

Title:

How To Renovate your way to Wealth in 2008

Word Count:

521

Summary:

How to make money through smart real estate investment in a falling market

Keywords:

Real Estate, Wealth, Property, Investment

Article Body:

The real estate market has taken a tumble in many areas, that much is old news. Smart people are looking for an upside and of course there is one if you are in a position to make a purchase then buying real estate in a depressed market is not a bad play. The same basics hold true today as they did 10 years ago, in property you make money when you buy and right now it's a buyers market, prices will go up again at some point in the future.

For the smart investor or property developer opportunities are everywhere, the buy is where you make your money and in a depressed market buying well should be easy. So how do you buy well? Its a good idea to learn the market in your chosen area so it's time to hit the real estate websites and the real estate agents. Start to collect data on local house prices, its a good idea to look at least 100 properties before you even think about making your first offer. The reasons for this are simple, 100 or more properties will give you a great base of market knowledge to work from, when you spot a barging you will know it's a bargain. Keep in mind we are looking to make money on the buy, when you start negotiating it has to be from a business perspective not an emotional perspective, this is what brings many people undone. The idea is not to fall in love with a house it is more about falling in love with potential returns.

I will say it again keep a business perspective and let the numbers make the decision for you. Questions to ask yourself are as follows, how does this property compare with others in the area? The property should represent a great buy compared to others you have looked at. Try and find a desperate seller as this is a gold opportunity to negotiate a favourable deal, many agents can't wait to spill the news that the sellers are in financial trouble so always prod them for information. How much do I plan to spend? There is not much point in spending all of your profit on upgrades to the property so before you buy you

should have a basic idea of what you will need to outlay to protect your profit position, a spreadsheet is always a good idea to track expenses.

When do you plan to sell? It's a good idea to map out an exit strategy, it may be a quick flip or you may plan to hold the property over time, whatever the strategy is you will need to work the plan, of course there are variables that may come into play but always work to a schedule. I've seen many people fall into the 5 year renovation trap and never get anywhere. Rinse and repeat. Once you know what works for you then it's simply a matter of replicating your efforts over and over, it's hard work and it almost never goes to plan but in the long run property can still make you rich.