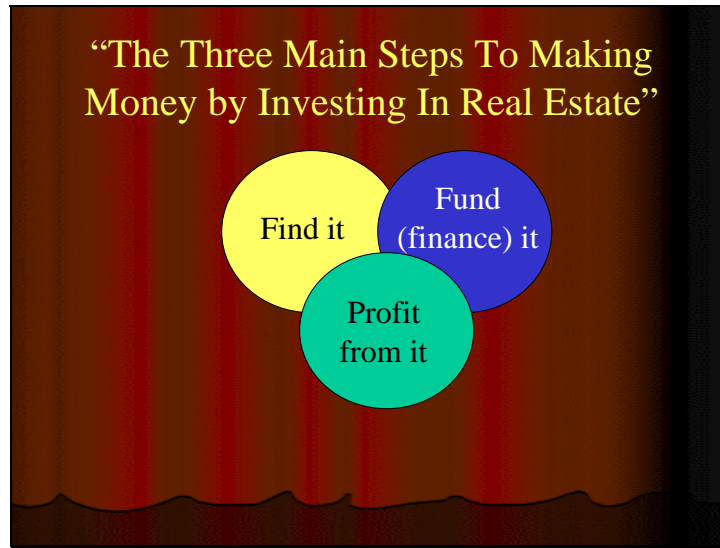


Here's The Objectives"

- 1.) Understand The Three Main Steps To Investing
- 2.) Understand The Two Different Strategies To Profiting In Real Estate.
- 3.) Understand The Difference Between A Speculator vs. An Investor.
- 4.) Understand The Importance Of Creating Your Own Investor Rules.

Slide 2



Slide 3

FIND IT

Before We Can Find It

“We Must Know What We
Are Looking For and How
We Plan on Profiting!”



Slide 5

“Buy/Sell Strategy”

- Buy it - Improve it - Sell it strategy
- Buy It Low - Don't improve it - Sell it strategy
- Buy it - Wait until it goes up - Sell it strategy

Advantages of Buy/Sell Strategy

- May make a lot of money fast

Disadvantages of the Buy/Sell Strategy

- Must keep doing it to continue to profit.
- Holding costs (it may not sell) and surprises may eat your profit.
- It takes up your time (maybe a lot of it).

Slide 6

“Buy/Rent Strategy”

- Buy it - Improve it -
Rent it out to pay for it and produce income
 - Buy It - Don't improve it
Rent it out to pay for it and produce income
-

Advantages of Buy/Rent Strategy

- Somebody else is paying for YOUR real estate.
 - Produces income
 - Saves on your taxes (depreciation) (long term capital gain tax rate)
 - Value may go up (you can sell for profit in the future)
-

Slide 7

"Buy/Rent Strategy"

Disadvantages of the Buy/Rent Strategy

- Tenants and Toilets (Requires management)
- Market rent fluctuations
- Inconsistent cash flow (unexpected repairs and costs)
- Recapture of depreciation when selling.

Question.....

Which Strategy Builds Wealth?

Slide 8

“Which Strategy Builds YOUR Wealth?”

BUY/SELL

If you bought and sold 20 properties during a five year period and made a net profit of \$20,000 per property you would have made...\$400,000.

But how much of that money would you still have for all you work?

If you didn't spend any money and invested it all for the next 15 years at only 6% you would have \$981,637.42.

If you left that money in there and just lived on the interest at 6% you would be making an annual income of about \$58,898.22

Verses.....

"Which Strategy Builds YOUR Wealth?"

BUY/RENT

If you bought only ten properties (\$150,000-\$200,000 each) during the same five years and kept them and rented them out for the next 15 years and they became paid for.

You would now have a net worth of over 2 million plus dollars that is still increasing in value and...

A net income of about \$100,000 per year (assuming each property rents for a net of \$800.00 - \$900.00 per month).

And this doesn't include all the tax savings that you had during all the years of ownership!

Whats Your Conclusion?

My Summary

To build wealth you should be looking for Income Producing Assets.....

In other words...

It's The Buy/Rent Strategy!

So to start, let's start looking for properties that fit the BUY/RENT strategy.

Speculator vs. Investor

Speculator

- Hope things work out as planned.
- More of a gambler.
- Risk and reward thinking.

Investor

- Plans for profit based on facts.
- Has a set of rules to invest by.
- Has an exit strategy.

Let's look at how an investor thinks.....

“Investors have rules based
on facts or experience”

Rules: These are guidelines to help make
a decision to invest or not. They are not
set in concrete...they are just guidelines!.

You may have a different set of rules depending
on what type of properties you are buying.

Example: Rules to buy houses, rules to buy multi-
residential rentals, rules to buy office buildings or
other commercial properties

Here are some of my rules.

When I am Investing In Houses

- 1.) 3 bedroom minimum (more the better).
- 2.) Nice neighborhood (somewhere I would feel comfortable walking outside on a summer night at 10:00pm).
- 3.) More than 1 bath a plus (not a must).
- 4.) Numbers must work --breakeven cash flow with 10-15% down in the worst case senerio.
- 5.) Low Maintenance Yard.
- 6.) Extras a plus - Fenced yards, Central Air, 2 Car Garage, Finished Lower Level, Egress Windows.

This is just a sample....Look at the report called "Creating Your Own Rules"

Your Next Assignment

- 1.) Download and read the report "Creating Your Own Rules"
- 2.) Start creating you own set of investor rules.
- 3.) Start calling on properties for sale (MLS, Newspaper, empty houses, etc.)

Here's what coming in the next videos.....

"How to Analyze the Four Benefits of Real Estate."

"How To Use The Excel Real Estate Analyzer Software."

"Questions To Ask Sellers?"

"Strategies to Find Properties"



Remember If You
Have Questions.....

You can always contact me at

David@rentalrealestatetools.com