

10 Tips on Finding the Best Investment Deal

How to find the Best Investment Deal when searching for a Property Along 30A.

Tip 1 If obtaining a mortgage get pre-qualified first. Find at least three local lenders that specialize in investment properties. Many lenders have software that will tell you how to increase your credit score, which will reduce your interest rate. Call us we know the lenders.

Tip 2 Leverage. The best way to increase your wealth is through leverage. For example if you have \$600,000 in bank drawing 1% interest than you will profit \$6,000 in a year. If you invest that same \$600,000 to purchase a property for \$3,000,000 and that property appreciates 3% then your profit would be \$90,000 in a year. Note banks typically require 20% down.

Tip 3 Run CMA for Active Listings report sorted by price per square foot for your selected properties. This will show you the average list price per square foot. Click here for [example of CMA report](#)

Tip 4 Run CMA sold report last 12 months purchase price should be below average price per square foot. Click here for [example of sold CMA Report](#). Note average selling price per square foot was \$927 a square foot.

Tip 5 Factor in ideal renter demands and create matrix that contains:

- Pool
- Carriage house
- Elevator
- Distance to beach
- Interior design and furnishings
- Seller motivation factor
- Run property analysis report [click here for sample](#). This report factors in added value features, like pool, carriage house, elevator, etc. more like an appraisal.

Tip 6 Factor in Rental numbers

- Verify rental numbers
- Rental Projections are good but not reliable
- Get actuals when available
- Rental companies can add value by telling how to stage
- Rental fees typically range from 20 to 30 percent
- Verify previous maintenance costs
- Negotiate rates let us help not our first rodeo

Tip 7 Factor in Financial Investment Numbers:

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- Numbers don't lie and take emotion out of equation
- Verify cash on cash return
- Verify all expenses
- Verify property appreciation projections
- See what resale costs will be in 5 years

Tip 8 Negotiate Negotiate:

- Look for motivated seller days on Market
- MLS History Price Changes
- Does Seller have Loan
- Reason for selling

Tip 9 Purchase in spring, a rental ready property that has a majority of peak season bookings already in place. Note rental ready means all furnishings, everything a rental guest will need to enjoy their vacation.

Tip 10 Do a "pro forma" analysis on the property you're looking to buy. Look at similar properties in the same area, how the rents have changed in the past 10 years, and how they are projected to change in the next 10 years. Once you have the projected rent growth and estimated cost on operations and maintenance, you will have a better understanding of how much net income the property would generate, and how much you can make if you were to sell it. Run return on investment report (ROI) which will show all potential income, cost to own, future selling expenses, tax analysis, etc. Click here for [sample report](#) ***this report is a must.***

Looking to Buy Call your Investment Specialists John Skinner 850-865-0154 or Roxanne Southern 714-717-83354. We have the answers. Call us today.

Note if your wife is like mine her major criteria is it must be her style and have that wow factor.
Happy wife happy life.