

Investment Tips from Professor Goodner
October 23, 2007

Dear Aspiring Real Estate Investors:

Many of you know that from 2003 - early 2005 I recommended buying properties, especially new builds so that you could capture the appreciation in value for a few thousand dollars down, then sale as soon as the homes were completed. Most of us made over \$100,000 on each deal.

In late 2005 through 2006 I told everyone to sell at the top of the market, or be prepared to hold on to their cashflow properties for a while until the market changed. I definitely said stop buying, cut your losers and put money in your pocket for the deals that were coming.

Now without hesitation I can say that ***now is the time to pick up some great cashflow condos, multi-unit or commercial properties that will change your life forever.*** This is the time for investors to become extremely wealthy as properties are deeply discounted, and owners are very flexible with terms.

Of course if you are not a real estate investor yet, you must learn all you can about the business before you buy anything, so that you do not get hurt financially, which is why I encourage you to take my class starting this Saturday.

REMEMBER MY THREE RULES FOR INVESTING IN REAL ESTATE

1. The property must provide monthly cashflow (If it doesn't or won't soon after purchase, walk away)
2. The owner must offer some sort of CarryBack or flexible Lease Option terms (Use as little of your own money as possible, no more than 5-10%)
3. The property must be negotiated to 70 - 75% LTV or less (after repairs have been made if needed)

WARNING

1. Stay away from single family homes over \$150,000 unless you plan to live in them. Most \$200,000 + properties are still overpriced and most won't cashflow, unless you are wholeselling, and/or have a solid Lease Option Purchase (LOP) Buyer in place.
2. Definitely, under no circumstances should you buy any investment properties that do not cashflow.
3. If you do not own a home this is a great time to buy, but make your first home a multi-unit so that you can get the most income possible when you eventually move out, which will increase your capacity to borrow for your next home.

If you follow these rules and buy deeply discounted condos, multi-unit or commercial properties you can take advantage of the great transfer of wealth that **will happen** in 2008. If you are too busy doing important things, don't worry, trends like this come back around every 10 - 20 years, and you can just catch it next time.

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