

12 EASY STEPS

To Real Estate Success



MIKE HAMPTON

Contents

- Forward 1
- About Me 2
- Step 1 Financial house in order / budgeting 3
- Step 2 Philosophy / mindset 5
- Step 3 Education / investing in general 6
- Step 4 Education / real estate in general..... 7
- Step 5 Learn to Evaluate income producing real estate 11
- Step 6 Looking at real estate online and evaluating..... 13
- Step 7 Building a Team..... 15
- Step 8 Start looking at properties 17
- Step 9 Offering and closing 19
- Step 10 Renovating 22
- Step 11 Leasing property 24
- Step 12 Managing Property 26
- In Conclusion..... 28
- Resources 29
- 29

Forward

Ultimately this short e-book is about how to buy freedom from fear in your life. What I mean by that is after you have acquired a high net worth, you no longer have to worry about how you are going to pay the mortgage, buy groceries, pay the utilities, buy health insurance, ETC. You will be able to keep the wolf from your door. You will also be able to design your own life to a very large extent. How do I know you can do it despite your skepticism? I did it. As you will read later, I started from almost nothing.

This is a 12-step program and these types of programs are proven to work. They break it down into manageable smaller pieces that you can tackle, one at a time, win, and move on to the next step. Investing in real estate is quite simple and you can get a great start after understanding just these 12 steps.

This short eBook is packed full of steps I took, things I learned both from others and myself, do's and don'ts, and wisdom all working towards a high net worth investing in real estate. I define the threshold of high net worth as someone who is an accredited investor. An "accredited investor" is a technical term used by the Securities and Exchange Commission and describes one who has a net worth of 1M or greater not including their personal residence. This journey will take time; there are no legal get rich quick schemes and you will have plenty to learn along the way.

You will need to keep this eBook handy to reference as you work through the steps. I recommend you make a to-do list for every step and check them off as you accomplish them. There is no fluff in it which is why it is so short. Plenty of it is in point form with directions on what to do and where to go to get all the information you will need to complete your education on investing in real estate. It would be nearly impossible to give you all the information in one book as the subjects are diverse and things vary from state to state. This is a crash course, so hang on, take detailed notes, and enjoy the ride!

About Me

This journey took me about 9 years but I started in debt with only some formal education. Things have changed!

My wife and I began investing in real estate late in life earning mediocre incomes and trying to raise two children. We had a side hustle printing T-shirts to make extra money so we could get out of debt and start saving. Our first house was a major fixer-upper so we were working on that at the same time, this was A VERY busy time in our life.

Fast forward a couple of years and we were out of debt. I had gone back to school part-time, house was mostly renovated, and on our way to upgrading into a larger house on some acreage. We sold that first house and made close to 100K and it was at that moment that I knew this was the path. Through that sale and the purchase of the next one, we met a great real estate broker and investor as well.

Our next house was a huge step-up as we finally had acreage and our children could raise livestock for 4-H. Soon after we settled in, I was on the phone with our new found real estate broker looking for investment properties.

She was patient with us especially with me looking at so many houses but we finally made a choice and bought our first one. She was a valuable team member and introduced me to others that would end up being valuable team members as well. Renovation and leasing went smoothly so it was on to looking for the next one and saving like crazy for the down payment.

We didn't look back from there and we were buying one after another, renovating and getting them leased.

Our portfolio grew and the monthly residual income was getting impressive. It was now to the point where I only worked part-time and managed the properties with the rest of my time. However, the market turned for the better and worse. Property values were now so inflated that we were hard-pressed to find anything that would make sense to buy and hold, but the built-up equity was impressive. It was time to look for other places to invest.

We researched several different metro areas, took a 4-week road trip to investigate them, and finally decided on where we would invest next. We took two big steps as investors at this point when we not only completed a 1031 exchange but also invested in another state. We bought a duplex at a deep discount and spent 2 months renovating it and leasing it before flying back home. It went quite well despite the stress of investing in a new state.

Today, we continue to invest in Florida, as well as hold many properties back in Colorado. Due to our hard work and persistence over the past 9 years, we have been able to call a 40 ft. Catamaran our home but we aren't done yet! We plan to start syndicating larger deals in the multi-family market very soon.

I wish you the best on your journey and as always, work hard at it, never stop learning, and enjoy the ride. Lastly, don't forget to stop once in a while and reflect on how far you have come.

Step 1 Financial house in order/budgeting

This is your first step in taking control of your future!

This may take some time and will be something you will be working on while you progress through the other steps in the blueprint, but it will benefit you greatly for the rest of your life.

The first step is to live within your means. You must do whatever it takes to reduce your expenses so your income exceeds them. You may need to move, trade your car for a cheaper one and go without those "extras" you have become accustomed to, but you need to do whatever it takes.

This is a critical first step and in the words of Jim Rohn "Don't spend the whole dollar".

A budget will be necessary to properly track income and expenses. In 2008 I created some budgeting software to not just track the income and expenses but also forecast into the future to see where I would be next week, or next month which was very helpful to see the progress that I would be making.

You can choose whatever method you want even the tried-and-true method of the envelope system where you put money into separate envelopes for separate expenses and only spend what is in each envelope. As you know, there are plenty of software programs on the market to choose from as well but the important thing is to choose a method and USE IT.

You must also get yourself out of debt if you have it, which most of you do. The only good debt is money borrowed to use as leverage to buy larger investments like real estate.

Make money with other people's money but don't over leverage!

The only debt you should carry in my opinion is for mortgages and vehicles. I don't really like vehicle debt but it is difficult to avoid until later in the game. The good thing about vehicle debt is you can usually finance at ridiculously low rates so it is like paying cash, just over time.

High-interest debts are the ones to tackle first and I would never refinance a home to pay off high-interest debts. It may sound like a good idea but you will reset your amortization schedule on the mortgage and roll what should be short term debt into long term debt. Put together a plan, put it in your budget, and stick to it. This may take some time but again, you can work on this while you are progressing through the next steps.

Finally, you might want to consider a side hustle to speed up this process.

My advice is to not make it complicated as you have other things you need to work on that have a better end game. Part-time job, selling something on the side, whatever it is just don't make it complicated and don't invest too much money and naturally watch out for scams.

There are plenty of people out there that will say you can start with no money and bad credit but I don't believe that to be true. Even if you were going to wholesale properties, in order to do it right, you will need to get it under contract and put down earnest money which can equate to a couple of thousand dollars or more.

No money down deals are almost always bad for several reasons. First, the property won't

cashflow very well and second the owner probably can't sell it any other way so they offer it seller financed with little to no money down which is a way to dump a bad property. Who wants that property?

The only real way you can start without money or credit is to get a partner who has both. Usually, partnerships are formed when people complement each other so you will need to bring the knowledge if the other is bringing the money and credit. While you are gaining the knowledge, you may as well work on your credit and finances anyway.

Besides, to live a better life you need to have your financial house in order.

For a lot of you, this is a big one and will take time so be patient and diligent and it will be very rewarding!

Step 2 Philosophy/mindset

To be a successful real estate investor, you need to have the correct mindset about money. Your mindset about money is what some call their money blueprint and you develop it early in life. You may have heard or believe things like money is the root of all evil which is not true, people are evil not the money they have. Sometimes people think they are not worthy of having money and that is why they spend everything they have, again not true, anyone is worthy of having money as long as what they do with it is worthy. Providing a safe, clean place for someone to live is worthy. You must develop a mindset that you are worthy of having money and you know how to handle it. In the resources section, I recommend a book on this subject.

There are large sums of money circulating around the world every day and it always finds its way to the ones that know what to do with it. I once read that if you divided all the money in the world equally amongst all the people in the world that within a short period of time the money would find its way back into the same pockets it came from. I believe this to be true. This one is important, you must be at peace with money, know you are worthy of having it, confident you know what to do with it and **DON'T SPEND THE WHOLE DOLLAR.**

You must also have the mindset that you can be successful in your life no matter where you start from or at least die trying. As mentioned earlier your mindset largely comes from your upbringing so if you were constantly told that money was bad and you will never be rich, I'll bet that is what you believe today. Not true, you can change your blueprint.

Philosophy is about who you are, what you know, what you believe in and this comes out in how you act and react in your life. It, in my opinion, has the single most impact on how your life turns out. As kind of an extreme for example, if you are always stealing from people how do you think that will turn out? You can be a cheat in business for a time and seem to get ahead but it will catch up with you and guess what. Karma is a powerful thing and sometimes takes a while to catch up but it does, it is the way of the universe. For every action, there is a reaction. Karma can also work well for you, doing good deeds will come back to you many times over. You must take a stand on who you are, what you believe in, and make decisions every day based on who you are and what you believe in, your philosophy. You will be consistent and consistency gives people confidence in you which will be important when you start looking for money from other people or other investors to invest with. As mentioned earlier, philosophy is also about what you know so make sure you continue your education in your areas of interest or areas that need improvement.

Decide what your philosophy looks like and shape yourself through beliefs, actions and education. Be who you want to be, anyone can, sometimes it takes major action and time but like anything worth having, it takes working at

Step 3 Education / investing in general

Jim Rohn once said, "a formal education will make you a living but self-education will make you a fortune."

Formal education is important but for some, it may not have been in the cards for them for one reason or another but the good news is you can change that. You can take online courses or night classes, there are plenty of avenues to get a better formal education.

The market place pays you what you are worth (there are a few exceptions) so if you are not worth much (you may be a great person) you end up with the jobs anyone can do which don't pay much. This is where I started.

A good place to start improving your education is in your field of occupation. Learn more, become more valuable to your employer or a new employer, and get paid more for it.

Or maybe a side hustle is the place to start learning more just be careful how much energy you put into this as it is not your main focus but as stated previously it may help you get control of your finances.

Reading is one of the most important aspects of educating yourself so if you are not a strong reader you need to change that. There are programs that can help and the best way is practice. Make it a habit to read some every day even if it is for a short period of time. If you are going to get serious about building wealth you will need to read. I'll give you a list of the best books I have read and helped me the most. A FREE library card is one of the greatest gifts to our country and most people don't have one. Go get one and use it!

Start learning about investing in general. Learn the terms and different types of investments stocks, bonds, REITs (real estate investment trusts), 401K, IRAs, the list goes on but the point is to become familiar with the different types of investments and the returns you might expect. You don't need to become an expert just become knowledgeable, also don't get overwhelmed this is not where you need to become an expert anyway. My suggestion is, be an expert in real estate which is in my opinion much easier than learning the stock market and I think it has better returns.

Many people find real estate easier to understand as it is physical. You can see it, inspect it, compare it to the other houses on the street and neighborhood. I find it much easier than understanding and evaluating the stock of a company that you essentially evaluate on paper.

In summary, learning is a lifelong process.

There is the old saying that you should learn something new every day. I think there is a lot of wisdom there.

Step 4 Education / real estate in general

This is where the fun begins. Learning about real estate!

First a word of caution. There are a lot of scams out there that claim to give you the inside secrets, or high-priced coaching and they are just scamming. It is quite possible that following their advice could land you in jail!! Be careful and if it sounds too good to be true, it is. A good education in real estate does not have to be expensive. It wasn't for me.

First, learn the buying process and if you have recently bought a house you should be familiar with it. However, I have found that some real estate agents don't do a very good job of explaining the process fully so you may still need to brush up a little.

There are many good sources to learn the basic process like going to your local division of real estate and getting a copy of their buy/sell contracts. Colorado has an excellent contract and if you look at the timeline/deadlines page they have, it will give you an idea of the steps involved in buying. You can also consult with a local broker to walk you through the steps. The goal here is just to become familiar with the process which is quite straightforward. Here are the basic steps and later, I will go into further detail about each step.

- Get loan pre-qualification if you are going to finance and become familiar with different finance options.
- Find the property and get it under contract.
- Perform property inspections, roof, plumbing, electrical, HVAC, sewer scope, etc.
- Get an insurance quote, flood insurance is expensive and you need to know if it's required.
- If applicable get ALL HOA docs and actually read them including financials; are they broke?!
- Make sure the title is clear for both on record and anything not recorded with the county.
- Might want a survey or ILC to make sure everything is ok with where it is located.
- Have an appraisal done, most likely through the bank, if you are financing.
- Have the bank give you final loan approval.
- Close the transaction and take possession.

Drill down into each one of these steps and you will have an excellent understanding of the process. There may also be special nuances in your area that you will need to figure out like termite inspections but that is where the local knowledge of a broker and other team members comes in.

There are many more financing options than you might think and you need to become familiar with them even though you probably will start out using a conventional lender. Some of the options to explore are GSE's (government-sponsored enterprises) these would be the FHA, conventional, VA type loans. This is probably where you will start and they have the best rates and terms.

Private money is abundant right now but you need to know the rules with this option as laws have changed.

Hard money lenders are another source for the short term and usually based on the asset and less on your credit. They can be expensive but they also have their place.

Syndication is another area where you gather a group of people to fund a purchase but this is getting more advanced and is governed by the SEC (securities and exchange commission) so a good SEC lawyer is in order. The last one I will add which is basically private money, is seller financing. The seller may choose to finance with the appropriate down payment and credit. One advantage to the seller is to spread the amount of tax they would pay on the sale over time rather than one lump sum. Naturally, they need to own the property out-right or close to it.

Know the difference between getting investment capital and financing. Getting investment capital can be structured in different ways, such as someone can invest in your deal and get paid back when you sell or paid monthly based on property performance. Financing is usually more structured and not tied to the performance of the asset which is the case with a common residential mortgage. Money is usually not the problem, finding a good deal is more of a problem. Once you find the deals the capital will follow if you are knowledgeable and trustworthy.

Learn the different ways to hold title to a property like joint tenants which means another owner has the right of survivorship in case one dies. Tenants in common is where two or more can own property and will or sell their portion of the property without the permission of the other owners. Think of it as owning a piece of a pie. Severalty which is a sole person. LLC companies with members and operating agreements. Corporations being similar to LLC's. There will be different terms in different states and I am quoting how Colorado handles it. One example of a difference is Colorado uses the term joint tenants and Florida terms it as husband and wife. So just become familiar with how your state handles it.

When you first start, it will be difficult to borrow money in anything but your name. If you form an LLC and try to purchase and finance the deal, the LLC will have no credit rating and it will be more complicated to accomplish. Some people buy and finance the property in their name and then after closing, transfer ownership into an LLC. You might want to check with the lender and title company before you do this. You may lose the title insurance you just paid for and your lender may object to the ownership transfer.

Learn about taxes and how they are calculated. Some calculate based on a value they place on the property and some value based on the most recent sale and homestead if it is your personal residence. This won't be your residence so watch out. You may look at the taxes online and see they are reasonable and later find out there is a homestead or senior discount on that rate and you will pay a higher rate as you will not qualify for the discount.

Zoning is another one to get familiar with but again this will vary with the areas you are looking in so just get an idea and you can drill down deeper once you decide on an area. Sometimes people will turn a single-family home into a duplex or multi-family and try to sell it as such. It is likely not zoned for the divided dwelling space and you may have to convert it back to the single-family it is zoned for. While we are on the subject of what I call illegal conversions, if you do not have proper egress the fire department will have issues as well as zoning. Permits are another area to be concerned with so make sure proper permits have been acquired for the work and they have been closed. Sometimes properties are "grandfathered in" for the new use that it is not zoned for but once you try to pull a permit the authorities having jurisdiction will not allow the continued use and force you to conform to the proper zoning. An investor I know bought a duplex and pulled a permit to do some

upgrades and renovations and discovered it was zoned for single-family only so he had to pay the expenses to convert it back. Think he lost money?

Insurance comes in different varieties as well. Here are a few examples.

Walls in insurance for condos or townhouses (attached housing). This is where you just insure everything inside the outer shell of the building and someone else insures the rest like an HOA for example.

Insurance for vacant properties, perhaps while you are renovating. This one is important. Insurance companies don't like it when houses are empty as they are more susceptible to vandalism or other issues that can happen (broken water pipe for 3 days) when no one is living there.

Non-owner-occupied insurance is what you will most likely carry as you will not occupy the property. Renters insurance is what you will require your tenants to carry.

Flood insurance if you are in a flood zone and if the property is mortgaged the lender will most likely require it. This can be a "make it or break it" for the deal as it can be expensive!

An umbrella policy over and above some other insurance in case a claim on one of your properties exceeds the policy limit, this umbrella policy will take over.

I have never felt the need to become an expert in this field but you need to understand the difference and when you need what policy. A good insurance agent is a "must-have" on your team.

Some real estate law never hurts.

Learn the difference in the types of easements as you will almost definitely buy something that has some kind of easements on it.

Seems like utility easements are the most common. They give the utility companies the "right of way" on your property to run and maintain the utilities.

Easement by prescription is another one. An example is a driveway that allows access to a parcel of land across another parcel of land as you usually cannot "landlock" property. People have died over this thinking others were trespassing when they, in fact, had the right to use the land.

Subsurface rights and water rights are two other big ones. Water in some places can be worth more than gold like in Colorado. They have established a separate water court to settle disputes!

Do you own the gold, silver, or oil under your property? You need to know!

Adverse possession is another one. This is where someone has been using a piece of an adjoining property for a long period of time and it is obvious to all parties. After that period of time, the user of the property now owns that piece. This will vary by state as well.

Lawyers can be an important part of your investing as you can see from the examples I have given above and I haven't even touched on landlord and tenant relationships. My advice here is never to be afraid to enlist the help of one. You do need to make sure you are hiring a lawyer in the correct state and with the expertise for your particular instance.

Start getting familiar with landlord and tenant rights. Again, this will vary with jurisdiction.

How much notice do you need to give to enter a property or notice to evict?

Learn the warrant of habitability which means you have to keep certain things in good operable working order like furnaces and water heaters. I don't know if it is true but I have heard that parts of the south require you to have screens on all the windows to keep the bugs out!

What rights you have and don't have if the tenant doesn't pay the rent. Self-Help eviction is where you just enter the property when no one is home and throw all their belongings on the front lawn and this is a bad idea for multiple reasons. This information is fairly easy to get for your jurisdiction just be careful of the source.

No need to become an expert on all of this at this point just get familiar with all of it. You will learn as you go and people will help you. A word of caution though, unless the people are qualified professionals in their field, take their word whatever it is, with a grain of salt. Some people unknowingly pass on bad information and some people want to look smart so they make things up and embellish the facts. You will see this at some of your meetups.

Here's what I did to start (I say start because it is never over) my education in real estate in point form.

- went to guru seminars and decided they were not worth the money and would probably get me in trouble. There is some value here though, just guard your wallet.
- Took 3 classes from our local community college. Two on investing and one on real estate law which was excellent information and inexpensive.
- Went to meetups and some are better than others. Some were just a pitch for something they were selling and others were excellent presentations and networking with great people who are very experienced and willing to share.
- I have taken classes from legitimate professionals like an SEC lawyer on deal syndication as an example.
- I took various online classes that I felt were of good value and work at your own pace.
- Bought a very comprehensive course on Commercial Real Estate Investing written by a long-time investor.
- Read other books on the subjects where I thought I was lacking.
- Naturally utilized the internet to look things up, gather knowledge, and research areas to invest.
- And finally, I got a real estate license which the pre-license course is an excellent way to learn all about real estate and not that expensive.

That is the path I took and looking back I don't think I would do things differently if I had to do it over again. Of course, learning is not over even after 10 years.

There has been an ongoing debate on whether or not an investor should get a real estate license and I would say at the very least you need the education it would take to be licensed. For you to get the license is your choice and what works best for you but the education is very valuable and is a reasonable cost.

These are the basics of what you need to know but do not let this overwhelm you. Try to learn not only from what other people have done right but also what they have done wrong!

Step 5 Learn to Evaluate income-producing real estate

At this stage, you need to learn what is a good investment and what is not.

You need a good understanding of a couple of formulas to first do an initial evaluation to see if it warrants further investigation. One very simple evaluation is the 1% rule which is if you can collect 1% of the purchase price in a month's rent, it warrants further evaluation. So, if you buy a property for 100k and can collect 1,000 per month in rent it needs to be investigated further for sure. This will not work in all asset classes or all markets but it is a start. I think it is reasonable to go down to .8 or even .7 of a percent. Another method is the gross rent multiplier which is basically the same as the 1% rule. The GRM is how many times you have to multiply the annual rent to arrive at the purchase price. So, in the example above you would have a GRM of 8.3 ($\$100,000 \text{ purchase} / \$12,000 \text{ annual rent} = 8.3$). The lower the GRM the better.

The good news is you don't have to be good at math! Spreadsheets make this part pretty easy and I can give you plenty.

Evaluating can be quite simple for the simple properties and gets fairly in-depth for the complex properties like large multi-family. Learning the simple will be the stepping stone to learn the complex as you will just build on what you already know.

You will need to learn some terms if you don't already like:

DCR - debt coverage ratio, discussed below

Gross rent multiplier - discussed above

Cash on cash return - % cash return on your initial investment

Cap rate - % cash return on the purchase price of the property

Rent roll - list of rents collected, late fees, lease duration, etc.

Trailing 12 - list of expenses for the last 12 months, usually referred to as the T12

Loan to value - % of the loan to the value of the property

Arv - After repair value. What it could sell for after the improvements are made

CMA (Comparative market analysis) comparing properties to come up with a value for your subject property. I have a great spreadsheet for this that I can give you

1031 Exchange - IRS rule that allows you to "exchange" one property for another one of "like-kind" tax-free/deferred

Earnest Money - deposit you put down on a property once you have it under contract

Cash flow - the amount of money generated from the property after expenses but pre-tax

Letter of Intent - used mainly in commercial real estate preceding a contract but to state your intentions for the property

BPO - Broker price opinion which is the broker's best-educated guess of the property value

Cost to carry - regular expenses involved to carry a property like the mortgage, taxes, insurance, regular maintenance, etc.

If you learn the list above you will be in great shape and ahead of the crowd.

Not only do you need to know the terms but what is a good DCR for example. The debt coverage ratio is one of the first formulas I used to evaluate properties when I got started. You simply take the expected market rent and divide it by your cost to carry. Cost to carry as stated above needs to include all mortgage, taxes, insurance, regular expenses, and HOA if applicable.

So, for a simple example let's say your single-family home rents for \$1500 per month and your cost to carry is \$1000 then you have a 1.5 DCR which is not bad. $1500/1000=1.5$ Banks will look at this to decide how safe the investment might be. They use to lend on a DCR of 1.2 but that didn't turn out very well for them around 2007. I personally want to see a DCR of at least 1.6.

DCR is just one example. You will need to know what is a good gross rent multiplier cash on cash return, CAP rate, and loan to value. The rest of what I have listed are simple terms you will need to know and understand.

Here is what I consider to be good numbers. These may not work for you.

Cap rate of 7% or greater otherwise it is too slim of a profit margin.

Cash on cash return of no less than 10%, maybe 8% if it is a good stable property.

Gross rent multiplier less than about 10 but again, this is a rough initial way to evaluate a property.

Loan to value of 80/20 or less. As a non-owner occupant, the lender will usually require 20% down.

That is a little bit of a head start on the meanings and what goes into the formulas but you will need to investigate further for more complete definitions and what is a good cap rate etc. for your area and asset class as it will vary.

Once you have an understanding of what constitutes "good numbers" next you need to start looking at properties, gathering the numbers, and evaluate them.

This part is fairly simple especially with the help of spreadsheets as mentioned earlier.

Step 6 Looking at real estate online and evaluating

In the days before the internet, houses listed for sale use to be a brochure page in a giant binder in the office of the brokerage. Every week the local MLS (multiple list service) would make copies of all the new listings and distribute them to all the brokerages that were in the area to be included in their binder. Agents would then look through the binder looking for properties that their buyers might be interested in.

WOW, talk about owning the information. The buyer was completely dependent on the agent to find houses unless they drove around looking for lawn signs.

Not true anymore! The internet changed all that and is continuing to change it.

When I first started, I spent hours on the internet looking for houses, townhouses, condos, and even mobile homes that made sense. I would look at different areas and their price points and then get rental comps from places like Zillow and Craig's list.

You need to become an expert on an area that you are interested in and that makes sense.

So, find the properties for sale on Zillow, Redfin, realtor.com, or where ever works for you and then you need to pull rental comps and sale comps. Sale comps so you know what a property should sell for but you will get a good idea just looking through all the listings for one that catches your eye. Rental comps are the important ones as they will tell you what the competition is doing and what you can expect to get in rent for that type of property, location, and condition. Watch out for rental concessions; they are offers like first month free or reduced security deposits, basically giving something away to entice the prospective to rent from them.

These are a sign of a weak or very competitive rental market that you may not want to be investing in.

Try to start this process in an area that is close to you that you know even if it is an area you might not invest in. The reason is you can easily drive by to look at some of the properties to see if the pictures you see on the internet are accurately representing the property. A picture is worth a thousand words but sometimes it leaves out a couple of thousand words.

Before you go driving around you need to utilize Google maps satellite view and street view. I have saved countless hours and gas by first looking at the properties in the satellite view, only to find out there are some real negative things next door, which is the reason it is priced so well. Busy commercial or noisy railroad tracks can easily be identified online and save you a trip. Street view will not only show you some of those things but also the pride of ownership on the street and the most likely route from a main artery to the property. Do you need to drive through some rough stuff or a bad road to get to the property? Make sure you note the image capture date for the street view and satellite view as things change.

Use spreadsheets to track properties you are looking at and evaluating so you can compare. You can also see what they end up selling for and compare it against the asking price.

Gather the information needed to evaluate the property and load it into the spreadsheet. Price, expected rent, taxes, insurance (get an idea from a local insurance agent or online) and any other regular monthly expense and put all the data into the spreadsheet and see if it is a deal or not and how it compares to others. Often taxes are quoted in the listing but if not, you can go onto the county website where the house is located and look it up. As mentioned above about taxes, watch out.

Eventually, you will want to venture out of your back yard and look at other good places to invest that you have heard about or piques your interest. Some of the things to look for are population growth, employment growth, NOT a single big employer, diverse stable employers are better, local government and how favorable they are to landlords or is there rent control, geographic considerations, income levels and % living below the poverty line are things I look for in a prospective area. Don't look in small areas that have high average salaries. They might at first look attractive but these people are likely homeowners and not people that will rent from you.

Once you have mastered this stage, which won't take long if you spend the time behind your Computer, you will be able to look at properties, run a quick analysis, and know if it warrants further investigation or not. You are getting ready to go live!

Step 7 Building a Team

This is where you need to network a little.

A good way to start is to attend real estate investing meetups. There will be brokers, lenders, title companies, insurance agents, home inspectors, and of course other investors there. Be careful of the pitches you will get at some of the meetups and be wary of the ones that ask for a membership fee unless it is small and helps cover costs like the venue they are held at. The best meetup I attend is held at a restaurant and all you have to do to attend is buy your lunch, and there is no membership fee. LinkedIn is another source to find these people to have on your team, just search for the local professionals and send a request to connect with them. Once you have connected with them you can message them to ask questions or discuss scenarios.

Find people that are real, answer their phone/email, have good experience and you feel comfortable with. There is no sense in having the greatest broker in the world on your team if you do not connect with them, it will be awkward.

This is an important step but don't misrepresent yourself or the stage you are at in learning to invest. It is okay to be new and still learning. You also need to be careful of wasting their time as this is likely how they make their living and if you waste their time, they will just brush you off and you will have lost a good contact. This is why meetups are a good place to start and if you are shy bring a friend to help make it easier.

Once you get started investing you may find that the broker you like has a great lender or other connections, so take advantage of your team's contacts as well if they are willing to share.

You may also need more than one team because as you grow, you may invest in different areas or different asset classes, in which case you will need another team.

The team members that I suggest are the following:

- Real Estate Broker – to help find, close, and sell properties
- Lenders – to finance and you may need more than one as some lenders can get things financed others can't like certain condominiums that have too many non-owner occupants in the complex
- Insurance agents – and again you may need more than one for the same reason as above
- Title companies – to hold the earnest money, investigate titles issues, close the transaction and issue title insurance
- In some states a Lawyer is required to do the closing so find out early what the procedure will be
- Inspectors – to perform the various due diligence inspections before purchase. Some of the inspectors you should have a relationship with are general home, sewer scope, roofer, HVAC, electrician, and plumber. There may be additional specialists here depending on the situation and location, for issues like termites, radon, or structural issues.

- Handy persons – for the repairs that you don't want to do or are out of town when they need to be done. Some of the people you use for the inspections above will be good prospects to help you after the sale.

Lastly one of the most important team members is a mentor. Someone you can learn from so you can avoid costly mistakes by learning what not to do which is as important as learning what to do. Mentors can be difficult to find but the meetups are probably your best bet.

Paying for mentors, as in coaching, can be fine but be very selective, get references and call them! I have seen coaching for \$25,000 and felt that if you did some of the things they suggest you could end up in jail! I know I said that earlier but felt it was important enough to repeat.

You simply can't do this all by yourself but even if you could, I would not recommend it.

A good team is very valuable so choose wisely and treat them well. They should be the people you can rely on when things don't go quite as planned, which can be the case in Real Estate.

Step 8 Start looking at properties

You have been evaluating properties online, got your financial house in order, and started to build a team. Now it's time to start looking but you need to be ready to offer. At this point, you should have the credit, down payment and a lender prequalification or a strong partner with credit and funds to put down. You are ready!

Your broker can set you up with access to the MLS (Multiple List Service) in the area you are interested in. This will help ensure the properties you are interested in are actually for sale with qualified sellers. Plenty of websites you find properties on are not current and they will list a house that is already under contract or sold which would be a waste of time to look at. That is fine to learn how to evaluate but not to start looking to buy.

A quick word about off-market deals which is the buzz word currently. Do they exist, yes, are they hard to find, yes, are they usually either priced too high or the junk no one wants, yes. Having said all those negative things, I have closed off-market deals and they have been good transactions. They are just tougher to work and not the best way to start in my opinion. There are some good wholesalers out there that have deals and it doesn't hurt to get on their list. They may have properties that will work for you but they often don't like paying a buyer's broker a commission, so you may end up negotiating a higher price to cover the commission.

You have evaluated the properties online, made sure the area was what you are looking for and now have a list.

Have your broker set them up to look at and hopefully in a way that makes sense geographically and chronologically. Take notes and look carefully. Compare the pros and cons of each property and if you are really into spreadsheets you can even make a weighted decision matrix.

Play to your strengths. If you are very handy and can easily do some fix-up or rehab then maybe this is a good opportunity for you to do some value add. If you are not handy, you might be better off looking at properties that are pretty much rent ready.

When I first started, I looked at probably 200 houses, no exaggeration. Looking at 200 before buying my first one was a mistake. I look back on that now and there were probably about 20 that I could have bought and not made a mistake.

Don't analyze them to death but don't buy the first one you see either.

Balance the two and do most of your homework at home before you look at the property, so you are not wasting your time or your brokers.

After a while I got to know the area and pricing so well, I would put in offers sight unseen.

The first time I would see the place was at an inspection. A listing broker once said to me "but you haven't even seen the place yet." I said, "it's a 776sqft condo how bad could it possibly be."

Another thing to keep in mind is you can always get out on the inspection objection, not that you want to do that all the time as this will also give you a bad reputation as an investor. That reputation is hard to get rid of.

I like to talk to the neighbors if I can. They will tell you things about the

property that you will not learn from the sellers or any inspections. This can be very valuable information. I once learned from the neighbor that someone committed suicide in the house. This could make for a difficult time retaining tenants once they find out this information.

You might even want to drive the street late on a Friday or Saturday night to get a feel for how "lively" the neighborhood is and a few streets in all directions.

You have looked at a lot but you are still not seeing the perfect property so you decide to wait and see what comes on the market. Well, what if that perfect property doesn't come? Don't wait too long, and there is no perfect property. Having said that your first property should be one of your best because when you are just starting you can't afford to take too much risk.

An exit strategy is something else you want to keep in mind and I have not covered it anywhere Else, so here is the short version. Simply put, decide what the different ways are you can get out of the property. Hold and rent, wholesale, fix, and flop I mean flip. The more ways you can get out of a deal once you are in it the better chances you have for success. Remember the no money down and seller finance deal we touched on back in step 1, what's the exit strategy for that?

Happy hunting and don't be looking for that perfect property before you put in an offer. Some are better than others and they all can't be perfect. Besides doing 1031 exchanges allows you to get out of one property and into another if you decide you don't like it as much as you thought.

Step 9 Offering and closing

You have looked at a bunch of properties and now it is time to make the decision and make the offer.

This is where it gets a little scary but you have done your homework and everything seems to work (area, price, rental comps, etc.) so trust yourself, but it never hurts to get a second opinion from a mentor if you have one. If not, you are going to get other opinions anyway from your inspectors, appraisers, and lender. None of these people want to see you in a bad deal.

When the property is not going to be owner-occupied the appraiser should also provide rental comps which can help validate your assessment and will give the lender more confidence.

When selling and buying anything, the seller wants to sell for the highest price and the buyer wants to pay the lowest possible price. It's just the way it works. Both need to meet somewhere to get a signed contract. It is tempting to go around and low-ball offer everything and see what comes back but I have never liked this strategy. I have always been a believer in finding the property that works, and make an offer that you can live with. I have found that paying a little extra for the right property is a better path in the long run. It may be easier to lease or maintain etc. and therefore worth a little extra because of that. The general rule of thumb is to not offer more than 7% under asking. You don't want to irritate the seller you want to engage them in negotiation. The other problem with low balling is you get a reputation you don't want and before long word gets around and no one will even look at your offers or take you seriously.

You make the offer with the terms and conditions you can live with, like who is paying for title insurance, survey, closing date, etc. and maybe there is a counter but you get it under contract! Those examples are things that are standard and customary who pays, based on the market you are in. Your broker can help with that but don't be afraid to change it up a little.

The first steps are to put down your earnest money and start lining up your due diligence inspections. My advice is to NOT give the earnest money to the listing broker as they have their own best interest in mind. Have a disinterested third party hold it like the title company. That way if there is a dispute it is likely to be handled fairly as they have no vested interest in keeping your money.

Now that you have the property under contract, this is where what you learned in section 4 comes into play, but I will recap here in point form with some pointers on each step. Something else to keep in mind when working through getting the deal closed is "time is of the essence." There are hard deadlines that need to be met.

Due diligence inspections

- get a good general home inspection and additional (HVAC, roof, etc.) if necessary, sewer scope if on city sewer - replacing sewer lines is expensive!
- If well and septic get good inspections on both by local experts, again, both are expensive to fix or replace.

- check for any open permits. They need to be closed before you buy or they can cause problems.
- get a survey or ILC if it is warranted - consult a local expert here. If you plan on putting up a fence, you may as well get a survey now as you will need it for a fence permit most likely.
- get an insurance quote, it may surprise you. In some parts of Florida it can cost \$1,000/mo. for flood insurance and unless you are paying cash the lender will require it.
- the title company should search for a clear title and sell an insurance policy for it.
- There may be other due diligence needed depending on the location and property.

HOA documents

- If the property is in an HOA, get all the documents you can such as:
 - ✓ profit and loss statement
 - ✓ balance sheet
 - ✓ bank statements for both operating and reserves accounts.
 - ✓ meeting minutes for at least the last year and look for discussion of special assessments that might be coming to pay for roofs or other expensive things.
 - ✓ reserve study to see what needs to be replaced and if they will have the funds when it is time.
 - ✓ covenants, conditions, and restrictions so you know what you can and can't do.
 - ✓ declarations and bylaws so you know how the HOA is run and structured.
 - ✓ anything else you can get that might be pertinent.

This step is important and usually overlooked and rarely read.

YOU MUST READ THEM. It will be tedious and boring but you must do it!

Many people have bought in HOA's only to find out there is a big assessment coming and they just put their money into the down payment and don't have it to pay the assessment. Not a good position to be in.

Typically, at closing, they will collect a couple of months HOA dues, so you start ahead. Check your closing statement for this to make sure the HOA does not double dip and sends you an invoice for the first months' dues.

Appraisal

- If there is a lender involved you will need an appraisal but even if there is no lender get an appraisal unless you are a market expert in which case you will be able to do your own accurate evaluation.
- Make sure the appraiser is including rental comps so you can get a second opinion to compare against what you think is fair market rent.
- DO NOT get an appraisal done before you have completed the due diligence above and negotiated for anything you found. There is no sense paying for an appraisal if you are not moving forward with the purchase.

Final loan approval

- After the lender receives the appraisal and it appraises at value or better you will go to final underwriting and get final loan approval.
- Now it is time to close which is usually done by the title company.

Closing

- Rest up your signing hand as there is plenty to sign but this will vary between states and even closing companies.
- Some states require a lawyer to conduct the closing but you will be advised of that well in advance.
- The lender will wire funds to the closing company and any funds you bring, need to be in the form of "good funds" such as a cashier check, but ask the closing company what they will accept.
- Make sure you bring your photo id.
- You will get a closing statement and review it carefully to make sure all is correct. I can't count the number of times mine have been wrong. You should get one in advance of closing so there is time to correct it if necessary.
- Buyer, seller, and agents all sign and...

Congratulations you are now the proud owner and have taken a major step in your investing career.

Step 10 Renovating

Renovating a property is going to vary between the investor and the property.

You may have bought a property that is rent ready or a wreck and needs everything. I like wrecks! I have a background in commercial construction project management, so doing the value add is appealing to me but not for everyone.

You may be an investor that wants to do all the renovation work yourself to save money or you may hire some or all of it out.

With so many variables I will just give you some pointers and things to watch out for. Kind of the do's and don'ts of getting a property rent ready.

- Don't take on repairs you can't handle. If the work looks shoddy it won't attract quality tenants. Play to your strengths and know your weaknesses.
- If it requires a permit, get one. If you don't and someone gets hurt it could be trouble.
- Don't go with the cheapest contractor. If they have to compete on price you don't want them.
- Check up on your contractors often but don't micromanage.
- Don't over renovate for the asset class, make it bright and clean with maybe some nice upgrades but don't go overboard. I like hardwood floors as they last and attract a better-quality tenant. I don't install granite countertops. This will somewhat depend on the asset class you have bought, but I like to stay in the middle of the rental market where there are more tenants to choose from. I have managed higher-end properties for other investors but they are harder to lease and the tenants don't tend to stay as long. There is nothing wrong with the lower end as long as you take care of the property and don't slum it. We have just chosen not to purchase this asset class as I don't think the appreciation is as good.
- Do give it good curb appeal so when they drive up the first impression is good. You don't have to spend a lot of money here, fresh mulch is cheap and so is a fresh coat of paint on the front door and don't forget some flowers out front.
- Do spend your money where you will get your best return like kitchens and baths.
- Finished basements are nice but come at a significant cost. Maybe it's something you do between tenants.
- Do make sure all your major systems are in tip-top condition like plumbing, heating, cooling, roof, etc. This will go a long way toward NOT getting those unwanted phone calls at the worst time possible. Doing repairs while someone lives there is always awkward so get them out of the way now.
- Most of this assumes the property is vacant when you buy it but it may not be. If not take an inventory of the things that need to be done so you don't get the phone calls at night and take care of them as fast as possible. This will also make you look good to the tenant and let them know you take care of your property and you expect them to do the same.

- Don't be afraid to do some minor wall shuffling to improve the functionality, this will make it more livable and therefore easier to rent. A blocked-in kitchen is not appealing and usually quite easy to open up even if it is just a large pass-through. Moving walls is not as expensive or difficult as you might think. Naturally, before you go tearing down walls consult a structural engineer. Consider how it will impact the flooring as well and maybe the ceiling if you have a decorative plaster ceiling that is hard to patch, if not impossible.
- Do make sure you have a realistic budget and include some contingency because projects almost always run over. You might want to boost it by 20% of what you think it will take. Spend some time sourcing the materials you will need and total it up. Do this even if you are hiring a contractor to do the work, you can check their work that way. The labor will be a little more difficult to estimate but there are some websites out there that will give you some idea. As a very rough rule of thumb whatever the material cost is, that is about equivalent to what it will take to install it, but again this is a very rough rule. If you get lazy in this area and just want someone else to do it for you (general contractor) it will cost you, I guarantee it. In your budget don't forget to include holding costs for the duration of your renovation. You need to have power, heat or AC and water and all of these cost monies so don't forget to include them.
- A reasonable and conservative schedule is in order as well. Speaking from experience as a construction project manager, pushing the schedule will cost you in some form. It will cost either in quality or money, both of which are valuable. Schedules are a living breathing thing, so as things change update your schedule. Another note on schedule is making sure to identify any long lead items and get them on order right away.
- Clean and bright with good curb appeal and major systems in good working order, in my opinion, is the recipe for success when getting a property rent ready.
- Lastly, don't be fooled by the property renovation shows on TV. It is just tv and meant for your entertainment and nothing more. Their budgets and time frames are not realistic.

Time is of the essence as the asset needs to start producing, but don't advertise it for rent too soon as most people can't envision the completed project and you will lose good prospective tenants. I have done it.

Step 11 Leasing property

Leasing is something you may choose to do yourself or have a professional do it for you. Either way, the rules are the same and there are strict rules not to be broken or there will be consequences like vacancy or worse, a trashed property.

Leasing to the right people is as important as finding the right property. You must have enough in reserves to hold out for the right tenant and resist the temptation to just get it leased. Some management companies will just want to get it leased and deal with the consequences later. Some boast how fast they can get it leased for you and get you making money, beware of these promises. Sometimes it takes time to find the right people, so take the time, it will pay off in the long run. In the 17 years we have been doing this we have never had an eviction and we pay that tribute to good tenant selection.

Be sure to get a good lease that is right for your location and don't just pull one from the internet as some of it may not be enforceable in your jurisdiction. Definitely have it reviewed by a lawyer and some law firms have lease templates that can be modified to suit your needs at a reasonable cost. Don't skimp here, it could come back to cost you many times more than the fee for a lawyer.

Advertising is generally pretty easy and we use Craig's list and Zillow which currently syndicates out to Hot Pads and Trulia. These platforms are either free or low cost depending on your volume. Prequalifying the applicant before showing the property is a must, don't waste your time showing to people that won't qualify. This leads me to my next point.

Have qualification criteria and stick to them. You may have different criteria for different class properties, but regardless, have clear criteria. Make sure you give a copy of it to anyone you give an application. If you don't give a copy of it to someone you pull credit on and they don't pass your criteria and are turned down you could be liable for the hit on their credit and loss of credit score. Some of the things professionals look for are, do they make 2.5 times the monthly rent and is the income verifiable. Can you get a good previous landlord reference? Make sure the reference actually owns the property or manages it and is not their best friend posing to be the previous landlord. No felonies or at least no felonies that involve violence. No evictions or at least none in the past "x" number of years. Reasonable credit, but does not have to be perfect. We consider medical bills that go to collection as possibly ok, but write-offs from department store credit cards or jewelry stores is unacceptable. Consistency here is key, never, never, never discriminate, it will come back to bite you hard in the wallet. You don't ever want to hear "You accepted them with a felony and turned me down because of one," that would be bad news!

Make sure you know the fair housing rules and any state rules that may apply to you. When advertising, make sure you don't show preference to anyone, talk about the property and not the people. Don't say things like perfect for a family or kids not allowed. In some areas, you cannot discriminate against their source of income either so learn the rules and abide

by them. Someone can make a fair housing complaint against you and that is very serious and not something you ever want.

I can't stress this enough, don't ever discriminate, besides you don't need to in order to find stellar tenants. Stellar tenants come from all walks of life.

A tip I got from an experienced investor who did all his leasing and managing for many years was, "to look in their car and see how well it is kept." He said, "however they keep their car is how they will keep your house." I have found this to be true.

Now you have found your tenants and everything checks out so it's time to turn the property over to them. I advise you to only accept "good funds" for the first months' rent and any security deposit.

The reason is if they have somehow pulled the wool over your eyes you at least have some money from them to help pay to get them out of the property. If you take a check for the move-in and it bounces then you have nothing.

Be sure to do a walk through with them to note the property condition and document it both in writing and photos or video. This makes it much easier when they move out to see who is responsible for any damage. I once had a tenant say the oil on the driveway was not his. I simply sent him a picture of when he moved in that showed no oil on the driveway and he quickly conceded that maybe his truck did leak a little. Bottom line is to document it properly and it will make for a better relationship in the end.

If you choose to have someone else do the leasing, when interviewing them ask how they approach the above points and don't be shy about it. Ask what their selection criteria are, and how they document property move-in condition. Will you get a copy of the condition report? This is one way to get an idea of how well the leasing/management company is taking care of the property. If you notice the list of imperfections growing between tenants it may be time to do an inspection yourself. There is nothing wrong with hiring someone else to lease and manage the property but you must manage the manager! Don't be an absentee owner, it will cost you.

Here is a short story about an absentee owner.

The leasing company was lazy and did not do regular inspections and a downspout extension went missing. The owner didn't do any periodic inspections either. The tenant never complained about the missing downspout extension and as a result, the water from the gutter was pouring off this 3 story house right next to the foundation for years. The foundation and floor cracked. The whole house had about a 4" drop to one corner and all the sheetrock leading to that corner was cracked on all three floors.

All because of an absentee owner and leasing company and a \$10 downspout extension. Manage the manager or manage the property but make sure someone is at the wheel.

Those are the basic steps to getting the property leased and leasing is a critical step in this whole process and will have a direct impact on your success.

Step 12 Managing Property

The day to day managing of the property is pretty easy if you have done a good job up to this point.

You bought a good property, renovated it, and made sure all the major systems are in good working order and you put good tenants in place so things should go quite smooth. On the other hand, if you rushed to get it leased, cut corners fixing things, and put a relative in there because they needed a place to live, you are in for quite a ride. If the latter is true you will be fixing things almost constantly, dealing with drama and you will get burned out and wonder why did I ever get myself into this in the first place. This is the number one reason investors get out of the business.

I am going to assume you have done things right up to this point so the management will basically, consist of fixing things as they come up and collecting the rent. What I have found is the best type of relationship to have with your tenants is similar to that of a parent-offspring relationship. There must be no question about who is in control and both parties must have diplomacy, courtesy, and respect. Be careful with the friendship aspect of things, this is a business transaction.

Give them their space don't be the one that is constantly over there doing something. Get those things done before they move in.

Drive-by once in a while and see how things are looking because they will keep the inside of the property about the same as the outside. Do this even if you have someone else manage the property if it is realistic geographically.

If you get late rent don't fool around here. Stick to the lease and be consistent with all tenants. I am a firm believer that good landlords make good tenants. I approved a tenant one time that was always late on the rent with their previous landlord but everything else checked out. Sure enough, they were late about the third month in and they got hit with the late fees and complained that their previous landlord never charged them for late rent. I reminded them that we had this discussion before they were approved and there were no exceptions, if it's late there will be late fees. They have not been late since and have lived there for about 2 years. If it's later than what your lease agrees to post a 3-day notice, that will get their attention and just explain that it is nothing personal, you just have to treat all your tenants equally and according to the lease. If it goes beyond this, it is either time to become an expert on evictions or get a lawyer involved.

At lease renewal make sure you do a walkthrough so you can get in the property and see how they are taking care of it. If you find any damage get it fixed right away don't wait until they move out. This is for two reasons, first, it lets them know you are serious about keeping the place in good condition, and second, the damage may exceed the security deposit you are holding so get it fixed and add it to the rent until paid. I recommend doing a rent increase with each annual renewal. Your expenses will go up over time and this is a business, so cover

your expenses. The increase doesn't have to be much but make it something and on the other end of the spectrum, don't get greedy.

Move out is pretty straight forward. Make sure the proper notice has been given and after they move out, walk the property to note any damage they may be responsible for. Be sure to document any damage and give them a detailed list of what you are withholding security deposit for and how much. Check with the local authorities to see how long you have to return their deposit and make sure you get it to them in that time frame. Security deposits are treated very seriously by the law, as they should be, so make sure you handle them correctly.

If there is anything that needs to be fixed get it done before the next tenant moves in. This should go without saying but you would be surprised how many will leave it to the last minute and be fixing something as the new tenant is moving in.

If the property shows well with the current tenant still living there then try to have it re-rented before the old tenant vacates. I have done this many times and it makes for a nice smooth transition and there is no interruption in the money coming in. Make sure you don't let so many people in at the same time that you can't keep track of all of them, you don't want anything to go missing.

And finally, if you do choose to have someone else manage it, don't just hand it over to them and think they will handle it all for you. There are some management companies out there where you can have this level of trust, but not many. You must manage the manager! As mentioned earlier drive by the property if possible, but don't meet the tenants as you can't have two chiefs. Make sure what they are paying for repairs is competitive. Ask when the last time was they were on the property. Do they have any recent pictures they can send you.

Manage the manager BUT don't be a co-pilot.

If you have done things correctly to this point this will be the easiest part, otherwise it will be tough, but the good news is you get to choose.

In Conclusion

That was a lot of information compacted into just a few pages, but they are the steps to successful real estate investing and there have been many before me that have done it this way. Real Estate investing has made more wealth than any other vehicle. The odds of you realizing a high net worth working for someone else are slim but not impossible. The same goes for owning a business. Most businesses fail in the first 5 years, but it is possible to attain a high net worth owning one, it's just that the odds are not in your favor. There are still no guarantees, people have lost countless amounts of money investing in real estate, but I believe education is the key to success. Another piece of advice I would give is, don't speculate or get greedy. Pigs get fat and hogs get slaughtered.

You have already begun putting the odds in your favor by reading this eBook. As I mentioned at the beginning you will need to keep this e-book handy and refer back to it often as you work your way through the steps and check off items that are complete. Getting items checked off the list always keeps me motivated.

Here is a bullet list of things to do to keep on track and staying motivated as this is a process and will take time.

1. Find a mentor or fellow investor to interact with and motivate each other.
2. Join and go to the meetups.
3. listen to lots of podcasts. It is easy to do in your car as you drive.
4. Join online forums that have blogs and you can ask questions. Bigger Pockets is one example.
5. Read the books that are recommended.
6. YouTube videos can be good, but watch out for bad information and over-promising.
7. Listen to motivational CD's not related to real estate but life coaching in general.
8. Lastly and most importantly, know your "why" (why do I want to invest in real estate?). Write it down and put it on display so you can see it every day.

Thank you for purchasing this compact e-book that bulges with information. I wish you the highest success in your education and investing. Now start the journey to designing the life you want to live!

Resources

Here I will give you internet links to the things I talk about in the book but as you know, links break over time. Things get moved or deleted on the internet all the time, so if a link does not work just google it and I am sure something else will come up that will be of value to you. I have included a lot of Amazon links to products but certainly, feel free to purchase from where ever you choose. Amazon does make it easy with one-stop shopping.

One of the most popular accounting software packages out there is Quick Books.

There is also a lot of support if you need help setting it up.

<https://quickbooks.intuit.com/>

Here is another one from intuit.

<https://www.mint.com/>

I have a simple spreadsheet, BullsEye Budget EZ, that works pretty good and is easy to use. If you send me an email asking for it, I will send it to you!

I also have a more complicated spreadsheet that I can send you, just ask.

Books to read. I have read many more books but these few had the greatest impact on me.

Leading an Inspired Life by Jim Rohn

https://www.amazon.com/Leading-Inspired-Life-Jim-Rohn-ebook/dp/B005QF0KQS/ref=cm_cr_ar_p_d_product_top?ie=UTF8

The Millionaire Next Door, by Thomas J. Stanley and William D. Danko

https://www.amazon.com/Millionaire-Next-Door-Surprising-Americas/dp/1589795474/ref=asc_df_1589795474/?tag=hyprod-20&linkCode=df0&hvadid=312673449485&hvpos=1o1&hvnetw=g&hvrnd=722692609765165196&hvone=&hvptwo=&hvqmt=&hvdev=c&hvdvcmld=&hvlocint=&hvlocphy=9012277&hvtargid=pla-334747853238&psc=1

The Richest Man in Babylon by George S. Clason

<https://www.amazon.com/Richest-Man-Babylon-George-Clason/dp/1505339111>

The Compound Effect by Darren Hardy

<https://www.amazon.com/Compound-Effect-Darren-Hardy/dp/159315724X>

Think and Grow Rich by Napoleon Hill | Link below but there is a free pdf of the book out there just search if you want a free version.

https://www.amazon.com/Think-Grow-Rich-Landmark-Bestseller/dp/1585424331/ref=asc_df_1585424331/?tag=hyprod-20&linkCode=df0&hvadid=312009828129&hvpos=1o1&hvnetw=g&hvrnd=8924406787156663467&hvpon=&hvptwo=&hvqmt=&hvdev=c&hvdvcmidl=&hvlocint=&hvlocphy=9012277&hvtargid=pla-406163951913&psc=1

The E Myth by Michael E. Gerber

<https://www.amazon.com/Myth-Revisited-Small-Businesses-About/dp/0887307280>

University of Success by Og Mandino

https://www.amazon.com/Og-Mandinos-University-Success-Self-Help/dp/0553345354/ref=sr_1_1?crd=2QR1KJ3KFX39W&keywords=university+of+success+og+mandino&qid=1568914070&s=books&prefix=university+of+suc%2Cstripbooks%2C165&sr=1-1

CD's to listen to. The first one on the list is the best and should be heard multiple times.

The Challenge to Succeed by Jim Rohn

<https://www.amazon.com/Challenge-Succeed-Jim-Rohn/dp/B0012E3UQY#>

Lessons of a Life Time by Darren Hardy and Jim Rohn

<https://www.amazon.com/Lessons-Lifetime-I-Jim-Rohn/dp/1935944444>

There are online classes on just about every topic, but I found the best information to be with the colleges. Find one you like, but here is one I am familiar with and found of great value, however it seems they no longer offer real estate courses.

<https://www.frontrange.edu/>

This is a site that has more information on real estate.

<https://fitsmallbusiness.com/real-estate/>

This is where I have taken many real estate classes including my pre-license course.

<http://aplusrealestateschool.com/index.php>

Here is a link to the Colorado Real Estate Commission's contracts which I feel are well written.

This will be a lot to digest but excellent information regarding the buying process.

<https://dre.colorado.gov/real-estate-broker-contracts-and-forms>

Bigger Pockets can be a resource to read articles, listen to podcasts, ask questions, and learn about meetups. I like bigger pockets but have found some of their advice to be dangerous, In my opinion. The concept of Brrrr is one of them (Buy, Renovate, Rent, Refinance, Repeat). It's the refinance after the renovation and getting back your money through the refinance that I don't like. Remember the DCR we talked about?

<https://www.biggerpockets.com/>

Here is a site with lots of Landlord and tenant relations information.

<http://www.landlord.com/>

Here are the sites I used to learn to evaluate properties. I still use them today to look for deals that might not be listed by a broker. I also used and still use them for rental comps.

<https://www.zillow.com/>

<https://www.redfin.com/>

<https://www.realtor.com/>

Here is another one for rental comps. It has both a free and paid version; I have never seen the need to pay. It is basic and does not take into consideration the condition, but it's another tool to be used.

<https://www.rentometer.com/>

Some MLS services not only provide the service to the agents but also have a consumer-facing version of the data. Colorado metro MLS is one and it is very accurate and up to date. Check your area to see if this exists as it will be your best source for listings but may not have many rental comps.

<https://www.recolorado.com/>

If you are doing any amount of renovating and using a contractor you can use this website to get an idea of what things could cost. The website also adjusts for pricing in the region. There is a free 30-day trial but after that, it is subscription-based.

<https://www.rsmeans.com/>

Here is a very basic remodel cost estimator which will give you 3 ballpark figures, high, medium, and low costs. You can also adjust for the area of the country you are in.

<https://www.remodelingcalculator.org/>

Another place to get quotes and some costs is Home Advisers. You can plug in information about your project and get quotes from local contractors. They also have average costs for different things on their site as well.

<https://www.homeadvisor.com/>

Meetup is a site to possibly find local real estate groups. Some are better than others and some are a scam just to get your contact information so be choosy. Both my favorite meetup and worst scam are listed.

<https://www.meetup.com/>

Meetups and much, much more from the website. They have just about everything related to real estate investing you can imagine. Club listings nationwide, information on lenders, landlord issues, blogs, success stories, a glossary of terms, videos, books, the list is long.

<https://reiclub.com/>

Linkedin to connect with other investors and maybe find a mentor.

<https://www.linkedin.com/>

Legal Wiz is a site for a real estate attorney who provides much more than legal services. His slogan is "Expert Real Estate Advice. Simplified". See for yourself.

<https://www.legalwiz.com/>

Through our meetups and investing groups, we asked who was the best real estate attorney in the area and went with the one that was recommended the most. We have never been disappointed and they have saved us countless dollars and more importantly time. If you are going to invest in Colorado I highly recommend them. They may also be able to refer you to a great attorney in your area as well.

<https://frascona.com/real-estate-law/>

[Top](#)