



INVESTMENT IN

Rental Property





so you've
decided you want to INVEST IN a rental property to
build your assets

HI, I AM JONTAE.

Investing in rental properties can be a great way to generate a reliable and steady income stream through monthly rent payments. If the property is well-maintained and located in a desirable area, it can provide a consistent cash flow for the investor. Additionally, rental properties have the potential to appreciate in value over time, which can result in a significant return on investment when the property is sold.

Investors in rental properties may also be eligible for various tax benefits, such as deductions for mortgage interest, property taxes, and depreciation. This makes rental properties an attractive investment option as it can help in lowering the tax burden.

Another advantage of investing in rental properties is diversification. As an investor, it is always important to diversify your investment portfolio to mitigate risk. Rental properties are tangible assets that can help in balancing the risk of other investments, such as stocks or bonds.

Finally, rental properties can act as an inflation hedge. As the cost of living increases over time, rent prices may also increase, providing a steady source of income that keeps pace with inflation. This makes rental properties a reliable investment option to hedge against inflation.





“ N I N E T Y P E R C E N T
O F A L L
M I L L I O N A I R E S
B E C O M E S O
T H R O U G H O W N I N G
R E A L E S T A T E . ”

Andrew Carnegie



BUYING
YOUR FIRST
RENTAL
PROPERTY

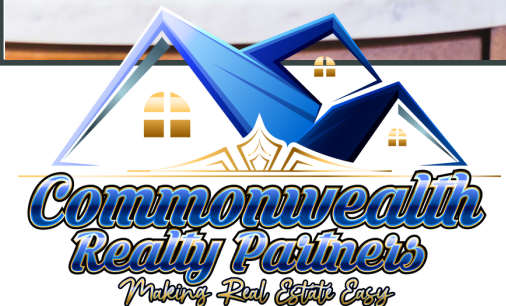
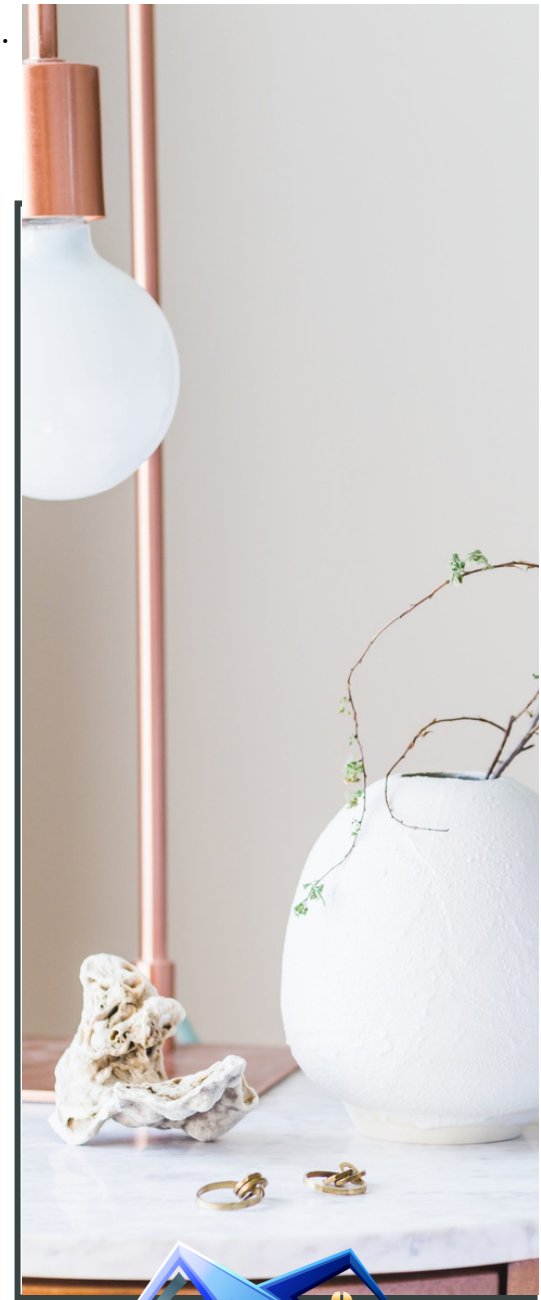


BUYING A HOUSE TO RENT OUT CAN BE A GREAT WAY TO BRING IN MORE MONTHLY CASH FLOW.

When considering buying your first rental property, there are several factors to take into account. The type of property you choose, how you intend to find tenants, and how you plan to manage the property are just the beginning.

It's important to keep in mind that lenders view rental properties differently than primary residences. They typically require a larger down payment and charge higher interest rates on the mortgage to compensate for the added risk. You can also purchase property under your company name to take advantage of certain tax benefits. The mortgage you receive will depend on the lender and their specific requirements.

Before purchasing a second home as a rental property, make sure you have enough money saved for a sizable down payment, as well as a contingency plan in case you lose your tenants and have to cover the mortgage payments and other housing costs yourself. Additionally, it's important to have a plan in place for managing the property. Consider hiring a property management company to handle day-to-day tasks, and invest in a rental protection plan and insurance to minimize potential risks.



PROS AND CONS OF BECOMING A LANDLORD



PROS

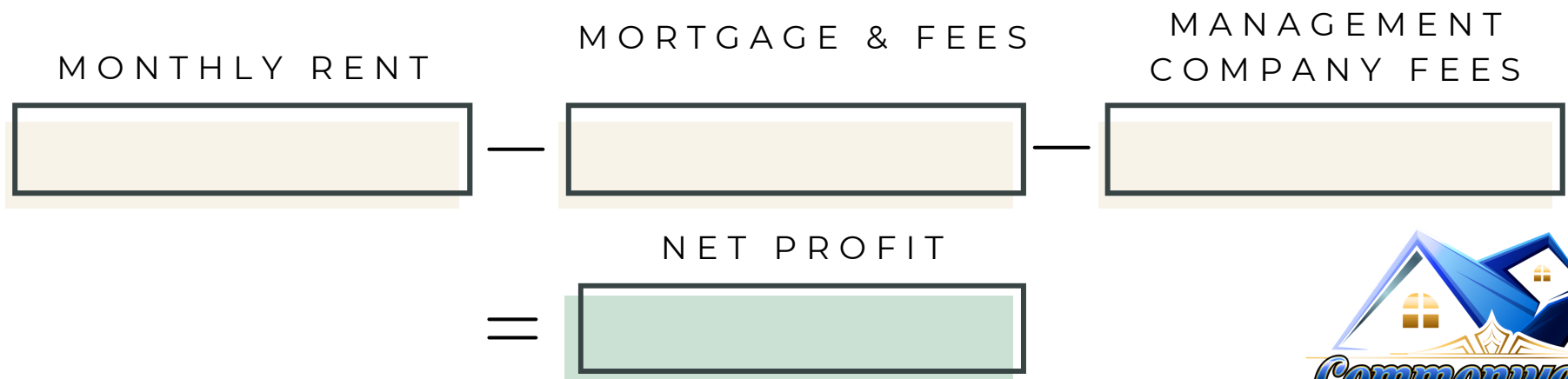
- Tax Deductions
- Long-Term Investment
- Property value appreciation
- Steady Rental Income

CONS

- Legal & Unexpected Expenses
- Maintenance Costs & Unkown Occupancy Rates
- Rent Collection & Taxes On Income



CALCULATING RENTAL INCOME



“OWNING A HOME IS
A KEYSTONE OF
WEALTH... BOTH
FINANCIAL
AFFLUENCE AND
EMOTIONAL
SECURITY.”

Suze Orman





STEPS TO
BECOMING A
LANDLORD



GET TO KNOW THE AREA -

Investing in a home requires a lot of research and careful consideration. At Commonwealth Realty Partners, we can assist you in finding the ideal investment location based on your specific requirements and budget.

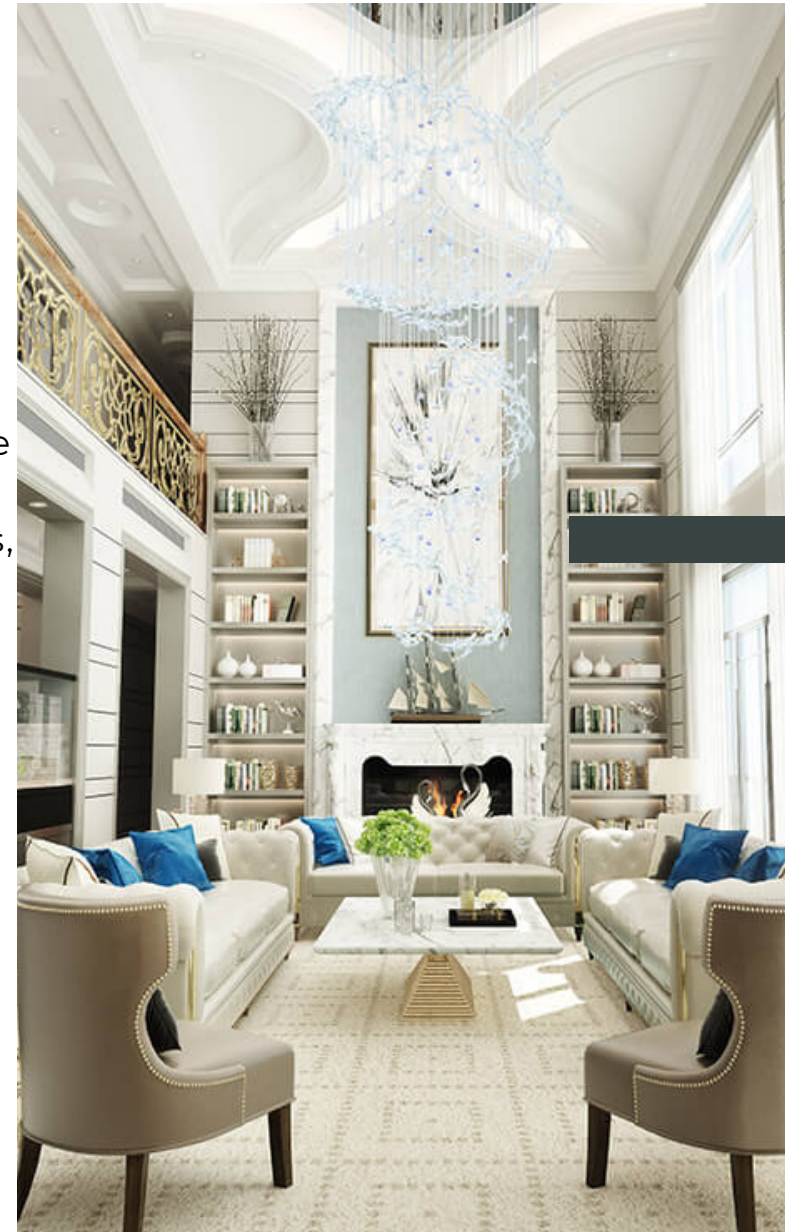
We understand that when you invest in a home, you are also investing in the surrounding neighborhood. That's why we conduct thorough research on the area, including the average rent, number of renters, and whether the property we're considering meets the local renter's preferences. We analyze local statistics and reports to make an informed decision.

Our team focuses on areas where rental homes are in high demand, and most people prefer buying houses instead of renting. By analyzing the area, we can recommend properties that meet your investment goals.



DECIDE IF YOU WANT A FIXER- UPPER OR A MOVE- IN READY HOME

At Commonwealth Realty Partners, we offer two options for purchasing a property: a ready-to-move-in house or a slightly undervalued one that may need some touch-ups before it can be rented out. Additionally, we believe that investing in an apartment complex or multi-family homes can also be a great investment opportunity. If required, we can engage contractors to carry out the improvement process. Investing in a property can be done in many ways, including buying an undervalued property that needs some refurbishment or purchasing a property in good condition that is rentable from the moment of purchase. Making the right investment is key to making money.





KNOW RENTAL MARKET RATES



If you are interested in buying a home, Commonwealth Realty Partners can help you determine the average rent in the area. We can assist you in carrying out due diligence and calculating the numbers to see if it is feasible to purchase the home, taking into account the amount of rent you can charge. Determining if the rent is sufficient to cover monthly mortgage payments, insurance, maintenance, and additional expenses is important.

Are you considering a house-hacking approach? Renting out rooms to students can increase your monthly income. You can also try Airbnb to earn more.

If not, it may be better to look for a different home. Investing in a home that doesn't allow for high enough rents can leave you in a difficult financial situation. At Commonwealth, we strive to avoid this by finding the right situation for positive cash flow.



KNOW THE LEGAL PROCES -

Purchasing a property in the US is a complex process that involves various legal procedures such as finding a suitable property, making an offer, completing conveyancing, conducting surveys, acquiring a mortgage, and signing contracts. Commonwealth Realty Partners is a reliable and friendly agency that can manage the entire process for you in the most efficient way. We will guide you through the legal proceedings with ease and ensure that you have a seamless experience.



FIVE RULE

“THE 5 RULE IN REAL ESTATE INVESTING SUGGESTS THAT THE PURCHASE PRICE OF A PROPERTY SHOULD NOT EXCEED 5 TIMES ITS POTENTIAL ANNUAL RENTAL INCOME”



PROFITS -

"WHAT IS A GOOD PROFIT MARGIN FOR A RENTAL PROPERTY? A GOOD PROFIT MARGIN FOR RENTAL PROPERTY IS TYPICALLY GREATER THAN 10% BUT 5 AND 10% IS A GOOD ROI ON RENTAL PROPERTY AS A STARTING POINT"





CLOSING THE DEAL

As a landlord, you carry a lot of responsibility, especially if it's your first rental property. At Commonwealth Real Estate, we strive to make the rental process easy for you. We can assist you with everything from designing your rental property to explaining the benefits of structuring your property as an LLC versus an S-corp or even guiding you through a 1031 tax exchange. You can trust that Commonwealth Real Estate will be with you every step of the way.





A HELPFUL AGENT

If you're interested in real estate investing, there are many ways to go about it. At Commonwealth Realty Partners, we can assist you with all types of real estate investments, whether you're looking to turn your primary residence into a rental property, invest in a vacation home that pays for itself, or add to your real estate portfolio to generate future income streams. We're here to simplify the process and make it easy for you.





STAY IN TOUCH

COMMONWEALTH REALTY PARTNERS

www.commonwealthrp.com

jontaeharrington@yahoo.com

757-270-6542