

Intro to Real Estate Investing

Reliable, Profitable, Requires Commitment

What is Real Estate?

- Real Estate is defined as any land that can be bought and sold
 - Real Estate consists of land and the buildings and natural resources found on that land.
 - The most common form of real estate are residential properties. i.e. a house like this one ↓



How do I invest in Real Estate?

Real Estate Investment can be boiled down to three different methods:

- Buy and Hold
 - Properties almost always appreciate, buying a house in an up-and-coming area will almost always be a good investment in the long term.
- House Flipping
 - For a quick payout, you can 'flip' a house meaning that you buy a house in need of repair, renovate it, and sell it for a profit.
- Rental Properties
 - The most common form of real estate investment, buying a rental property is something that many investors with enough capital do to diversify their portfolios.

Flipping Houses - A Quick Overview

- Step 1: Buy a outdated / dilapidated house
- Step 2: Renovate it, put a proportional amount of money in as you want to get out of it.
- Step 3: Sell it! And get your profit.

\$950,000
+
\$50,000



\$1,800,000

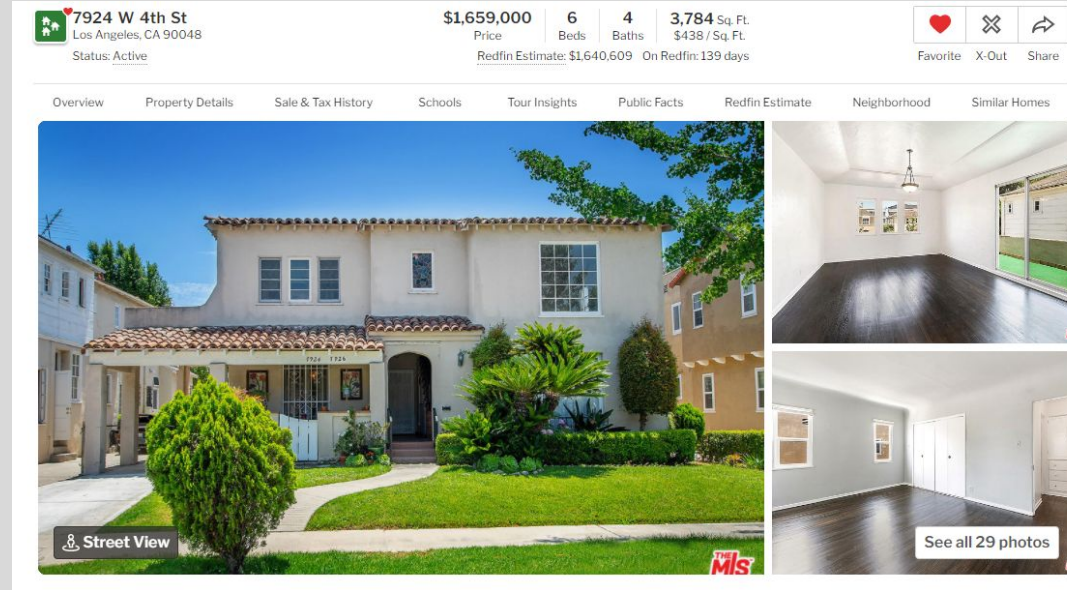
\$800,000
Profit!

1840 S Hayworth Avenue



Rental Properties - A Quick Overview

- $\text{Rent} - \text{Expenses} = \text{Profit!}$
- Step 1: Figure out Costs & Expenses
- Step 2: Buy a rental property
- Step 3: Rent it Out



Calculating Profit

Payment Calculator

\$5,207 per month ⓘ

Find a Lender



Home Price
\$1,659,000

Down Payment
55% (\$912,450)

Loan Type
30 Year Fixed

Interest Rate
3 %

...

Unit 1 Information

- # of Beds: 3
- # of Baths: 2.00
- Rent: \$3,300
- Actual Rent: \$3,300
- # of Units: 1

Unit 2 Information

- # of Beds: 3
- # of Baths: 2.00
- # of Units: 1

$$\$3,300 \times 2 = \$6,600$$

$$\$6,600 - \$5,200 = \$1,400$$

$$\$1,400 - \sim \$200 = \$1,200$$