



FOUR FACTORS TO LOOK FOR IN A REAL ESTATE INVESTING DEAL

The key to making money in real estate investing is finding good deals. When you're in the business of buying and selling houses for a profit, you have to get good at recognizing the properties that are good deals and those you should just walk away from.

In the beginning, it'll take some time and analysis to decide if a deal is worth it or not. As you become more experienced, weeding out the bad deals will be like a sixth sense. There are some key things that you should look for in determining a good real estate investing deal.

Property Value. How much the property is worth plays a big role in real estate transactions. It influences both your purchase price and subsequent sale price. Unless you know the property value of the home, you can't effectively negotiate your purchase price. One of the ways to determine property value is to look up the final selling price of similar properties in the area that have recently been sold.

Asking Price. How much does the seller want you to pay for the property? Ideally, this number is below the property value. Otherwise, it'll be a little harder to make a profit after you sell the property. Even if the property is listed for a price above market value, there's always the possibility of negotiating a lower price.

Work To Make the Property Saleable. Some houses you purchase may not be in a condition that's conducive to selling. If you have to spend so much money in repairs that you can't make a profit, then the property isn't a good real estate investing deal. You can hire a bonded contractor to look over the property and give you an idea of what needs to be fixed. (Hint: hire your own contractor rather than using one referred by the seller or his agent).

State of the Buyer's Market. Are people buying properties in the area of your deal? If sales are slow in that area, the real estate investing deal might not be a good one, unless you can offer something that other properties are not.. Even then, real estate investing in a slow market is pretty risky.

When you're assessing real estate investing deals, these are some key factors you should keep in mind. Use each of these factors to evaluate the deal and make a profitable decision.

At Northern Range Capital Corp, we focus on finding and packaging real estate investments for our investor partners. Contact Bruce Ramsey at: 905-901-3063 or visit us on the web at www.northernrange.ca