

Dear Clients,

In the past few months many of you have been asking questions in regards to investing in real estate.

Sometimes real estate investing for beginners can seem a bit intimidating and it's easy to get lost in the lights and sounds of all the blogs, books, and television. To help cut through the crap that's out there I wanted to create a short list of tips you can use as you embark on your journey to find financial freedom through real estate.

No, this isn't going to teach you everything you need to know. However, I hope this list will help point you in the right direction. It's not exhaustive by any means, just a brief list of lessons I've learned along the way and hope will help propel you toward success.

I'd love for you to share some of your favorite tips and please ask me any questions.

1.) Be Resolved.

Real estate is not something to do on a whim. Investing in real estate is a life long pursuit to take control of your financial future – not a get-rich quick scheme. As an investor – you will struggle. You will make mistakes. You will fail. The successful investors are the ones who can take those experiences and turn them into lessons to improve their skills.

2.) You Don't Need to Be an Expert in Real Estate Investing.

Too many individuals talk about investing in real estate but instead just get bogged down with the vast amount of information out there, the simple fact is **no one** knows it all. You don't need to be total expert in all things real estate.

3.) You DO Need to Do Your Homework.

On the opposite end of the spectrum are investors who heard about real estate being a great investment and jump in with both feet – unsure of where they are going to land. Sometimes these investors get lucky and make it big, but the majority of the time these investors fall and fall hard. Don't be like them. Do your homework. Study the niche you want to invest in and learn everything you can about that subject.



4.) Learn to Love Reading.

You are obviously reading this article, so you apparently know how to read. Do more of this. If you don't like reading – at least learn to listen to audio versions. Books have so much information in them and it's a shame so many individuals are losing their love of books.

5.) As a Beginner, Connect with Local Investors.

This doesn't mean to spam them with requests – but simply reach out. Begin hanging out where they hang out. Ask them to show you some of their properties. Most investors love to show off their accomplishments, so allow them to and pick up on every tidbit of information they can give you. Local investors will have a much better grasp at what works in your community.

6.) Learn the Lingo.

If you don't know the lingo – you are going to look like a fool. Plain and simple, don't start talking to an investor about how you think his cap rates are the wrong color. You'll just look stupid and display your ignorance. Be honest if you don't know something and don't try to be something you are not.

7.) Get Creative.

One of my favorite lines in one of my favorite books, Rich Dad Poor Dad, says "The poor say 'I can't afford it.' The rich say 'How can I afford it?'" I love this. *Lasting wealth is built through creativity.* This simple practice will change the way you view conflict in all areas, including your real estate business.



8.) Learn to Sacrifice.

How bad do you want financial freedom? If you want to use real estate to start living the life you've always dreamed you are going to have to sacrifice. You may need to forgo a vacation and use the money toward a down payment instead. You may need to move several times in order to build up enough capital to begin investing. You may need to learn how to use a paint brush and do your own work. Investing in real estate is the most rewarding thing I've ever done – but it's not always been easy. There were years of sacrificing (time, money, and opportunities) to get financially free. If you are looking for a get-rich quick scheme – look elsewhere.

9.) Learn (and Trust) Basic Math.

The math involved in a real estate investment is not college calculus. Income minus expenses equals cashflow. A gallon of paint costs \$20 but a painter is going to cost \$200. That's the kind of math you need to get good at. Don't assume anything – but use your math to make sure a deal is solid. Use a basic spreadsheet to analyze a deal. Once you understand the math – don't deviate from it. Trust it. Don't let your emotions get involved. Real estate is a numbers game and the quickest way to fail is to forget that.

10.) Make a Written Plan.

You wouldn't take a road trip across the country without a map, so why take your trip through financial freedom without a map? Sit down and created a plan to get from where you are to where you wanted to be. While you won't follow the plan exactly (life never follows the ideal), stuck by the principles you made.

11.) It's Okay to Start Small.

You don't need to buy a 24 unit apartment complex right out the gate. Perhaps your first investment will be your first home. Perhaps you'll start with just a 50/50 partnership on a small flip. This is okay. It's easy to get over impressed by the big deals that the internet gurus talk about but even they had to start somewhere.



12.) Treat Your Business as a Business.

Real estate is a business, so treat it that way. Keep it organized, build systems to manage your life, and seek to improve your efficiency. The reason so many landlords get burned out and hate the role is because they treat it as either a hobby or a job. It's neither. You are a business owner and as such it is your job to manage the business to the standard which suits you best.

13.) Start with Good Bookkeeping Now.

Meet with an accountant as well as a lawyer after your first purchase and begin plotting your bookkeeping, taxes, and legal holding status.

14.) Don't Quit Your Day Job.

Investing has two faces: the career side and the investment side. By buying cashflowing properties, reinvesting that cashflow into bigger and better real estate, and setting up systems to manage that business, you are creating investments for your future. If your ideal job is the "career side" of real estate- then make that your job and your investment. However, if your ideal job is teaching gym at a local high school – do that and invest on the side. Find whatever job makes you the happiest and do that but use real estate as your investment vehicle to gain financial freedom.

I hope you will find this useful and have an excellent month.

