THE REALTY EDGE

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Flipper or a Wealth Builder?



So are you ready to jump into the world of Real Estate investment and be the next Real Estate Tycoon? It's a HUGE industry with BIG players making National News and TV Shows telling us how to make big money and get rich in the Real Estate industry. It's almost overwhelming and too good to be true, Right? Well, it can be. However, you may already be in it. If you are a homeowner, you are a Real Estate investor. In fact,

you are in one of the safest investments in the industry and you get a bonus for investing. (ie. An interest deduction from your taxes and you pay ZERO income tax on any profits) BEST of all, you get to live in your investment!

There are two main strategies to Real Estate investing.

Long Term (The Wealth Builder)

Long Term investors make their profits over time. It can be a Wealth Building strategy. Let's say an investor purchases a rental property. The renter makes monthly lease payments to you. This pays back your investment, your mortgage, and any expenses that you have. If you take what you have left after expenses and then pay down your loan, over time, (let's say 10 to 15 years or so) you could have your investment and the loan paid back plus own the property free and clear! The Renter paid for your investment.

Short term (The Flipper & the Developer)

Short term investors are people who make their profits up front. These people purchase property to improve it and sell it quickly for a profit to a long term investor. They do this by Building, Developing, or improving Real Estate, such as a home, subdivision or commercial property. They will then take the profits and use it or invest it into another project.

Whether you are in it for the short term or the long term or both, each type has its ADVANTAGES and its' RISK! There is lots of money to be made in Real Estate, but unfortunately, there is lots of money to be lost.

Minimizing the Risk

When I started investing in Real Estate years ago, I told my Dad that I was scared of losing money. He told me this, "Where there is Profit, there is Risk. They go together. The trick is to minimize the Risk and take the most profit".

The key is to limit the risk before you invest. You will never eliminate it all but you can minimize it by doing your homework.

Minimize the Risk by doing the following by:

- 1. Knowing the numbers.
- 2. Knowing the market.
- 3. Knowing the property.
- 4. Knowing your limits.

If you would like to look into investing in property, give us a call at 501-227-0797. Contact us at www.WatersAndWatersRealty.com





