

ROCK STAR REAL ESTATE INVESTING ROADMAP

PROPERTY TYPE: WHICH IS BEST? IS REAL ESTATE INVESTING RIGHT FOR YOU?

Real estate investing can be an excellent way to build multiple streams of short-term or long-term cash flow. However, not all investment properties are as straight forward of an investment as others.

Know the advantages and disadvantages of different property types you can invest help determine which investment strategy is the right fit for you.



CREATING YOUR POWER TEAM

1 Rock Star Realtor/ Coaches Someone with actual investing experience can help you avoid massive mistakes. Local experience is best.



2 Mortgage Broker/ Banker Your bank branch isn't the only financing option. Find brokers who work with investors for access to additional mortgage products.



6 Home Inspector/ Handyman/ Contractor You want all of these on speed dial before you actually need them.



5 Accountant Personally holding real estate can have tax advantages. Also, tax rate for first \$500,000 in business income is 15%.



2 Rock Star Classes Be specific with the classes you attend to get tailored information that fits your investment strategy. Members get access to 16 different classes.



4 Real Estate Lawyer Not all lawyers understand real estate. Use one who specializes in it.

**Note: Rock Star Members can get referrals for these services on the Rock Star Rolodex. Discover all Rock Star Member benefits: www.RockStarInnerCircle.com/rock-star-circle-membership/*

7 Paralegal Paralegals with Tenant Board experience will reduce your stress and save you both time and money.



WHICH IS BEST?



SINGLE FAMILY – STRAIGHT RENT

Pros: Long-term investment with access to equity built up in the property. Lower down payment, easier financing, and easier/lower cost to manage. Plus, tenants tend to stay longer.

Cons: When tenants move your vacancy rate is 100%.



SINGLE FAMILY – RENT TO OWN

Pros: Income from upfront payments, monthly rent, and equity. Plus, buyout price determined from the start. Easy/lower cost to manage, and tenants may choose to invest into the property (make improvements).

Cons: More difficult to sell on short-notice. Also, tenants may be purchasing the property above or below current market value.



DUPLEX

Pros: Can live in the property and have tenant from second/third unit(s) pay your mortgage/housing expenses. Plus, there is no special financing required. It is also easier to not have 100% vacancy, and they often have higher cash flow.

Cons: Tenants may not get along. Sometimes in less desirable neighbourhoods. You could live with your tenant, so there is less privacy. You are responsible for repairs.



STUDENT RENTALS

Pros: Typically highest cash flow from a single family home. There is always demand for the property (if in the right location).

Cons: Must follow local bylaws. Can have a higher tenant turnover rate. You may have difficulty getting / refinancing a mortgage for the property.



FOUR-SIX UNITS

Pros: Property management concentrated to one building, plus multiple streams of income help cover any short-term vacancies, and large expenses can be divided by more units.

Cons: Requires a larger down payment.



FLIP

Pros: Potential large/quick profit.

Cons: Requires large upfront costs, with possible hidden expenses (can lose money). Paying carrying costs while renovating and on the market. It is also a more hands-on investment property (dealing with contractors, trades, delays). There are also taxes to consider.



6+ APARTMENTS

Pros: Even more streams of income to cover vacancies and expenses/repairs. Plus, property management is concentrated to one property.

Cons: Large investment required. There is also a higher turnover rate in these buildings.



MIXED USE (RESIDENTIAL/ COMMERCIAL)

Pros: Business owners often take good care of the property and sign longer leases. They also make good neighbours for the residential tenants, as many businesses close at night.

Cons: Higher vacancy risk with commercial properties. There is increased risk with increased traffic to the property.



MIXED USE (COMMERCIAL/ INDUSTRIAL)

Pros: Longer lease periods. Dealing with businesses and not residents.

Cons: Can be harder to fill and often requires renovations/ customization to fit business needs. Potential long vacancy periods.



6+ APARTMENT RENOVATION

Pros: Possible large increase in value. Apartment renovations also allow you to charge more in monthly rent, and often draw better tenants.

Cons: Large expense with possible massive hidden expenses.

← MOST STRAIGHT FORWARD

MOST COMPLEX →

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