

REAL ESTATE INVESTING: FIRST STEPS

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The REI (Real Estate Investing) question we are most often asked is: “How do I get started?” If this is your question, join the crowd. Not to worry, in the beginning this is what every potential investor asks.

Over the years, we’ve helped a lot of folks take their first REI steps. Here is what we recommend.

First, think of REI success as being a two-story building. The first floor is crowded with new investors. The second story is crowded with successful investors. The new investors on the first floor are trying to figure out the *secret* of making it to the second floor.

Here’s the kicker. In our imaginary building, there are staircases everywhere! Any one of the staircases will take you to the second floor. In other words, in REI there are many stairways to success, not just one.

As a real estate investor, you can specialize in doing one or all of the following: Flippers, Rentals, Subject To deals, Lease Options, Short Sales, Wholesales, Birddogging, Partnering, Discounting Notes, etc. This list goes on and on. In making it to the second floor, the only “secret” is to pick a stairway and start climbing.

Will you get tired? Yep. Might you slip and fall back down the steps? Yep. Is there an escalator that will whisk you to the second floor? If there is, I’ve never found it. Is there a guarantee that you will make it to the second floor? Yes, IF you don’t give up and IF you will work your tail off.

The biggest mistake new investors make is spending all of their time on the first floor running from one staircase to another trying to decide which one to take. In the end, they never take any of the staircases and remain stuck on the first floor. By the way, these are the same people who will eagerly tell you that Real Estate Investing is bogus.

Let’s talk about the first steps a new Real Estate Investor should take.

First, before you spend any money, you should meet face-to-face with five people who want to sell their houses. Why? This is a Real Estate Investor’s main job. The Alpha and Omega of REI is making offers. If you don’t like sitting down at a seller’s kitchen table trying to negotiate a deal, then it’s better you learn this earlier versus later. We’ve met investors who have spent a lot of time and money learning the ins and outs of REI. Only then did they learn that they hated negotiating with sellers.

Second, before you spend your money on expensive REI courses, learn at the free places first. The three REI websites we recommend most often are: www.dealmakerscafe.com,

www.creonline.com, and www.mrlandlord.com. These sights are loaded with terrific REI information.

Third, more than likely there is a local REIA (Real Estate Investors Association) close to you. Start attending their meetings. Our group (North Georgia REIA) meets once a month at the Holiday Inn in Cartersville. In Atlanta, you will find Georgia REIA (www.gareia.org). They are the largest REIA in the country!

How do you find your local REIA? Look in your local paper in the “We Buy Houses” section. There you will find the phone numbers of your local investors. Call and ask when and where the local REIA meets.

Fourth, by attending your local REIA meetings, you’ll meet the other investors who work in your area. These folks can be a great source of REI information. Offer to buy them breakfast, lunch, or dinner. Over the meal, you’ll be able to get a lot of your questions answered. These are the folks who are out there buying, selling, and renting property everyday – not some guy on TV whom you have never met.

After all of this you’ll know whether or not Real Estate Investing is for you. If it is, then you keep moving forward.