LISA PHILIPS ===> INVESTING IN RENTAL PROPERTIES BUY LOW RENT HIGH

TARGET: new investor, people who struggle to get good deal and loan for down payment, people that want cash flow, people who want a decent future for their kids

WHY ===> why to invest in the sub-market?

- invest in a working class area allow you to buy decent properties at lower prices

- you can have a regular passive cash flow

HOW TO CHOOSE A PROPERTY?

5 steps: find the right market, the right price, the right team, the right tenants, invest in mentoring

THE RIGHT MARKET

==> check if you are even in the wrong market (the wrong market is an overpriced cities line NY, Austin, San Francisco.. they are expensive and it is difficult to evict a tenant)

==> ther right market has a massive inventory that will build your portfolio

==> rent are relatively high compared to the price of the property in the RM

==> low crime rate

THE RIGHT PRICE

==> if the cash flow that you will have on one property is less than 200-250 a month then, the property is not for you

==> if after the repairation, you dont have money to handle vacant period then the price is not good

==> if it will take too much time to recover the cost of the investment, then property price is not good

THE RIGHT TEAM

==> you need to build your team before buying the house (electrician, property manager, plumber, RAeal estate agent, contractor... )

==> the RT comes with references, good reviews, they can also being refered from mouth to mouth

==> the RT is reliable and experieced with several contacts, they do what you are exppecting in a good time frame, they manage to help you not spend a lot of money during renovation

==> the RT understand your needs and your market targer

==> a good real estate can teach about the neighborhood

==> a good handyman will teach you about the materials or suggest ideas that will help save a bit

THE RIGHT TENANTS

==> it's important to go thorough an application process that screen out the wrong tenants

==> the wrong tenants dont earn the minimum amount necessary to pay the rent each month, dont have enough money to pay dowm the deposit, has a bad credit score, has been in court for delay in rent payment,

==> the good tenants have an employment history, a documentable habit of meetings his obligations their background check return positive, check income, household charges, credit score, they are also able to provide two month rent as deposit

==> check income, credit report, job stability, references, evictions and court records

==> informe yourself about the Federal Housing Laws

INVEST IN MENTORY

==> it is important while building your portfolio to have someone that will guide your path so you will save time and money by making less mistakes

==> it's important to have a mentor that you trust

==> the good mentor will guide from your goals and needs and desires,

==> he is available (you access his contacts, resources and knowleges), he will hold you accountable to your goals

TO CHOOSE A PROPERTY WILL ALSO NEED TO CHECK THE CPR techniques (crime, photos, rent)

- the first thing is to do is to go to the website such as realtor.com, zillow, trulia. Put your criterias the number of bedrooms and bathroom, price range, locations

- CPR technique has proof to work anywhere

==> crime : make sure the neighborhood is safe with low crime rate,

- search for the crime report at the police department website, WWW.CrimesReports.com, www.SpotCrime.com

- search for incidents in the past 30 days till 6months

- install burglar bars in case of a lot of theft

==> pictures: take a great look at the pictures of the properties or go to the places to make sure that you are having a good deal,

- you need to do massive inspections if possible avoid water damage

- check the review about the HOA, does the lawn are manicure...

nb: sometimes houses that looks goods are not the best and hide a lot of imperfection, learn your eyes on how to decrypt pictures you see over internet

==> rent: go into website like Padmapper.com and check the range price of the properties that are currently renting to have and estimation

CREATIVE FINANCING

- look for Credit Union in your area they are more forgiving and willing to lend for mortgages

- for those with no good credit score personal loans are excellent

- check also with Kreditkarma they can give a huge line of credit

- on Angie's list you will find which contractors offer financing

- cash purchase is good because after taxes, insurance and repair, all your income is cashflow

- you can get a conventional mortgage

- use Hard Mooney Lenders to finance your investment

- 401k and retirement account can help

- home equity line of credit

NB: the value of the property is mnot what matter but the cash flow unless you want to wait 20 years paid it off and pray for appreciation

WEBSITES TO VISIT

police department website,

WWW.CrimesReports.com,

www.SpotCrime.com,

Padmapper.com,

BiggerPockets (infos about real estate investing)

www.narpm.org

WHY PROPERTY MANAGER

- important to be an investor without being a landlord so you can focus more on investing while the property manager handle your landlord stuff

- they make your real estate investing smooth

- free to invest out of sate since you pay their services to manage your properties

- visit the NARPM (National Association of Rental Property Manager) to see how many property managers are registered (if more people registered is a good sign that you can invest location)

- check their reviews and only work with 5stars

- before working with PM make sure to read the entire contract

==>ASK TO THEM THOSE QUESTIONS

- what are set up fees and your monthly fees after that? they are ususally between 7-10 percent

- my property is ? bedrooms ? bathrooms located at ? on street ? in ? state. have you rented in this area before? how long does it take to fill vacancies in this area? do you get mostly section 8 renters or market renters in this area?

- what are your maintenance fees limits?

- how many full and part time staff members manage your properties?

- how many properties do you manage? the good answer will depend of the staff and number of property

- how many of the properties that you manage do you own? avoid to work with those that own Property because of the conflict of interest

- is there an early termination fee if our mutual business needs are not met?

HIRING QUALITY CONTRACTORS

- finding a 5stars contractor

- search for a contractor in Angie's List and Service Magic

- choose the one with service award if possible

- make sure the contract is detailed the estimate as well

- and be specific about what you want(direct conversation), even show pictures of what you wants, or describe well

- always have differents parts like I will pay for part one once the work is well done or like I will pay 40 percent at this stage of the work and the rest at the end of the job

==> WHEN THINGS GO WRONG

- avoid violence, be polite when expressing yourself, take pictures of the work that is done properly, escalate by reaching the owner, handle your disagrements in a way they will help you

- recognize when they don't want to do what you are expecting, leave reviews

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INVESTING OUT OF STATE

those differents factors can determine if is worthy to invest how of state

- travel time and cost

- your family and schedule

- number of reputable PM compagnies

- track your options sometimes make sacrifices when you want to build your portfolio

- set up your team is really important and require that you travel (PM, real estate, contractors...)

- be inform about each state Federal Housing Laws

NB: do not purchase a property sight unseen

YOUR BUSINESS HAS TO BE A BUSINESS

invite SSS to read that part and explain to me