

Five Surefire Real Estate Strategies

The following are the top five surefire real estate strategies we use everyday in our real estate business. These five strategies do work... EVEN IN TODAY'S MARKET!

1. Wholesaling
2. Buy and hold
3. Rehabbing
4. Buying subject too or sub-2
5. Short sales

1. Wholesaling

Wholesaling a property is getting a discounted property under contract and then finding someone to step in your place for a fee. The buyer that steps in your place buys the property from the seller. The fee you receive from that investor or owner occupant (homeowner) is called an assignment fee. The most common way to get your assignment fee is up front; however there are many different ways to collect this fee. The assignment fee can range from \$5k to \$20k, possibly more depending on how good of a deal you have. You simply assign your original contract to purchase over to the new buyer. If you are dealing with someone you haven't worked with before they may want the money to be held in escrow by an attorney. The money would then be released after the property closing. The key to wholesaling is getting properties with at least a 60% discount based off of the repairs needed and the ARV (property value after repairs are done).

2. Buy and hold

This is a pretty straightforward strategy and very long term. You buy a property, hold on to it long term and rent it out. It is preferable to rent it for more than your monthly payment. Since most buy and hold investors are looking to purchase properties at a significant discount, they usually purchase properties from wholesalers. Most investors that use the buy and hold strategy are into investing for the long term. When the investor holds the property long term the mortgage gets paid down over the years and the property value appreciates. Thus leading to a big payday when the investor finally decides to sell the property.

3. Rehabbing

Rehabbing may be fun...but it's not easy. The rehabbing process can be a lot harder and more costly than shows like "Flip This House" and "Property Ladder" can make them out to be. Your rehab can very easily go from making you a profit to costing you A LOT of money if you didn't get the property cheap enough or budget enough for repairs. To insure you buy right you want to make sure you do your due diligence! Consider buying from a wholesaler, since they know where to get the best deals.

4. Buying subject to or sub-2

Buying sub-2 is a great strategy for buy and hold investors that do not want to put any of their own money down. Buying subject to the mortgage is just that... buying a property while leaving the current mortgage in place. The seller gets their property sold and we get a property with a mortgage in place that doesn't use our own credit. We do everything through a real estate attorney that specializes in creative real estate. Remember... when you close on a property, subject to the current mortgage, you own it! You have an obligation to pay the mortgage every month, even if your tenants do not pay. Skipping mortgage payments can ruin the seller's credit and result in a foreclosure against them. Savvy investors maybe wondering how they can I buy a property subject to the current mortgage? The best place to start would be with a wholesaler. Wholesalers assign sub-2 properties to other investors all the time.

5. Short sales

Due to the abundant amount of foreclosures on the market, property values have been depreciating. With property values on the decline more and more homeowners are finding out they are upside down on their house. Meaning they owe more on the house than what it's worth. Lenders are not in the business of owning real estate; they would rather sell a property for a loss than have to take it back via the Sheriff's auction. These days most lenders are willing to accept a short sale. A short sale is when a lender takes less money for a property than what is owed; thus avoiding a foreclosure. For most lenders to consider a short sale the homeowner must be at least one payment behind. Buying short sale properties is an excellent strategy for buy and hold, rehabbing and wholesaling investors!

In conclusion, there are many real estate investing strategies that currently work in today's market. These are just the five strategies that we are currently using! As you can see the wholesalers are the heart and soul of the real estate investing community. If interested in joining our buyers list please visit: <http://www.BuyHomeIllinois.com>

About the Author

Matthew Lohse has been investing in real estate since 2006. He is the manager of Today's Real Estate Solutions LLC. Today's Real Estate Solutions is a real estate company that specializes in finding below market value homes throughout the Chicagoland area. To gain access to our properties and to be added to our buyer's list please visit: <http://www.BuyHomeIllinois.com> More on that at [Five Surefire Real Estate Strategies!](#)

Source: <http://www.car-articles.co.uk>