



WEST FLORIDA REIA NEWS

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West Florida REIA, Inc., PO Box 510762, Punta Gorda, FL 33952
www.WestFloridaREIA.com Info@WestFloridaREIA.com

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It is time to grasp the realities of the impact of the world economy on today's local economies.

The Money Will Show Up

By Barbara Grasse

You hear it at investor groups all the time: “Find a great deal and the money will show up.”

By and large, this is a true statement. There is almost always money available for a smokin’ hot deal. The problem is that you might not end up with the money to do the entire deal yourself.

When you’re new to investing and working on a shoestring budget, you have two strikes against you. If you also have bad credit, that’s a third strike. Fortunately, real estate investing is not baseball.

Know going in that hard money lenders check credit now. They

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A View From a Passing Planet

By Jay Turner

A decade and a half ago, I began writing numerous articles about world economics and the negative and positive political forces, which have a great deal of influence, not only on a global scale, but on national, state and local economies as well. Laissez-faire was at no time in evidence. Governments were foisting a plethora of regulations, privileges, tariffs, subsidies and trade agreements at every intersection of commerce.

Our economy was faced with incredible rule changes at home and abroad that forced competition onto an international level of very cheap labor, materials, and raw materials. The US was losing out to foreign economies capable of undercutting us in all factors of production costs.

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want you to have some “skin in the game,” i.e., 10 - 20% cash invested. Some lend only on purchase price; some will lend on purchase plus rehab costs.

Which brings us to another stopping point. If you don't have a lot of rehab experience that you can point to, a hard money lender may not back you, especially if you're looking at an extensive rehab. This is especially true for female investors. Guys get the benefit of the doubt when it comes to rehabbing. Women don't. (Just stating facts. Right or wrong, it is what it is. Be prepared.)

“Fortunately, real estate investing is not baseball.”

If you don't have the cash or experience to do the whole deal yourself, you'll need to either wholesale the deal to another investor or bring on a money partner. Which should you do? If splitting the profit with a money partner means you're working for peanuts, then wholesale the deal and let someone with more money and experience make their profit. Then bank your wholesale fee. Rinse and repeat until you can do your own deals. If you can make enough even after splitting 50/50 with a money partner, then do that. It will build your war chest even faster.

Keep finding deals. Wholesale when you need to. Split deals when you can. The more deals you look at, the more likely you are to find one where the owner will give you terms. You may still need to bring on a partner or private lender to cover rehab costs, but now the profit margins are higher and risks lower.

You have to start somewhere. Yes, it's far easier to start with money in your pocket, but it is far more important to just get started. So go find a deal.



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Passing Planet from page 1

It is time to grasp the realities of the impact of the world economy on today's local economies and our strategies for investing in our neighborhood real estate markets. I have always focused on smaller residential deals, such as 4-5-6 unit apartments or single family, detached, freestanding houses. I tend to stay away from condos as they have HOAs, who tend to act like governments. I do not do commercial, industrial, tracts of raw land, or house lots.

Therefore, I am always following the governmental factors and actions that hit the home owner/renter. There are four primary ways the US government cripples the economy:

1. Funding economic solutions creates the need for more and more funds by income taxes and county real estate taxes. Taxation is a terrible burden on the economy, renter, home owners, and residential investors.
2. Most rules/laws favor the few very wealthy people and entities at the top. Trickle-down funding by government does not work, because the trickle never reaches the masses.
3. War equals profits for the super rich and the super big corporations. US government loves war.
4. All of the above creates inflation, which is the silent, cancerous tax on the masses. (Inflation is the watering down of the currency by the PRINTING OF PAPER MONEY.

These four factors cause interest rates to rise, driving up the cost of housing. The higher the interest rate the less the value of the real property.

The interim solution: Try to keep up with and ahead of all the recent and upcoming legislation aimed at making a lot more work for you. Legislation adds to your costs.

In the long term, take advantage of inflation. With a 30 year fixed mortgage, 5-10 years in, you are making the same payment with cheaper dollars so that works to the buy and hold investor's advantage. AND... rents go up with inflation; the payment stays the same (though taxes and insurance rise). So there's an inflation sandwich there for the investor to live on.

Don't forget: The U.S. economy is fueled by small business. The smart investor recognizes the obstacles on the playing field and figures out a way to use them to his advantage. And that's just plain fun.

Let Us Know

What real estate and business topics would you like to hear about? Let us know and we'll do our best to contact and bring in knowledgeable speakers.

Send us an email: info@WestFloridaREIA.com and tell us what you want to learn.

Coming Up:

Marketing Mastermind

*Not finding deals?
You have to market.*

- What to do
- How to do it
- What strategies to use
- Branding
- Follow up

No matter what marketing strategies you use, the key to success is marketing **CONSISTENTLY**.

DETAILS COMING SOON!

West Florida REIA, Inc.

P.O. Box 510762
Punta Gorda, FL 33952



Phone:
941-254-1592

E-mail:
Info@WestFloridaREIA.com
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Members Only

We have a shared contact list for members only. If you want to be in touch with other members, to let them know about deals you may have or are looking for, or just to get together to talk deals, sign up at

<http://westfloridareia.com/member-emails/>

Port Charlotte/North Port/Englewood Charlotte County Area

Our **Port Charlotte Sub-Group** meets every Thursday night at 6:30. Bring your deals, your questions, your experience. Pick up a new trick and talk shop with fellow investors.

Luigi's Restaurant

3883 Tamiami Trail

Port Charlotte, FL

\$5 per meeting

FREE to West Florida REIA members.

VOLUNTEERS NEEDED

We can always use a helping hand!

We're looking for people who can help check in members, assist with coffee set up and break down and putting together our newsletter.

If you'd like to help, please email us at info@WestFloridaREIA.com

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