

Insight into Real Estate Investing for Every Real Estate Agent

Interview with Top Agent Kyle Killebrew

You can't earn your way to Wealth. You can only invest your way to Wealth.

Kyle's Investment Strategy

Find a property where rent will cover the mortgage payment; with the property paid off in fifteen years. (A fifteen year mortgage) Low maintenance cost. (It will not need a lot of work.)

Keep Rentals Simple

Don't include washer/dryer ever. If there is one when the house is bought, give it to the first tenants. Washers and dryers are too easy to abuse.

Keep appliances basic. Ex. No ice maker in a refrigerator. This cuts down on expenses and maintenance.

Questions to ask potential tenants

1. *"Why are you renting?"*

Then shut up and hear what they have to say.

This one question will give you a ton of information.

2. Then follow up with; *"I am going to do a credit check, is there anything I need to know?"*

Then shut up again, they will generally tell you everything you need to know and more.

3. Are you looking in a specific area? When they tell you; follow up with. *"Oh you must work in that area then?"* Again, let them talk and you discover information on their employment.

Bad credit is not a worry to me but I want explanation of why. Be rigorous with checking references, credit etc.

"It is better to wait 2 months for a good tenant then waste six months trying to kick them out."

How do you find tenants?

Word of mouth

Through my listings

Through the property itself, when I am looking at property to purchase, I consider whether there is a good tenant currently living there.

How to Determine a Good Investment

Neighborhood

Appreciation

What it will cost me in maintenance for the next five years.

High Cash Flow

Investment Pitfalls

Don't let your emotions get involved. Don't fall in love with a property or with a renter.

If you do find a good property, don't wait too long to purchase.

Don't put too much money into an investment property.

Don't buy anyone else's junk.

Don't get caught up on cash flow alone, consider everything.