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SAVE AND INVEST

Real estate is still the best investment you can make today, millionaires say—here's why

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Illustration: The Oracles

Billionaire Andrew Carnegie famously said that 90% of millionaires got their wealth by investing in [real estate](#). We wanted to know: Is this still true? Is investing in real estate still a good idea?

According to these nine Advisors in **The Oracles**, who made millions by investing in real estate, the answer is a resounding yes.

1. 'Owning made me rich.'



"Buying real estate has made me rich — mostly through necessity, not by design. I bought my first itty-bitty studio after scraping together a few bucks because I needed to live somewhere anyway.

A few years later, the studio doubled in value, giving me enough cash to plunk down 50% on a one-bedroom apartment. That soon rolled into a two-bedroom,

then a three-bedroom, and finally landed me in my 10-room penthouse on Fifth Avenue in New York City.

Buying that tiny studio was the most important decision I made because it got me in the game."

—*Barbara Corcoran, founder of The Corcoran Group, podcast host of "Business Unusual," judge on "Shark Tank"*

2. 'Residential properties can generate income year-round.'



"Investing in real estate is a great idea if you are in it for the long haul, not a quick return.

Your best bet is investing in residential properties that produce rental income year-round. Just make sure you understand all of the associated legal fees and are prepared for unexpected costs."

—*Bethenny Frankel, entrepreneur, philanthropist, founder of Skinnygirl and BStrong. Follow her on Instagram*

3. 'The right investment will continue to appreciate.'



"Real estate is real, and it's always a good idea to put your money in real assets. But let me be clear: That doesn't mean that *all* real estate is a good idea.

I only buy certain types of properties, generally multifamily ones in upscale locations that provide consistent cash flow and great potential for future appreciation.

I stay away from low-income areas and single-family homes. But even those assets are probably a better place to store your money than letting cash depreciate while sitting in the bank!"

—*Grant Cardone, sales expert, New York Times best-selling author. Follow him on Facebook, Instagram and YouTube*

4. 'Buying is smarter than renting.'



"Most millionaires I know made more money from owning real estate than any other investment. Real estate consistently increases in value over time and outperforms other investments.

Plus, it isn't as vulnerable to short-term fluctuations as the stock market. You get a tangible, usable asset, whether you're renting out an apartment or commercial building for income or buying a home. And there can also be tax benefits for investment properties.

It's always a good time to buy real estate. In fact, the real wealth is made by buying when everyone else is selling and vice versa. While many are talking about a recession, the market is strong, with increasing prices and transactions.

Renting a one-bedroom apartment can cost \$5,000 a month in certain neighborhoods today, yet you can buy a \$1 million house with just \$4,000 a month in mortgage payments. And the rate is fixed for 30 years — the best kind of rent control.

So why would you rent? Besides, if you rent your property to someone else, you can cover your mortgage or better."

—*Peter Hernandez, president of the Western Region at Douglas Elliman, founder and president of Teles Properties*

5. 'You get six-figure tax breaks.'



"Real estate has incredible tax benefits. In certain situations, you don't have to pay taxes on your gains from investment properties. You can also get a \$250,000 tax break as an individual and \$500,000 as a married couple."

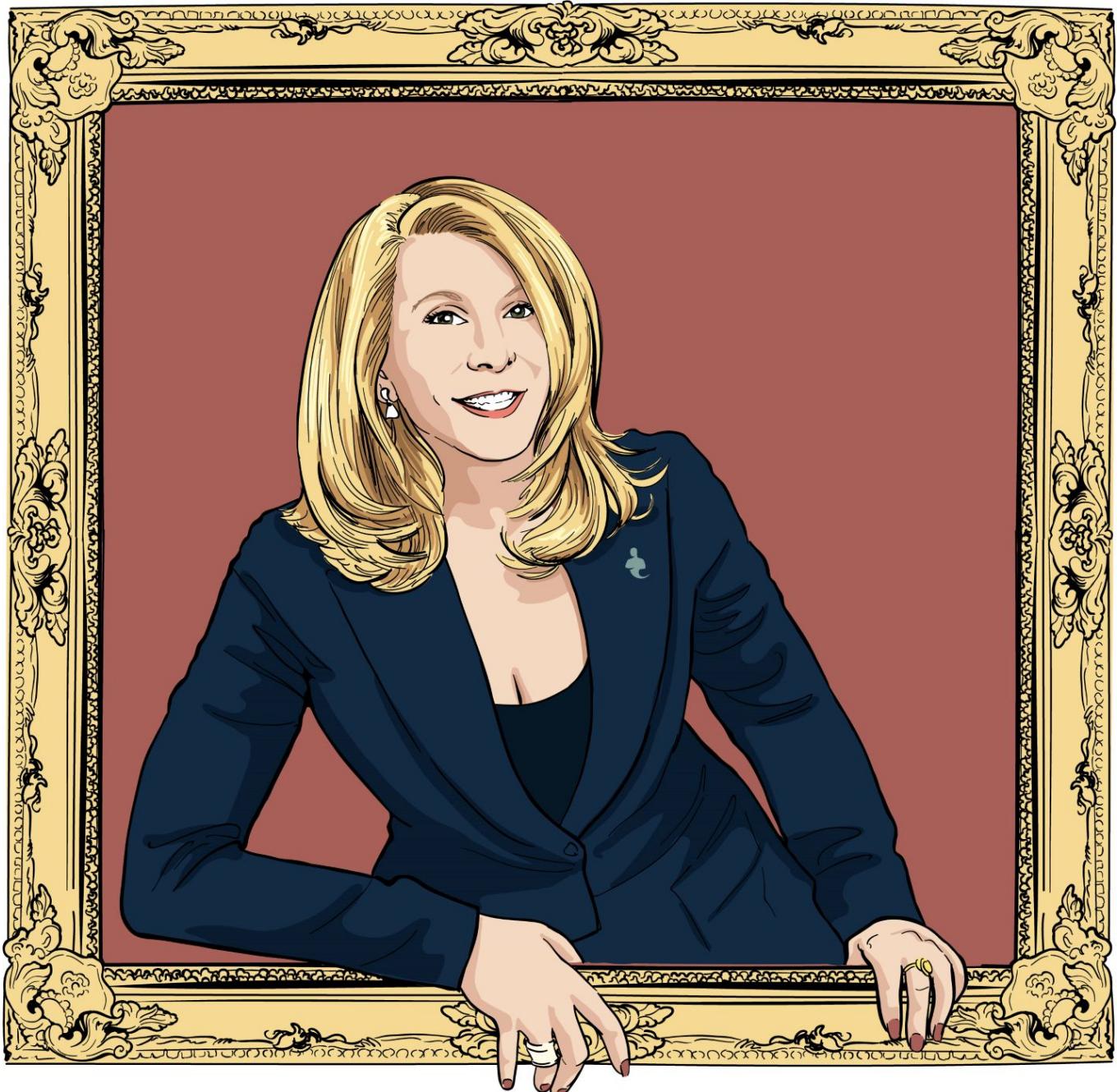
The wealthiest people collect property the way they used to collect cars. Interest rates are low, prices have fallen, and you don't have to tie up a lot of cash in the investment.

At the same time, more people are choosing to rent instead of own. You can have a lucrative rental property using other peoples' money to cover the mortgage, taxes, and upkeep. With sites like Vrbo and Airbnb, you can also find short-term renters to subsidize your overhead.

While I suggest diversifying your investments, there is no better place to park your money than brick-and-mortar investments you can live in and enjoy. When you invest in your surroundings, you invest in yourself!"

—Holly Parker, founder and CEO of *The Holly Parker Team at Douglas Elliman*, award-winning broker who made over \$8 billion in sales. Follow her on [LinkedIn](#) and [Instagram](#)

6. 'It doesn't tie up a lot of cash.'



"Real estate is a bankable asset, so you can always leverage it. It also doesn't tie up a lot of cash. You can put down as little as 10% and use banks' money to grow

your investment. With such low interest rates, that's like free money.

Unlike the stock market, where many factors are out of your control, your investment can't disappear overnight. You can also build your wealth with excellent return rates and tax advantages.

The only people who lose money in real estate are those who bought at the height of the market and sold at the wrong time or took too much equity out of their home, leaving no profit margin when they sold it. It often takes time to see big appreciations, but if you hold on to your investment, you will.

—*Dottie Herman, CEO of Douglas Elliman, a real estate brokerage empire with more than \$27 billion in annual sales. Follow her on Facebook and Instagram*

7. 'Real estate offers unlimited options.'



"Real estate is always a great investment because you have more options than with other types of investments.

If you invest in stocks, bonds, or a private offering, your success is completely dependent on factors outside of your control. At most, your options are to hold or sell. With real estate, you have unlimited options.

You can buy a house with the intent of flipping it, then rent it if the market turns south. If you buy a rental that appreciates in value significantly, you can sell it. Real estate can be refinanced, rehabbed, and rezoned. You can develop it, lease it, subdivide it, or add parcels to it.

These are just a few of your options. This flexibility is one of the reasons it has created more millionaires than any other asset class."

—Daniel Lesniak, founder of [Orange Line Living](#), broker at the [Keri Shull Team](#), co-founder of real estate coaching business [HyperFast Agent](#), author of "[The HyperLocal, HyperFast Real Estate Agent](#)"

8. 'People will always need a place to live.'



"There's an opportunity for greater and more consistent returns with real estate than with other investments. When a property is built, it's because a group of people see a population large enough to justify it."

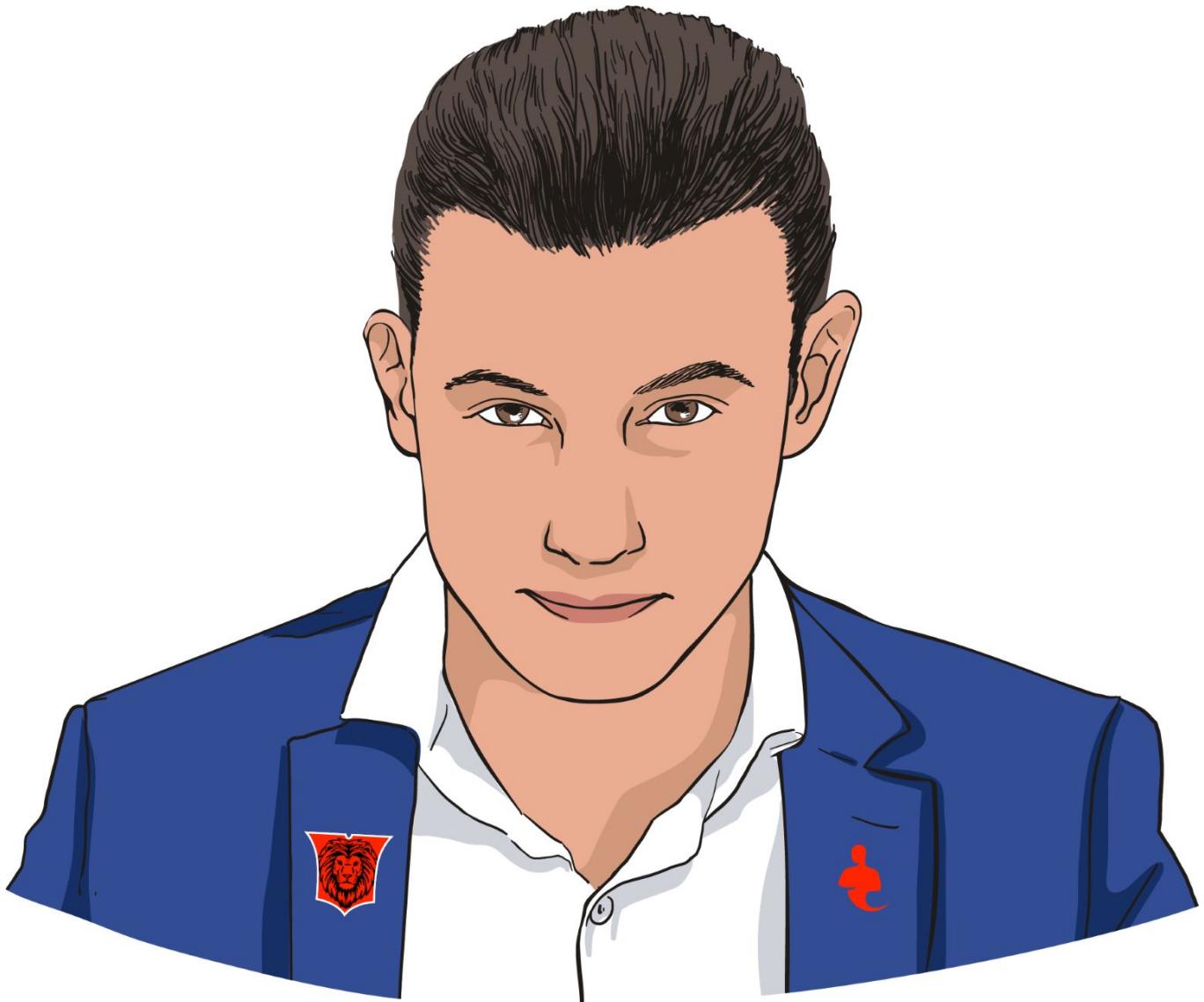
"The sheer number of new properties each year is a testament to the growing real estate market. Supply follows demand, and demand is continuing to rise. Populations almost never decrease, which is why the need for housing increases year over year."

The market for multifamily apartments in particular is growing. As apartments become more attractive, people are less likely to buy houses. With multifamily apartments, you continue to generate increasing income over time.

Once the property stabilizes, you can collect returns for your investors until you decide to sell. There's also demand year-round wherever you go."

—Robert Martinez, founder and CEO of *Rockstar Capital*, a real estate investment firm with over \$330 million in assets under management, host of "*The Apartment Rockstar*" podcast. Follow him on YouTube and Instagram

9. 'You can invest in land that produces income.'



"Many businesses come and go, but there's one thing we'll always need: land.

There's an inherent demand for real estate, whether the land produces a product like coffee or is home to an apartment or retail space; so it will always be a good investment. No matter what kind of business you run, you need land.

Investing in real estate allows you to protect yourself and your wealth. While the real estate market has gone up and down, it has never declined over time. Compare that to when Wall Street collapsed or currencies that aren't backed by anything tangible.

Over time, you will always get value from real estate that produces income — like a coffee farm, for example. Even better if you choose property with inherent value, such as a location in Times Square."

—*Marcello Arrambide, founder of Day Trading Academy, co-founder of SpeedUpTrader, a funding company for aspiring day traders. Follow him on LinkedIn*

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