

10 Reasons to Invest in Real Estate Today

Real Estate Advantages:

1. Real estate is something that you can physically touch and feel—it's a tangible good and, therefore, for many investors, feels more real. For many decades this investment has generated consistent wealth and long-term appreciation for millions of people. Depending on the location of your real estate, you can enjoy sizable returns on your investment.
2. Generally, a down payment of up to 20 percent of the purchase price can be made, and the rest can be financed via a mortgage. Since real estate investments are largely leveraged, they will magnify your gains. For example, if you purchase a property for \$2,000,000 with 20% down or \$400,000 and the property appreciates 3% your profits would be \$60,000.
3. There are many positive benefits to investing in real estate, including depreciation (writing off wear and tear of property), tax deductions, and, finally, you can sell the property through what is known as a **1031 exchange**, and will not have to pay capital gains taxes, as long as you invest the money into a similar property type.
4. Real estate investments will qualify you for tax exemptions. You'll end up paying reduced taxes because of some tax exempted property gains, plus tax deductible mortgage rates and real estate taxes.
5. Real estate prices are way less volatile compared to the Dow Jones, especially on the downside. If historical data is anything to go by, the real estate market has proven to be less prone to crashes and bubbles.
6. There are certain tax benefits unique to owning real estate as a landlord, however. The interest expense on your mortgage is tax deductible, along with operating expenses, property taxes, insurance and depreciation. Exactly how much you can deduct will likely depend on the rental income. Working with a CPA can be very helpful, particularly with investment properties.

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7. With the right property, neighborhood location and cash reserves, investing in real estate can be a great option. Many investors are drawn to the rental income, as a long-term strategy, the ultimate sale of the property can fund a large portion of their retirement. If you're considering whether you should invest in the equity market or buy an investment property. **Call us today we are your investment specialist**
8. Mortgage Interest Rates Are Low Again
9. Buying a Vacation Home Will Diversify Your Investments Adding a vacation property to your list of investments is a great way to boost your cash flow. After all, it's always a smart idea not to put all of your eggs in one basket. Many investment markets are fickle, real estate being one of them. By spreading your investments around, you can take advantage of selling the right things at the right times. And it's never going to be that hard to sell an extraordinary home in a fantastic place for a gorgeous profit!
10. Creating lasting memories with your family is essential. And that is precisely what you will do by purchasing a vacation home. After all, making time for family and friends can be difficult. Between work and tasks around the house, it can even feel impossible. But if you have a place where you can go with your loved ones, turn off your phones, and spend some quality time together, all of that can change. All you have to do is pack your bags and hit the road!

Always Consult Your CPA