card. With a line of credit, you can borrow what you need at certain times or leave parts of the loan in the bank.

The major advantage of having a home equity line of credit is that you can use it like a credit card. This means that you can use as much or little as you need at one time, and pay back the line of credit at your own convenience. If you don't use the full line of credit, you can use the extra amount of money later on in order to make more investments. If you sell your house, you only responsible for what you have spent with your line of credit.

The major advantage of using home equity like credit is that it won't be as risky as other types of home equity loans. Because you can take it in any type of dose that you want, it will give you the ability to spend as you need and pay back as you want. For anyone wanting to make a little more of an investment in order to add onto their home, or for other reasons, this is a great way to do it. In addition, most have interest only minimum payments required, and some have options to fix all or a portion of the line amounts.

## **Home Ownership Papers: Titles and Deeds**

Like many other types of investments, the major thing that you will want to show at the end of the process is a piece of paper. This is the same concept with real estate. The type of paper that you will want to hold at the end of the loan is either a title or a deed. This will allow you to show the locality that live in that you own the house and have paid off your loan.

A title is a document or evidence that you own the property or home that you have been paying off. It can also mean that while someone else is on the property or land, an owner has the legal rights that are part of the property. When you have a title as a piece of documentation, it will usually be matched in the records of the locality that you are at as well as by the one who has sold the property.

A deed is a similar type of documentation that will be used in the process of gaining a title. Often times, those who are investing in real estate will receive a deed as a transaction paper to the title. This shows that the person who will be getting the property has the right to the title as well as the right to the property. Usually, there will be several legal factors and regulations that are bound to this type of documentation in order to make sure that the transaction is fair.

When you are about to receive a title or a deed for a home or piece of property, there are several steps you will have to take. First, a proof of insurance will have

to be shown. You will also need copies that prove that you bought the house. The person who is selling you the home or property will also have to have these proofs for purchase. This includes a purchase agreement, invoices, receipts from the mortgage and proof of satisfaction that the one who is buying the property has met all of the requirements for purchase of the property.

The last step to making your home completely yours is to make sure that you have the title or deed in your hand. By understanding the process of getting a title, and making sure that you walk into the final closing ready to make the exchange, you can own the piece of property that you have been working towards.

## **How to Pick your Lender for your First Home or Refinancing**

Your lender is one person that can make or break you with finances towards your home. Before you become involved with anyone that will involve your money, you need to make sure that they are going to offer you the best. Once you know some basic concepts, you can begin to find a lender that will fit your needs.

The first set of characteristics that you will want to look for with a lender is with the type of loans that they will offer and the policies that are set next to them. The loan that is offered to you should fit your individual financial needs and give you the benefit of the financial world. This doesn't just include the loan types, it also includes the extra fees that are attached to loans and how these will differ with you. You should also ask about things such as pre-payment penalties and rate locks that may be attached to your loan.

You will also want to know how your lender will benefit you. Sometimes, you can get discount points added to your loan, as well as lender guarantees. These will help to lower the rate of your loan and will help you to gain credit. You want to

make sure that no matter what the loan, that you are not going to be penalized for anything and that you benefit from what you are getting.

The main idea when finding a lender for your home or to refinance is to make sure that you will get exactly what you want from the loan. This includes everything from the type of loan that you will get to the timing and type of funding that will be offered to you. With any situation, go with your list of questions ready and be willing to listen to possibilities. However, if you aren't satisfied, you can find a lender that will listen to you better.

Even if it is your first time buying a house or if you are trying to get a little extra money, you should always walk into a lenders office and know exactly what you are getting into. In the long run, this will make a difference in your abilities to stay in a place and benefit from what is being offered.

## **How to Profit from Real Estate Without Being an Investor or Realtor**

You don't have to have a title in order to profit from real estate. In fact, even if you are not an investor, realtor or someone who has studied the market, you can still profit from real estate. All you have to do is know exactly where to find the market. By doing this, you will have the chance to put some extra change in your pocket.

Investing in real estate is as simple as finding a place that you like and deciding to use it for something outside of your living room. You can profit by renting or leasing space out to others, fixing a property and re-selling it, or by using it for a need that you see in a community. No matter what you want to invest in, you can be sure to earn a profit after you have found the right space and location for your investment.

When you are considering investments that you will want to make, you will want to also consider the types of risks you are willing to take with the investments. You want to first think about the investments that you can make at first that will benefit the most. Usually, it will take time to begin making the money back, so your financial situation will need to be stable and you should never go out of your means.

Many times, profiting from real estate simply means having the ability to invest in your own home, than sell it for a higher price when the market is better. If you are keeping up with the real estate market, you will know when it is a good time to sell and when it is better to hold onto what you have. This is an easy way to build up your investment and move into something better.

No matter how large or small, there is always a way to benefit off of living space. By finding what is out there and making the right investments, you will easily be able to turn real estate into a living.

## **If You Can't Afford a First Home**

Do you know someone who is living in a small apartment, but can't afford to get out? Maybe you are in the situation yourself and know that you are throwing away extra money every month by paying rent. If you are in this situation, you don't have to be. There are several ways to begin investing in a first home without having to invest a lot up front.

There are hundreds of people that are living in apartments instead of investing because of the money that is needed up front, as well as the changes that are needed for income level. At the same time, there are programs that recognize this and are available to help those in need to find a first home. If you have a stable income, you also have the ability to move out of throwing away your money.

One area that you can look in for a first home is the grant programs that are available. Each locality will have different programs, most which are easy to qualify for. The programs will vary according to your living situation and what you need. For example, several grant programs will give you money simply to be in a first house, while others will give grants to special situations, such as beginning your own business. Looking into things such as 'neighborhood stabilization' can help you find something that won't take your money with no return every month.

If you aren't certain what program will work for you, simply ask your real estate agent. Most of the time, they will be familiar with the programs and should be able to help you with what is available. By the time you move into your first home, you may either have everything in the initial investments paid for you or possibly have some financial support to help you get started.

Making investments in your first home does not necessarily mean saving up thousands in order to get in the door. It simply means finding the programs that are willing to help you pack and move and taking advantage of what is available in your area. With a little bit of research and a little help, you can stop paying rent and move into an investment.

## **Interested In an Interest Only Loan**

You have finally found the property of your dreams. The contract has been signed and you are now in the process of finding exactly how you will be living and paying off the property for the next few years. Your lender may have already contacted you and given you the options. When the question comes up of what kind of loan you want, be prepared for the answer that will benefit you the most.

One of the major types of loans that you may be offered is an interest only loan. This loan is great for some that are getting involved in a home, but for others may not be as beneficial. This loan works by you first paying off the bank interest that is

added as a percentage to your loan for a period of time. Later, you start paying off the principal balance itself.

If you are looking at an interest only loan, you will want to make sure that the standard interest rates at the time are in the lower percentage. Interest only loans will have two types of interest rates that may be applied. The first is a fixed interest rate, which will mean that the percentage you pay will stay the same the entire time that you have the loan. The second will be a variable interest, where it will fluctuate according to the economy. This type of interest rate is good if you want to pay higher or lower amounts at different times, but not good if your pay check doesn't have the same flexibility.

The interest that you get with an interest only loan will be determined by the lender and how they decide to set up your loan. It may also be determined by the amount of the down payment that you make and specific rules that are set to the loan. Before signing the papers, make sure that you know how all of these apply and what it means.

If you want to make sure that you get the best deal, then it will be important to know what the individual rules are. By doing this, you can ensure that your payments are beneficial to you as well as everyone else. One place to investigate is with the possibilities of an interest only loan.

## **Investing to Profit**

Real estate doesn't have to stop at buying a home. There are several ways to invest, turn the property around and help you to profit. There is always a market for making extra cash flow through properties. It will only take understanding the market and knowing how to respond to what is available to you.

The first thing to keep in mind if you want to invest in extra real estate is to find homes at the right time. There will be times when the market is lower than others. There will also be houses that have been put up for foreclosure that will have a lower price than some. These will be the best homes to invest in at the beginning. With a little work and a small investment, you will have the ability to turn around and make profit off of the property later on.

Depending on the home that you decide to invest in will also determine how you can profit off of the home. You will want to make sure that you are in a logical demographic area and that you have the ability to do what you want with the home. Often times, those that have the home will invest some in it and sell it to someone else for higher profit. Other times, you can keep the property and rent it or lease it in order to have more substantial profits. No matter what you want to do, it will only take the right time of year to get what you want done with the property that you have.

Being smart about real estate can easily bring you in money, especially if you are working with the right market. By investing in the right properties and knowing when to turn the property around, you will have the ability to do exactly what you want with the real estate for your financial benefit.

## **Keeping Up Potential Property with Property Management**

Each property that is owned by someone has a different set of job descriptions that are added to it. If you are familiar with real estate, you are also probably familiar with the roles that are linked to the properties that you own. One of the important job descriptions for particular properties is in property management.

If you are renting or owning a particular type of home, such as a town home, you will most likely have property management linked to it. The major part of the property managers' job description is to maintain the property that you own. This

not only includes regular maintenance, but also includes refurbishing the property when it is needed. If there are problems with the property, it is up to the property manager to ensure that whatever the problem is can be fixed. If the building is old, the property manager will need to determine what to change in order to allow the area to function to its best ability without causing problems later.

The property managers also act as a link between those who are renting, leasing or working towards owning a property and telling the owner what the problem is. If there are maintenance problems or payment problems, it is up to property management to make sure that the problem is taken care of. Some property managers may also have the responsibility of providing accounting upkeep in relation to the payments that are being made.

The property manager provides a level of security that is offered to both owners of a property as well as to those who are renting or leasing the area. By having a property manager in place, it ensures that there will be certain levels of upkeep in the building that is being rented as well as allow for continuity in one who is renting or leasing an area.

## **Knowing When You Have the Deal**

Knowing exactly what to invest in when dealing with real estate transactions will determine a good or bad deal. When a good deal is made, it means that the seller, buyer and agent all walk away feeling as though they have won or made a bargain. Having what you want in line is the beginning to making a good deal with all that are involved in the process.

The major component that will make a deal and transaction good is the finances that are involved in it. This means that the right loan with the specific terms and needs should be applied. The right interest rate should be a part of this transaction. You should also have the buyer feeling like they got the home or

property for a lower price than other places. The seller should feel like they made some profit for their next property for this as well.

The finances that affect the deal should also be a good deal in offering upfront fees and better rates. For example, some lenders or investors will offer prices but have other fees attached that will add onto the loan. Knowing to look out for these will help you avoid the extra costs that may not be attached to the initial loan. You can make sure that this part of the deal is good by investigating different lenders and seeing who has the best offer. Ask for a referral too.

Another part of ensuring a good deal comes from the condition that the property is in. The property maintenance performances should be done on the house. This means cleaning the floors and other places that have gotten dirty over time. It also means making sure that the property has everything running smoothly in it. A property manager or inspector will need to move around the property to make sure everything has been maintained. If it hasn't, the investments need to be made before the final deal to fix these certain areas.

Finding the best deal for your needs will allow for everyone to get a good deal. Buying and investing in the property that you want without having the wrong types of costs and problems with the maintenance of the home will help you feel content with your decision for a long period of time. Investigating and knowing what you want is important in determining what types of things to walk into as well as what to avoid.

## **Loan Pre-Qualification**

If you are like most, you know that it would be beneficial to just have money handed over your way. You work hard at what you do and are financially stable. You know that it is time for you to move into a new place and want to make sure

that you have the best opportunities available for you. The first investigation to make in order to step forward is through a loan pre-qualification.

Loan pre-qualifications will determine if you have the financial ability to invest in real estate in the beginning. By having the right pre-qualification, you can be guaranteed a specific amount of money and will have the ability to move into the home of your dreams.

The first thing that is determined with loan pre-qualification is how much you make each year from your job. By finding this, it will allow for lenders to know how much you will be able to put into a loan in relation to other expenses that you may have. Things such as personal debt and car loans, as well as credit card expenses will be calculated in this figure to show the first step to finding the right loan.

After these specific points have been added up, the time frame in which you will pay your loans will be factored in. This will give the companies an idea of how much you can pay and how this will relate to the debt and finances that you have coming in and out of your pocket. This will be defined by using formulas that will relate how much money you are making in relation to how much you can pay to balance out your loan. Usually, pre-qualification formulas will divide things by factoring in ratios for standards of living.

If you want to make sure that you have the right loan, then becoming pre-qualified is the first step that you will need to take. This will enable you to move forward with what you want and need for your loan. By knowing what to expect, you can prepare for the process of getting a loan and can move into the property that you want.

## Options for Improvement with Refinancing

You have the house, you have the loan, and you have everything set in place. You know that it feels great to have a place to call home. However, there is something that is not fitting quite right. Maybe your home feels like it needs more investment or maybe you want to find a different way to approach your loan. If you are looking at options for improvement, refinancing is the way to turn.

Refinancing is a step that you can take if you want to put in a little extra investment to your home. Whether it is to feel more comfortable or to get more out of your investment when you sell, refinancing is a great option for building up your home investment. Not only will it be good for you to invest more and get more in return, but it can also help you to build credit from the investment.

Usually, refinancing will begin with you applying for a replacement mortgage. Home equity loans are one way to help with refinancing your home. There are also lines of credit and other considerations that you can make in order to get some extra money into your home, improving value. The advantage of this is that when you go to sell your home, you will be able to value the price higher than it would have been with just the regular loan.

If you are deciding on whether to refinance your home, you will want to consider several parts of the refinancing. First, you will want to make sure that you are not taking your home out of the market. You can determine this by researching to see what the market value of the area is and how this relates to your home. If you are using a refinancing loan in order to consolidate bills or improve your credit, make sure that your finances are stable enough to allow you to pay off the refinancing loan.

If you begin to refinance at the right time and with the right idea in mind, you can benefit from it with improvements, or even lower payments. Polishing the floors

and removing the old to put in the new can be beneficial not only for your check book, but also for your future.

## **Partnerships for Investment**

If you are thinking about investing in real estate, you should know that you don't have to do it alone. There are several that are thinking of the same thing as you, but don't have the proper resources to begin the process. Building partnerships to invest in real estate is one of the great ways to start building an income off of owning land.

One of the benefits of having someone else investing in real estate with you is that it will allow for any missed parts of the process to be covered. This is especially important in the beginning of the process. If you are unsure of different parts to look at with the real estate investing or if you don't feel like you can cover all of the areas alone, a partner can help in determining what you are missing. Everything from contract work to needing a third person can be handled and put together from missing links. Two heads are always better than one, especially if you are just beginning.

Having a partner to help you with investing can also be beneficial because of organizational needs that will need to be met. Everything from basic paperwork to taxes and even procedures can be better when handled by two people. You will want to make sure that everything that is set for your profits is understood by both and whatever is missed will be picked up by your partner in order to keep the benefits coming in organized.

By having more than one person involved in the investment of real estate properties, you will be able to set your goals, keep standards and move forward in the business. Finding the right person who has the necessary personalities and

tools will ensure that you will be successful. Having the right help will provide you the ability to continue to expand your business and make plenty of profit from real estate sales.

## **Preventing Downfalls With Your First Home**

Walking into your first home is a large step to take. It is an entirely different process that you will follow, with an entirely new set of rules to begin learning. Because of the large changes that occur with buying a first home, there are always those who walk into a deal over their head. Making sure that you don't get the wrong options presented to you will help you to invest right the first time.

The major factor that you will need to consider when deciding on your first home is where you will stand with the search. One of the largest mistakes that people make is deciding that they like a specific home then only investing in that home by becoming emotionally attached to it. This can cause several problems. The first is that you may not be able to get the home because of something happening in the process. This can be disappointing and tiring. The second mistake is that you will offer a price that is too high or too low. Make sure that you know exactly what the house is worth and how it fits into your needs before becoming attached.

Not only will you need to shut off emotions in order to find and compare homes, but you should also do this after you have chosen a home. Even if you have signed a contract for your first home, the process isn't over. You will have to find a mortgage and inspections will have to be made. If there is a large problem with the home that needs to be prepared, or if something goes wrong in the process of the loan, you will have to start over again. If you are prepared and detached until you set foot in the house for the last time, it will make the entire process much easier.

From here, you can decide exactly what you can afford and how you will get there. The best place to start is with your credit history. By knowing your score, you will

also be able to estimate the type of loan that you will be able to get. You will want to make sure that your bank statements are stable and secure. There is nothing like walking into your first home and not being able to pay the mortgage from the beginning.

By staying detached and logical about your new home, you will have the ability to find the best. Preventing the mistakes in the beginning will save you hours and days of time, as well as stop years of hassle that may occur. Being prepared and honest about what you are looking for is an easy way to help with the process.

## **Protecting Your Assets**

When you have something, you want to make sure that you keep it. By investing in the right types of protection and insuring your real estate property and the things that you hold inside of it, you will have the ability to keep the things that are valuable or have the ability to replace them. One of the ways that you can ensure protection of your property is by asset protection.

Asset protection is a plan that is designed to protect your real estate and the things that you own inside of the real estate. If any type of financial disaster occurs, you will have replacements and ways to ensure that the value of your property isn't lost, even if something unexpected happens.

If you are just looking into asset protection, you will want to look at possible options through your own investigation or through talking to a lawyer. An analysis will be taken of the amount of money that you can protect as well as how your valuables are linked to the demographics of the area. Once the assessments have been made, you will be given an estimate of how much money you can receive in protection as well as the programs that may be best for you.

The asset protection that will be defined when you have this analysis done will vary according to the state law. Retirement and disability benefits are usually not considered a part of asset protection. Personal items may also not be included on asset protection. Things such as furniture, clothing, jewelry and other personal assets will most likely not be covered. Some states will allow a certain percentage of these assets to be covered instead of providing full coverage.

If you want to make sure that what you have receives the most in case of an accident, then your real estate investment shouldn't just include finding the right loan. It should also include looking at the assets and finding the best ways to get the most out of them. By protecting what you own, you will be more likely to keep what you love.

## **Putting the Nail In to Find a Good Contractor**

You are finally in your dream home. You have the perfect layout of the house, you have everything you need in the right place, and you even have a sign on your wall saying welcome home. However, after a few months of moving in, you may have noticed that something wasn't quite right or you wanted to change something. If you don't know exactly how to do this, why not find a good contractor?

A good contractor will have several qualities that they can use in order to help you with home improvement. The first is that they are licensed and bonded, and will listen to what you need. Initially, you will want to set up a time to meet with the contractor, than tell them what you are thinking in order to design, improve or change your home. You should make sure that they understand this and are able to meet your needs. While any practical contractor will simply give you a bid based on the area you are fixing and what you are fixing, a good contractor will also relate to these needs and see your overall vision.

The next set of qualities you will want to build on before finding a contractor is in relation to how they relate to outside sources. Before beginning to find a contractor, you will want to see what their reputation is and find some past work that they have done. The most important way to get the best quality in things is by finding the references and going by word of mouth. You will also want to make sure that other outside sources, such as the relative prices from other contractors are met by the standards of the contractor that you are considering for your work.

Home improvement is always important for those who want to invest in a property properly. Before you jump into knocking down the walls, make sure that you have the right people to see why you want to change the outlook and are able to meet your expectations. This will help when you are working towards turning your house into a home.

## **Real Estate Bird Dogs**

Investment is the number one word for real estate. However, those who play a part in the investment will make a large difference in what is available to you. Whether you are working towards finding real estate property for profit or for your first home, knowing where the resources are and what they do can help you find the best deals.

One important person that is part of the real estate investment plan is the real estate bird dogs. The main job of a real estate bird dog is to find property for those who want to invest in real estate property. After they find a property, the investor will then pay them a service fee. The real estate bird dog will have no attachment to the property after it is found and given to the investor, leaving the rest of the changes up to the real estate investor. If one is going to invest in a property, they will expect the real estate bird dog to find them leads that are valuable and can be sold at a good price.

There are several ways in which a real estate bird dog can find a home and bring it to an investor. Most bird dogs will find property that is being sold by the owner. When this is brought to the investor, they will pay a certain amount to the bird dog. If someone is trying to have their payments taken over because of foreclosure, this can also be brought to a real estate company. Those who have had circumstances like this can be recommended to the investor. For example, a second mortgage that can't be paid, a death of the owner of the home, a loss of a job and other family or career related issues can be leads for a real estate bird dog. From here, the real estate company can try to sell the home. If they do, then the real estate bird dog will receive a commission for the find.

Understanding the process of real estate, and using the different resources can help you to find the best deals and make the best deals. If you aren't sure where to start, using a real estate bird dog is a good way to sniff out what is available to you. This will give you the ability to claim or give away a piece of property on the market. Check your local real estate laws as jurisdictions have different requirements.

## **Real Estate Brokers**

In a place where everyone's profession affects your lifestyle, you might want to know the different roles. One of the definitions to consider when getting to know those who are involved in real estate is the real estate brokers. By defining this type of professional, you will have the ability to find who will be the best for you to work with.

The technical definition of a real estate broker is one who is trained or licensed in real estate. The training that they receive gives them the ability to arrange your needs as well as sell you different property. Beyond this, real estate brokers provide different types of financial deals and considerations for the real estate that you are considering buying.

In order for a real estate broker to work with you, they must have a license. This means that they will need to pass a written test that relates to different real estate definitions and standards. This is usually part of training that they receive in the classroom. This license comes from the state and has to be renewed either every year or every other year, depending on where the broker is practicing.

Usually, a real estate broker will have agents who work underneath them. The agents will do some of the work in selling the property or real estate, and in return get some commission from the sale. Being a broker gives one who is in the real estate business to have their own company and have agents working under them for real estate. Brokers will also need to find the properties that can be sold by their particular company. Usually, time will be spent by brokers to find the right homes and areas for selling the property.

If you want to make sure that your team is put together in a solid way, then using a real estate broker is usually a good find. This will give you the ability to find someone who is practiced in various parts of the real estate business, giving you the key to more possibilities.

## **Should you Become a Landlord?**

Benefits from real estate also sometimes take extra steps and responsibilities. If you are thinking of becoming involved in real estate, then you may also be looking at the job title of landlord. While this is a good way to make an investment and a living, you will want to consider several things before designating yourself to this job.

Before beginning the process of becoming a landlord, you will want to make sure that you can profit from it. This means finding the right place for potential tenants and having the ability to market and find the right demographics that you may want

in your home. Having the ability to reach out to the right people can help you if you are thinking about renting property to others.

If you decide to become a landlord, you will want to make sure that you are made for it. You will want to ask yourself whether you are fit to deal with different personalities from tenants. Paying rent late, taking advantage of the property, and other problems will often arise. This causes maintenance and upkeep of different rental areas to be part of the job. You will want to make sure that you can handle different situations effectively and make sure that you can find the right way to take care of the different needs for everyone in the area.

Of course, becoming a landlord could be beneficial for you. If you have the right people in the right place, you won't have to do much work and will only have to collect the rent. Most landlords, if they have a larger amount of property, will have hired help such as property managers in order to handle extra problems that may arise. If you are able to invest and grow enough this way, then you will have the ability to take a year long vacation while the rent is collected.

If you are one that wants to work with renting property and collecting extra profit from it, then becoming a landlord is a good option for you to consider. By finding someone else to live on your property, you will have the ability to collect rent instead of pay it.

## **Specializing in Tax Liens**

Investing in real estate is one of the beneficial markets that are available today. It allows you to make profit off of one simple investment and can help you with putting more in the bank. If you are working towards finding new ways to earn and invest, then looking at real estate property is a good way to go. If you are just beginning in this business, make sure that you include tax liens in your definitions.

Whether you have a loan or own a home, there are several taxes that are attached to the property that you are working towards owning. These include state as well as local taxes for the property. Taxes are included in a variety of places with the purchase of the property or home, including tax liens. Tax liens are first divided by the state and area that you are living according to the cost of living in the neighborhood you are in.

Tax liens usually begin when someone doesn't pay their taxes on a property that they have a loan on or own. If the taxes are overdue, the county has the right to sell the tax lien to someone else. Usually, taxes will be given a certain amount of time to be paid. If it isn't paid after a certain time, the tax lien turns into a certificate that can be used to begin foreclosure on a property. Whoever purchases this document will then have rights over the property after a given amount of time.

## **Signs to Look for in the Market**

Finding the signs outside of the door that say 'for sale' aren't enough when you are looking at properties for any type of investment. Real estate is a profession that works off of the economy and how the flow of cash is moving through the economy. If you want to make sure that you are getting the right deal, you will also want to make sure that you are moving into the right market.

The first thing you will want to do when looking at the market is to see what trends are taking place at the time. Typically, there will be two markets to look into. One is a buyer's market, where the prices of real estate will be lower. The second is a seller's market, where it will be better to sell your home. These will be dependent on the economy at the time and the conditions that are linked to the different neighborhoods. Supply and demand.

Another sign to look for with any type of real estate is the environment that you will be in. Communities will usually be linked with specific types of people and demographics. For example, one area may have more families than older people,

while other areas will have retired people or farmers. While there may be some diversity, it is typical that specific types of people will be linked to the real estate prices and markets. If you know the demographics of an area, you will also be able to tell when the best time to move is and can make observations about the rates of the homes.

If you are able to link the different marketing trends to your real estate, then it simply becomes a matter of time before you find exactly what you want. By observing and researching, you can be certain to find exactly what you need for your real estate investment.

## **Tax Advantages of Owning Real Estate**

Usually, it would be expected that the government would take money for the real estate that you own. Since you are gaining a profit off of it for a livelihood it should work like any other job that you have. However, you can take advantage of several tax breaks for your real estate, all which will help you with the ownership of your property.

If you own a home, then you can also expect for it to be tax deductible. All home related expenses and refinancing that you decide to do for your home will be a way for you to take off money at the end of the year. You can also receive tax deductions from the mortgage interest that you pay. If you just own a home or if you are considering home equity, you can easily find a way to break off some of what you would owe. Mortgage insurance is also tax deductible now.

When you are working on owning a home, you will be paying property taxes in your monthly payment towards your loan. If you have been paying these taxes

throughout the year, they will be deductible on your taxes. In order to make sure this is part of the deduction, you will have to get a statement from the person who carried out the loan as well as find the interest that is connected to the property taxes that you have been paying.

If you have to sell your home and owe tax, you can allow a request for tax relief. This will be given to you by the IRS if they find a significant cause in selling your home. If there are uncertain circumstances that have forced you to sell your home, than the IRS can give you some benefits in taxes.

By finding the necessary forms and conditions, you can easily benefit by gaining tax relief with your ownership. You can easily find how to do this by researching possibilities and finding what the categories are for getting a tax break for the year.

## **The Best Resources for Finding the Home of Your Dreams for Pennies on the Dollar**

There are many that are tricked by the ideas that are associated with real estate. It may be believed that it is hard to find a home unless you have a large amount of income or are able to pay thousands of dollars up front. This particular myth is not necessarily true, and in fact, if you search correctly, will find that it is exactly opposite.

If you want to invest in real estate or move into a home, you can find a home for almost as much as you are paying rent for. It is simply finding the right resources and knowing how they will fit together. One of the places to look is at home auctions or areas where there are foreclosures. Most of these homes will be ones that recent owners were not able to pay on and were forced out of the home. Because there is no one in the home, the bank is paying on the house. Most likely,

they won't want to keep the home and will be willing to lower prices and bargain for you to get a good deal and start paying them.

If you aren't sure where to find the bargains that are available, you can browse through locations and investigate on your own. There are several areas that are built around finding cheap properties. Many times, the resources on the Internet or in real estate magazines are designed to show you the market and will include the lowest prices. By searching in local resources, you will have the ability to compare what is available and can see which homes are lower than others because of things such as foreclosures.

There are endless resources that are available and that real estate investors are supplying in order to sell homes. If you are looking for a home, you don't even have to get in your car. You can instead simply search for what is available and find how your individual tastes will fit with your bank account.

## **The Game of the Real Estate Market**

Just like playing the game of Monopoly, there are specific rules to follow in order to get the right property at the right time. The rules of the game will be dependent on who you are, what your individual tastes are and what type of investment you are looking for. However, before you even start to roll the dice, you will want to make sure that you know the basic rules of the game.

One of the basics that you will want to know is to decide what it takes to find the right real estate market. You can use several marketing strategies that will help you to find the right home, the right place, and to make the right type of investment with the market. Of course, while you are doing this, you will have to investigate the various areas and how they are connected to the community. This will allow you to find what will profit you with the investment in the long run.

Just like Monopoly, you will want to understand the area that you will be in and how this will affect the rules. For example, everyone knows that by investing in Broadway there will be more profit than the utilities station. This same rule applies to finding what is available in the real estate market. You will want to know the area and how it will affect your profits and your way of living. This can be examined by the demographics, the history of the area, and the flow of people that are moving in and out of the area.

After you have investigated these various things, you will be able to decide when the best time to pass go will be. This can help you to find the best deals, move at the right time and have the luck of the dice in order to get what you want and need for better living or for better profit.

## **The Good the Bad and the Ugly of Investing in Real Estate**

Like any other profession, there are good and bad things about what are available. Each of the things that happen in the profession is just part of the business. If you want to know what you are getting into, you will want to make sure that you know all sides of the coin of the profession. This will help you to be prepared for looking into property or buying into the occupation of real estate.

The good part of real estate is that you will be helping others to find a home. Anyone involved in real estate will say that the largest perk of being in the profession is that you are able to help people with their living situation. Another good benefit of being a real estate agent is that the finances are usually stable and do not come in small doses. For those that love their jobs in real estate, they will most likely base it on these two factors.

Despite the benefits of being a real estate agent, there are also some tough parts of being involved. One of the major frustrations is that the properties that are

available will be dependent on the type of market, the neighborhood and the sales of that area. At times, there may be an overflow of properties available, while at others, everyone will be holding onto their property. For those involved in finding or buying real estate, this can cause for a challenge in finding what you want and when you want it.

Of course, for anyone becoming involved in real estate, other frustrations may come from the terms and the details that are used in the process as well as the process itself. It is not uncommon to find a home, have it inspected and then not have the ability to buy the home because of the condition of the home. There also may also be financial problems with real estate during the process of finding a home for an individual. All of these factor in to spending a lot of time looking at homes without the benefit of buying.

Whether you are buying or selling, it will be important to know what to expect from real estate. By factoring in the different parts of property, you will have the ability to decide what is best for you and can stay ready for the potential problems that may occur while you are going through the process. Knowing what to expect will help you to get past half of the battle of the real estate market.

## **The Ladder of Investment**

Making an investment of any kind doesn't just mean handing over an extra set of hundred dollar bills. With every large investment, there are specific rules and processes that are defined in order to ensure that your money will be going to the right place. If you are investing in real estate, you will want to know what initial investments will be.

If you have found a home and are beginning a process for buying the home, you will begin to make some initial investments soon after the first contract is signed. Most real estate investments will require a down payment, which includes a set amount of money towards the person that is selling the home. This will then be put on your credit towards the investment that you are making. If you have extra money set aside, you will want to put it in the down payment, as this will make a difference in your investment later on and can help with final approvals for the loan that you are receiving.

Another set of investments that you will be making is for any extra costs from the team that you have built. For example, a home inspection will usually cost a small amount of money. There may also be extra fees linked to the lenders paperwork and other things that are related to things such as the contract. Every person that is working with you will receive a commission or part of the investment that you are making in the beginning.

Before you begin house hunting, make sure that you know about the initial investments and how it will affect your bank account. Setting aside a specific amount of money for your first home, or knowing how much to include in a down payment after buying a second home will help you to make the right investments from the beginning. You will want to make sure that you walk into your dream home with enough money to get you completely in the door.

## **To Buy or To Lease**

Buying and selling means more than finding a real estate agent to do the work that is needed. There is also the need to make sure that you know what you want or need when you are moving with the investment. No matter what the market, there are always different moves that you can make in order to get the right person moved in to your property.

Leasing is one of the several ways that you can move into a real estate investment. If you are having difficulty selling your home or property, then you can consider leasing as an option instead of selling it. If you decide to use the lease option for the property, then it means that you will become the landlord for a period of at least one year. The tenant will have a contract that is signed for this amount of time that says to take care of the property and pay rent. After the time period is up, the tenant will have the option of buying the property from you.

If you are considering buying a home, this is a good first step to get into. You will have lower payments, will be able to build your credit, and will have the option of trying out the property before you buy it. If you are selling the property, it can also be beneficial, as it allows you to demand a higher price and move into a better market when it is time to sell. Depending on the appreciation in the market, by the time you are ready to sell, you may be able to offer a price that is higher than it would have been a year before.

If the market isn't right, you can't sell your home, and the right options don't seem to be walking through the door, then leasing is a second option that you can consider. By leasing the property, you may have the ability to profit on either side of the fence.

## **Top Ten Terms for Loans**

Everyone knows that you should never sign on the dotted line without reading the contract. This same term applies to loans. Signing a loan without knowing the terms and what everything means can be detrimental to your finances, credit and future investments. Before you sign on the dotted line, make sure that you know these terms and how they will apply to you.

1. Interest rate. The interest rate is the percentage of your loan that is added on every month. The percentage you lock in will vary according to the economy and will make a difference in your payments.
2. Fixed Rate. A fixed rate will be an interest rate that stays at the same percentage throughout the entire period of your loan.
3. Variable Rate. A variable rate will change according to the economy and the charts that are stating what the rates should be for interest. A variable rate usually changes every year and adjusts according to a specific given range of percentages. Many ARMs have fixed periods and then adjust later.
4. Principal. The principal is what you will be paying on your actual house. Whatever you pay on your principal is what you will see in the end as your investment.
5. Impounds. This is similar to a side savings account for your loan. Your monthly payment can include taxes and insurance that go into this account. Then, when the bill is due, the monies are already there for you.
6. Title. A title will be what you get to your home after it is officially yours, stating that the property belongs to you. Title Insurance helps ensure that you have no unexpected liens or issues on the title of your home.
7. Deed. For instance, a Deed of Trust is a legal instrument that secures a mortgage against a property.
8. Home Equity Line/Loan (HELOC). This is a loan or line of credit that you can get for your home. If you have equity in the property, you can draw from it to consolidate loans or invest more into the property.

9. Appraisal. After an inspection of the home is made, an appraisal will be completed. This will be an estimated value of what the home is worth.

10. Equity. This will be the actual amount of the property that you own free & clear. Most likely, it is what is being paid off of your principal amount.

Once you know some of these basic terms, you will be able to expand on your knowledge and find the exact loan that will fit your needs. These basic definitions will help you in making the right decision for the type of loan that you want.

## **Types of Real Estate Investments**

The idea of real estate and property is much more than just finding a home. There are categories of homes and business properties as well as divisions in the types of real estate that are available to others. If you want to make a different type of investment in something that you know you can make a profit out of, then knowing the different types of real estate investments can help.

Real estate investments begin with two major types; business (commercial) and residential. Each of these has specific guidelines set with them which will make a difference in the functions of the real estate. After you have determined what type of real estate you will be looking at, you can divide up what is available.

If you are looking at pure residential areas, then the real estate will be divided by the size of the home, lot and location. Typically, this will be known as a single family or multi-family home. If you are looking at a multi-family unit, you can expect to have neighbors sharing the same wall as you, such as condos or town homes. A single family home will be completely independent and will usually be shaped differently because the neighbors can't cross the yard.

Business real estate is also divided into several categories. These will also often be referred to as commercial properties, and will range from office buildings to manufacturing sites. The difference between a business building and a residential building is that it will change the approach towards regulations. Most likely, there will be zoning rules and the lease will have different divisions for things such as taxes and insurance.

If you are in the right area, you might have the opportunity to have both a commercial and residential area in one. Things such as land investments or areas that have been zoned for commercial purposes may have these types of regulations. With this, you can also consider renting a property. If you want to have a business from home or want to expand into a business, this might be something to consider.

The investment that you decide to make can be more than your home. It can also be something that will bring you back profit for the investment. If you are interested in finding a space that is much more than cozy, than knowing the different types of real estate to invest in is the place to begin.

## **Utilizing a Real Estate Investment for Passive Income**

You don't need a million dollars to get a real estate investment and to begin making a living. In fact, it is real estate that could lead you to getting the million dollars. If you want to work your way into a residual or passive income from real estate, then following a few specific rules can help you make your investment into your fortune.

If you are thinking of beginning a real estate investment, you can start by finding one property that only needs a little fixing and can be used for other purposes. There are several foreclosures and other types of programs, such as rent to own

opportunities. This will give you the ability to make a small investment in order to get a large profit from what you make.

No matter what type of investment you make, it could be only a matter of time before you begin to profit off of the investment. Any source will tell you that real estate will naturally build wealth over time. Because the economy and market continues to change and increase, real estate will also continue to increase. No matter what type of real estate investment you make, you can expect to begin profiting for an income that won't make you work anywhere else.

When you begin your income, you can begin making a residual or passive income. This allows you to make money simply by owning property in a variety of places without having to do the work that is involved with the property. Things such as rental properties can help you to put money in your pocket without you making an effort to go to work.

If you want a change in pace in your career, then you can begin by investing in a place and beginning to build income off of it. Real estate investment is a great way to begin putting income in your bank, and can be accomplished in an up or down market instead of a job that doesn't offer as many benefits as the real estate business.

## **Weighing in the Factors with Comparable Sales**

Terms for investments are everywhere in real estate. You may hear lenders, agents and brokers talking the real estate jargon. If you are finding a way to be a part of the real estate world for any type of investment, you will want to become familiar with the different terms that are used in real estate. The first one to define is comparable sales.

Often times, comparable sales will be termed as comps. These will be the basis of your real estate investment and are important to know. If you are looking at a property, always ask what the comps are on the property. Your real estate agent, or you, will then look up a variety of factors to compare your property with the others around it. You can find these through various companies, the multiple listing service, (MLS), and even courthouses and newspapers.

Some of the comps that are included are the history of the property, the sales from the past, the sales of the other homes, the demographics of the area, and the different trends that have affected the sales. Anything that will affect the investment that you plan to make on the home is what you will need to look up when considering comps.

Why is it important to look up the comps? By doing this, you will know whether you are making the right investment or not. Technically, the value of the home should go up. At the same time, the value will need to be the same as the other homes. If you don't have a balance between the historical investments and the neighborhood investments, you could end up paying too much.

When looking at cash flow, you should always begin with the comparable sales. This will give you a good idea about what is happening with the real estate that you are interested in and whether it is worth your time and investment. Finding the comps is the beginning to moving over the threshold and into your new home.

## **What Pitfalls to Avoid and How to Avoid Them**

The last experience that anyone wants to add to their list is being involved in a real estate deal and having everything go wrong. It is hard enough to simply find a place to move and to have everything from the contract to the loan be put in place

properly. If you don't want to have extra hassles when you are packing your boxes, then preventing some pitfalls along the way can help.

One of the major problems that several homeowners run into is having the wrong information or not finding the information that they need for their home. You don't want to get caught with the wrong loan, the wrong type of financing or payments that you have to make every month that you can't afford. There is nothing that drives a family out of a home faster than a bad financial deal. Understanding terms and investigating possibilities will help to prevent this.

A second pitfall to avoid happens when you are looking at the property. You want to make sure to not get too attached to an area or to approach the property with specific intentions. Eventually, you will end up getting a bad deal and won't be able to benefit the most out of a property that may have been better. Making sure that you examine every part of the property and are certain that it is right for you can help you to feel like you have invested in something more worth while.

With every part of real estate investments, you want to make sure that you do several things. The first is to investigate the terms and possibilities to you. The second is to move logically into a real estate investment. The third is to double check your information, your investment and the other options available.

As long as you keep your mind, eyes and ears open, you will have the possibility to find the best piece of real estate available to you. This will help you to get the most out of your investment. This isn't something that will just last days or one year, but for several years to come. It is best to do things right the first time.

## What Type of Loan is That?

Getting into real estate property is based off of the idea of money. Your exchange of money will give you exactly what you want for a home. Within each different type of loan that you decide to get will be different divisions on how you can pay off your home or office space. If you know the terms and types of loans that are available to you, it will be easier to move your furniture into the right place.

The first way that a loan will be divided is by the principal. This is the amount that you will pay that the home is worth in total. You will pay a percentage of this amount every month. The second type of charge for the loan is an interest rate. This will be a percentage that the lender you are working with will be able to keep because of their ability to loan you the money.

Within each type of loan you will be able to get, there will be a division in how you pay both of these off. It may mean that the interest rate or principle changes over a specific amount of time. If you so choose, you can add additional payments to your principal and accelerate your payoff.

Within each type of these loans are different rules, regulations and ways to divide what you are going to be paying. Different limitations for timing and the amount of money that you are able to pay are added into the loans. If you want to make sure that you are getting the best deal, make sure that you understand how each part of the loan will work together.

The main consideration that you will need to keep with your loan is how you will be paying off your home and where your money will go. Each different part of the loan will be an investment that will show your ownership of the home later on. By determining your needs, individual situation and what you believe will work best; you will have the ability to find the best possible loan.

## **Why Real Estate May Be the Only Real Mainstay Market**

While you see businesses come to life, peak and fall, you may be thinking if a business of real estate is worth investing in. What if the same thing happens to this business? You wouldn't want to invest in something that won't be substantial. Unlike other businesses, real estate is always a good investment to make, and may be the only real mainstay market, in an up or down trend.

Even though the real estate market rises and falls, there are still many benefits to being in real estate. You can expect that if something happens that causes the real estate to lower, it will eventually come back up. There is always a need for housing and people are always moving into different locations. No matter what type of real estate you are investing in, you can expect that someone will have the need to live on the property. Because real estate is part of the basic needs of individuals, it can be expected that someone will always be looking, and others will always be selling.

One of the advantages of real estate that gives it more stability is that no matter what the economy, there will always be real estate selling. It can be expected that if the market is bad, individuals will be working towards selling their homes to move somewhere more economical. If the economy is good, then individuals will be looking into buying homes that can offer more. This helps to keep real estate as one of the stable markets among businesses.

If you aren't certain about investing in real estate, you don't need to look any further than the economy and how the fluctuation is always to the advantage of those owning property. No matter what the circumstances, individuals are always looking for a place to live. If you want to make sure that you are part of the trends in the market place, then investing in real estate is a certain way to keep stable income.

## Working With a 1031 Exchange

There are several ways to benefit off of owning property and being involved in real estate. Not only does this come from finding the right property, loans and people to work with, but also moves into finding the best ways to save money while you own a property. One of the well known ways to save an extra dollar is by becoming involved in a 1031 exchange.

A 1031 exchange is a specific tax form that can help with the profits and losses that you have received for the year. They are usually used for those that own extra real estate property as an investment. This form will allow you to roll-over the profits that have been made from a sale made from a real estate property. From here, you can purchase another property instead of paying the capital gains taxes on the profit.

The major benefit of a 1031 exchange is that it allows for you to be able to delay specific taxes and instead invest into other properties. If the property is invested in, then the taxes that are taken from capital gain will not be used later on. A second benefit to a 1031 exchange is that it allows for more equity to be a part of the investment. Because of this, each time you invest in a new property from the 1031 exchange, the properties will gain a higher value.

The one thing to keep in mind if you are considering a 1031 exchange is that the new investment has to be what is known as “like-kind”. This means that the investment must be the same as the property that has already been made. Before getting into a 1031 exchange, it is important to consider this point, as it can cause for problems with new investments later. However, if you have enough that was made out of the purchase for the 1031 exchange, you can purchase more, or fewer, amounts of the same type of property.

If you are moving into building your own type of benefits from real estate, then knowing about the 1031 exchange is important. This will help you with getting more out of your property and laying the foundation for your success in real estate. There are specific timelines required, so consult with a specialist.

## **You MUST Work with an Inspector**

The rule of real estate is to get your money's worth. When you are looking into finding a place, you will want to make sure that the rule immediately applies. One way to make sure that you are getting more for your money is by finding the right inspector. This will allow you to find a property that is worth the up keep.

The job of an inspector is to find everything that might be a larger problem in the house before you move in. This will begin by checking the electricity, water supply, plumbing, furnace and heat supplies, and the general build of the home. They will take a part of their day in order to make sure that everything is built up to standard and that it won't cause problems before you move in.

If there is something that the inspector says is wrong with your home, you will have the ability to ask for repairs or money back for the home. There are several who will save thousands of dollars by having an inspector look at what is in the home and how it needs to be changed. Because of this, you will want to make sure that the right inspector is coming to your home.

Most likely, your real estate agent will have a specific inspector that they like to work with. However, you can find one on your own and have them inspect the home as contract work. You want to make sure that they will do a thorough job and that they have your best interests in mind. This will help you to walk into your home without any surprises and with potential replacements before you move in.

Working with an inspector is an essential part to buying a home. It will help to determine and define the quality of the home and can help you to get the best deal in the end. Before you sign the final papers, make sure that the inspector you have worked with has looked through everything. This will help you to begin making your house into a home.

## **Zen When Purchasing Foreign Property**

There are several broad reasons that people may have for purchasing a property from abroad. Here are some of the main ones:

- They wish to relocate to a geographical location that better suits their lifestyle, income and circumstances. For example, in the UK a surprisingly high number of people immigrate to Spain because of its climate, relative low cost of living and the cheaper property prices.
- They wish to purchase a foreign property as a form of financial investment. Increasingly, property investment is being touted as the “ultimate” fool-proof way of achieving long term financial gain. Some people are now even using property investment as their main financial provision.
- They wish to purchase a holiday home. This is mainly for those who have the resources to purchase a property in their favorite part of the world – somewhere they enjoy visiting, perhaps where they can laze away on the beach and enjoy the fruits of a completely different environment.

- Some elderly people may wish to purchase a property abroad for retirement. Often, couples in their twilight years may find that their current life has changed dramatically. They may live in a large house (too large now the children have flown the nest), wish for a slower pace of life or may simply want to move somewhere different for health purposes (for example a less cold climate). More elderly citizens relocate than is commonly thought.

Whatever the motive, there are many advantages and disadvantages that should be considered carefully before taking the huge step to purchase a foreign property. A property is one of the biggest financial investments that an individual can make during their lifetime.

**From A to Z**, there are many ways to make money in real estate.

Hopefully, with these little insights into just some of the aspects of real estate, you have learned some things that have sparked interest and enthusiasm to learn more.

Building the right team and gaining insight and advice from the right people will be key to your success. When you're ready to put the pieces together to build your team, make sure you talk to us. Real estate is an industry that is ever changing and a place where you can learn something new every day.

Here's to your success!

*Jamie Brooks*