

REI
INK

—
SPONSORED
CONTENT
EXIT REALTY



Tough Questions to Ask Yourself Before You Invest

• BY TAMI BONNELL

Knowing what you want and why you want it is half the battle, both in life and in real estate investing. Before you open your check book, search online or call a real estate agent, ask yourself the tough questions about what you want to accomplish, why you want to accomplish it and why you believe investing in real estate is the way to help you achieve it.

• THE WHY

Do you want to build a portfolio so you can sell the properties and use the money to fund your retirement?

Do you want to buy a property every time you have a child so that 18 years down the road the monthly cash flow or income generated from the sale of the

properties can contribute to the cost of their post-secondary education?

Do you want to put your skills as a handyman (or woman) to work to fix and flip?

Once you know your why, you're halfway there.

• THE WHAT

After working through this exercise 15 years ago, Ed created a plan to fund his retirement. He spent weekends driving through lake country to choose the location where he wanted to invest and eventually live.

He found a winterized home that he was able to comfortably afford on a 15-year mortgage to coincide with the target date of his retirement. He utilized the home himself for vacations but also rented it out to generate additional income. Fast



forward to the present day and Ed owns the property mortgage-free. However, by renting it out over the years, he was also able to pay for maintenance and updates to the property and invest the extra money to provide cashflow in retirement.

• THE HOW

Once you've established why you want to invest in the first place and confirmed that real estate is your vehicle of choice, next determine how much time and effort you want to personally expend.

Would-be investors can have unrealistic expectations, and so they choose labor-intensive projects when they were better suited for more passive investments.

I've known people who have made terrible mistakes thinking they wanted to fix-and-flip, but when they looked at how much available time they had, it was a nightmare.

Reality television paints a rose-colored picture of fix-and-flip real estate. They're made for entertainment and have to be interesting for people to watch, so the producers ensure the finished product looks magical, but that's not how real life

works. I've known doctors and dentists who wanted to fix-and-flip but in reality, they work too many hours to take on a project like that. They ended up losing money because they paid professionals to finish their projects. Also, they weren't educated enough to know how much they should be paying to update the properties. They ended up with Corian countertops in rentals that didn't warrant upgrading to that extent.

• EDUCATE YOURSELF

With the why, what and time decisions made, next you should educate yourself.

Establish an informal group of people whose opinions you trust and who have had some success in real estate investing. Some of these people may be in your immediate sphere and others might be experts you listen to on podcasts and follow on Twitter. A Google search for "American real estate investing podcasts 2019" returned more than 170 million results, so you should narrow your search by state, city, specialty, etc. to find the best fit for you. Look for people who have "been there, done that" and are creative, with a finger on the pulse of investing trends.

One such trend we're seeing is a twist on subleasing. People who don't want to go through the trouble of renting out a property, but want to make sure that the mortgage is covered, might lease it to a family member, who then turns the property into a short-term executive or vacation rental. This arrangement isn't necessarily something the investor wants to manage or maintain, and the lessee can make money above and beyond what he or she is paying in rent. Of course, everyone is fully disclosed, and this happens in communities where it is permitted by law.

Experts and investors are also buzzing about the trend toward homes built from

shipping containers. These homes handle climate challenges well and can be inexpensive to build compared with traditional construction. They are well-suited for island living and hillsides, too. Many boomers and millennials are looking for efficient, compact, environmentally-friendly, alternative homes to rent.

Approaching real estate investing by first establishing your why, how and time commitment. Then learn all you can. Doing so will help you enter the market with your eyes open and help you achieve not only better financial returns but also better emotional returns because your investments will be based on what makes sense for you.

Tami Bonnell

Tami Bonnell, a 30-year real estate industry veteran, is the CEO of EXIT Realty Corp. International. She has been recognized as one of the 200 most powerful and influential people in residential real estate and among the top 10 women leaders.

ACHIEVE THE LIFESTYLE OF YOUR DREAMS



Spending time with family and loved ones, enjoying those incredible vacation spots always imagined...it doesn't have to be just a dream waiting to come true. At EXIT Realty, our agents are waking up to the lifestyle they've always dreamed of and turning it into a reality.

Because of the EXIT Formula's single-level residual concept of sponsoring, a new income stream has been added to the real estate industry that never existed before. Our agents don't work around the clock or live just paycheck-to-paycheck. In addition to taking listings and making sales, EXIT agents have a third dimension known as 'sponsoring.' This element creates an opportunity for you to turn your dreams into reality. To date, EXIT Realty Corp. International has paid out more than a third of a billion dollars in single-level residuals since the year 2000. You owe it to yourself to find out how you can get a piece of the action. Achieve the lifestyle you've always imagined. **JOIN US NOW!**

Prime Regional Opportunities Available!
Call Tami Bonnell, CEO - 877.253.3948

For Franchise & Agent Opportunities:
Call Craig Witt, U.S. President - 231.218.0533

