



# The Beginner's Guide to Real Estate Investing

Becoming a real estate investor can seem like a daunting task. There's finding an investment, managing it, and the dozens of smaller steps that come in-between.

In order to succeed, you need to perform your due diligence and learn the industry. This guide is a great starting off point to give new investors, like yourself, a way to achieve real estate investing success and evaporate any fears you might be feeling.



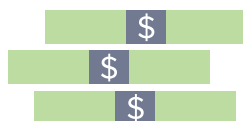
## BENEFITS OF REAL ESTATE INVESTING

It's time to diversify away from the stock market and its chronic volatility... and while you're at it, disregard all the "get-rich-quick" schemes that seem to constantly present themselves in the media. Instead, focus on a proven method of generating income and building wealth: Single Family Rentals (SFRs). When you invest in SFRs, here's what you get:



### CASH FLOW

You receive monthly rent from your tenants



### EQUITY GROWTH

Use financing to increase your wealth



### APPRECIATION

Your property increases in value when it's time to sell

## AVOIDING COMMON PITFALLS

Avoiding real estate's many pitfalls is key. Otherwise, you'll lose time, money, and patience in the process — and that type of exasperation can be a lot to overcome. Here are some examples of how first-time real estate investors often take the wrong course of action:

### Failing to consider the full range of costs.

Typical expenses include vacancies and repairs, as well as HOA, taxes, and insurance. If you don't account for all the costs, then your projected returns will be much lower than you anticipated.

### Chasing the highest yield.

The highest-yield properties typically come with the highest risk, like more repairs, tenant turnover, and vacancy. Know the differences in these types of properties before you invest, so you can best plan for these costs ahead of time.

### Limiting yourself to only investing in your surrounding area.

Areas outside your current location may provide higher returns and lower initial investments. It's important to look across the nation for the best real estate investment opportunity.

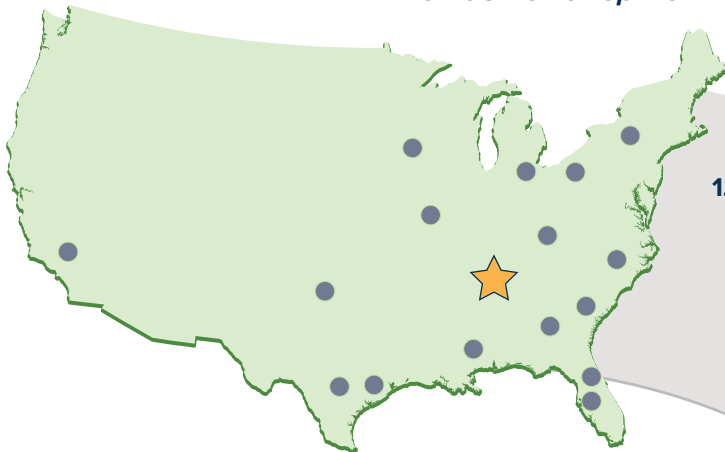


## STAGES OF REAL ESTATE INVESTING

### Stage 1: The Identification Process

Where you invest often dictates the amount of returns you receive. For this reason, you don't want to invest "just anywhere." You need a strategic plan to carefully determine the best possible location(s) that match your goals. Our top-down approach narrows your selection to one that is promising, here's how it works:

#### *HomeUnion's Top-Down Approach*



#### 1. Choose Your Market

Look at economic and demographical factors, like:

- Local economic growth
- Current job market
- Housing market stability

#### 2. Select Your Neighborhood

Consider the following factors:

- Median household income that is more than rent
- Places where there are high occupancy rates
- Quality of nearby schools
- Proximity to amenities, like Starbucks, parks, etc.
- Ease of the public transportation system



#### 3. Choose Your Property

Look for properties that provide solid ROI, based on factors like:

- Right price
- Highly rentable
- Structurally sound
- Minimal renovations
- Strong projected returns



## Stage 2: The Acquisition Process

Now that you've found a cash flow-producing property, you need to acquire it— which brings us into the second phase of real estate investing, the Acquisition stage. Here are its steps:

### Decide on Your Funding:

Here are the most common funding options for purchasing an investment home:

	DESCRIPTION	PRO	CON
<b>Cash</b>	You pay the full amount of the investment upfront, including expenses	<ul style="list-style-type: none"><li>• Better Negotiating</li><li>• Carries Less Risk</li></ul>	<ul style="list-style-type: none"><li>• Higher Upfront Investment</li></ul>
<b>Financing</b>	You pay up to 25% of the property's home price as a down payment, while the bank pays the rest	<ul style="list-style-type: none"><li>• Lower Upfront Investment</li><li>• Multiple Lending Options</li><li>• Low Interest Rates</li></ul>	<ul style="list-style-type: none"><li>• Monthly Mortgage Payments</li></ul>
<b>SDIRA</b>	Uses funds from your IRA account to purchase real estate	<ul style="list-style-type: none"><li>• Save for Retirement</li><li>• No Cash Needed</li></ul>	<ul style="list-style-type: none"><li>• Profits Stay in SDIRA</li><li>• Expenses Paid from SDIRA</li></ul>
<b>1031 Exchange</b>	Allows you to take the equity of one investment property and exchange it for new properties	<ul style="list-style-type: none"><li>• Tax Deferral</li><li>• Get Higher-Performing Properties</li></ul>	<ul style="list-style-type: none"><li>• Strict Timeframe</li><li>• Must Currently Own Investments</li></ul>
<b>Solo 401(k)</b>	Uses funds from your self-directed retirement plan that's designed for owners of small businesses	<ul style="list-style-type: none"><li>• Tax-Deductible</li><li>• Save for Retirement</li><li>• No Cash Needed</li></ul>	<ul style="list-style-type: none"><li>• Set-up Fees</li><li>• Must Not Have Full-Time Employees</li></ul>

### Place Bid

Once you select your funding, you have to handle all the documentation and paperwork for your funding option, so that you're ready to place your offer quickly on the rental. To make an intelligent bid on the investment property, use comparable homes sales in the area and have a local real estate professional vet the property.

### Inspection and Analysis

When the bid is accepted and property goes into escrow make sure the property is still a sound opportunity for you by minimizing the possibility of unforeseen issues. You do this by conducting an inspection, appraisal, and evaluation by a licensed contractor.

### Closing

To get the title of the home, you must complete all the necessary paperwork to close the property in your name and own the title. Work with your lender to have this completed as soon as possible. The faster you move, the quicker you start earning your returns.



## Stage 3: Asset Management

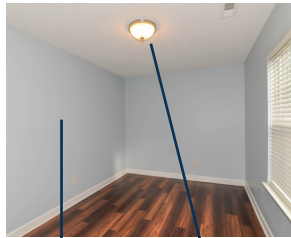
To get your rental rent-ready and generating cash flow, you need to perform the following tasks to get tenants in place:

### Renovation

Since you will be using your investment as a rental for tenants, the primary goal of renovation is to stay within budget, while also attracting tenants. By making well-defined, strategic renovations you can do both. Here are some common upgrades we conduct at HomeUnion when we transform all properties into a [HomeUnion Home](#):

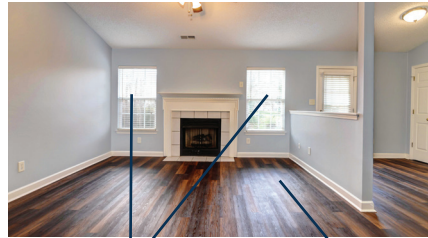


Minor Landscaping



Paint

Lighting



Window Coverings

Flooring



Appliances

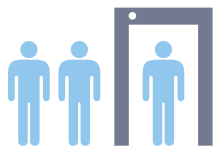


### Marketing

After renovation, you need to quickly market your property to find quality tenants.

Here are some tips to generate applications:

1. Hire a professional photographer to take photos for your listings
2. Write short, descriptive copy in your rental ad that illustrates the benefits to the renter
3. Post your rental on multiple listing sites



### Tenant Screening

Once you have applicants, you need to screen them properly to ensure you find quality tenants who will pay on time and treat the property as if it was their own. Here are some guidelines:

1. Require renters to fill out an application and meet your determined criteria
2. Run a credit & background check on all applicants
3. Require documentation to validate the applicant has the resources to pay every month



### Leasing

Once you've accepted an applicant, require them to sign an annual lease and walk them through the property. By being on-site or having someone there on your behalf, you can hand the keys over, verify the condition of the property before move-in, and answer any questions.



## HOW TO GET STARTED

With so many stages and steps, we know that real estate investing can seem overwhelming. Here's how you can set yourself up for success:

### Work with Trusted Partners

Investing success comes down to having the proper guidance; which is why the experts at HomeUnion can assist you with every important step in the process. When investors work with HomeUnion, every facet of their real estate investing process is performed by us to create a more efficient and streamlined process – a fact confirmed by our strong client success rate.

Our clients appreciate the fact that – instead of having to hire a long list of separate entities (like a realtor, contractor, lender, etc.) as well as perform the many details necessary to successfully invest – they can depend on our team to do it all for them instead. At HomeUnion, we:

1. Identify the best potential investment properties
2. Quickly carry out the entire acquisition process
3. Provide you with expert and hands-free property management

When you work with HomeUnion, you can rest assured that we will take care of the whole process on your behalf. A superior real estate investing process is well within your grasp. Avoid the potential peril of a free-fall with one last parachute –

Call the Solution Managers at HomeUnion  
for a free (non-obligation) consultation today

SCHEDULE NOW

Great



Based on 33 reviews

TRUSTPILOT



#### Fantastic Company

Excellent service. First class company. Highly organized, diligent and responsive.

*Michael Todora*



#### Excellent Service!

HomeUnion is a great company to start real estate investing without a lot of the regular hassles associated with it. They are very helpful and professional and the rates are quite reasonable.

*Yang*



#### The HomeUnion Model Works.

I feel like I am on a team and we are in this together. It is nice knowing those teaming up with me have a lot more knowledge and experience dealing with every aspect of the process.

*Adam Hess*



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