

SPECIAL REPORT - June 2009

The 4 most common questions investors ask

While banks are losing their shirt and many people are losing their homes and their dreams, there are many real estate investors that are making unbelievable amounts of money in the current real estate market. We have the privilege of working with many investors, and these are the most common questions that they ask us. We have posted them in this SPECIAL REPORT in the hopes that they will help you make the right investing decisions.

Is it better to buy and hold or buy, fix, and flip?

Since prices are going up in the under \$200k segment, you can make money buying and selling in this market. However, you will be better off in the long run buying and holding. In the end, it depends on your personal investing philosophy.

Why are prices going up in the under \$200k segment?

Mostly because of the \$8,000 tax credit from the government. Low interest rates are also pushing the prices up.

What are the biggest mistakes that investors make?

- Buying at a high price.
- Spending too much money on improvements (over improving the property).
- Do not treating this as a business from the beginning.
- End-up with a property that is high-priced for the neighborhood.
- Not getting the necessary building permits. Don't cut corners, you will eventually get caught.
- Not comparing apples-to-apples; for example, you need to factor in the concessions that your competition has made to arrive at the true sales price of your house.
- Not selling fast enough; generally the first offer that you receive is the best offer that you will receive.
- Not taking action; at the end of the day, you have to *just do it!*

Should you do a home inspection for every property that you buy?

Absolutely yes, because of several reasons:

- They are not expensive for what they can save you.
- Having a second opinion is always a wise move.
- If you fix-and-flip, you can count on your buyer doing one, so you'd better do one from the beginning.
- Note: you should also do a sewer line inspection for every property that you buy!

Contact me today for a free consultation!



RE/MAX Alliance Central
1873 S. Bellaire #700
Denver, CO 80222

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Tere Cardenas, MBA
(303) 718-3632 mobile, (303)759-6654 office
www.BargainHomeHunter.net
terecardenas@yahoo.com