



Investment Real Estate: Everything You Need to Know

Written by Barry Upchurch

When it comes to the subject of money, everyone is always looking for ways to save what they have and make more. As it so happens, real estate presents a low-risk, long-term option for investment. Upon buying a home, you take on the debt or cost of purchase, but the potential for return can be significant, especially if you plan on using the property as a rental.

The great thing about investment real estate is that you have so many options for how to proceed and you have more control over exactly how your investment is handled. You can become a landlord; you can hire a property



manager. You can put in appliances that balance economy with keeping eventual resale in mind and make improvements to the property as you see fit, all meanwhile collecting that monthly check.

On the flip side, dabbling in real estate is never simple. Things happen, and a major storm or other unavoidable natural disasters could leave you with a large

maintenance bill, especially if your asset has not been properly insured.

Also, there is the matter of dealing with tenants. Some people make great renters. They pay their rent on time, and they keep the unit neat and clean. However, not everyone is perfect, and if you do not vet your rental applicants thoroughly, collecting that check each month might not be as easy as you would have wanted. You have to keep in mind that there is a particular temperament that you must have in order to succeed in this sort of investing, as you are not only the owner but responsible for good customer service to your tenants too.

The great news is, regardless of these various difficulties, investment real estate can still be for anyone! As long as you enlist the proper help and resources and do your research, your real estate investment could yield phenomenal returns that make your typical stocks and bonds options look less than desirable, especially as it relates to capital appreciation. Just make sure you work with a REALTOR® who knows the ins and outs of the rental business and doesn't just assist you in buying the home only to walk away after close.

Also, it would be nice if they also had their own skin in the game and owned their own rentals. Then they could truly provide insight into the entire process.



According to the St. Louis REALTORS® Housing Report for St. Louis City and County, this April (2016) 55% of homes on the market were priced \$199,999 or less. This sector of the market is precisely where to look when searching for investment real

estate. The homes are quality, but they are not so expensive that your rent cost would be through the roof. That means more potential tenants, meaning more money. Don't miss out on the action! Get in and invest now when prices are low. Compared to last April (2015), single family home sales are up %17 on an annual basis, and with inventory flying in and out, this is a great time to invest!