

How to CHOOSE Your Next Rental Investment

*Tips from Pam Blanco
from PamTexas.com*

Real Estate investing is a challenging endeavor. Not only should you pick a property that has strong financials or potential for ROI, but you should also select a property based on how it will perform as a rental property.

We've compiled some things to look for when selecting a good property:

1. Strong Market values. If you're planning on holding your property to collect rental income, you need to make sure that the property value will continue to appreciate. Selecting a property in an area with strong values, coupled with a healthy demand will insure that your property will maintain its investment value.

2. Good Schools. Never underestimate the power of good schools. Even though you will likely never use the property, you will need to get into the mind of your renters. If your house is family friendly, you'll want to know what the schools are like in the area. If the schools are top performing schools, your property will have an increased demand amongst families with school aged children. If the property is in an under-perform-

ing area, you may have a harder time renting the property out and that should go into your calculations for your ROI worksheet.

3. Close proximity to employment and shopping. Convenience is key for rental properties. While demand may be high currently for rental properties, there are still enough options on the market for tenants to pick a place that is more convenient and better proximity to amenities. If the property is hard to get to or in an out of the way location, you'll need to make sure you account for this in your marketing plan.

4. Number of rentals in the area. It's important to not have a lot of

rentals in the area because you will have to compete with other landlords and you don't want to get in a pricing war because at that point no one wins. Large amounts of rental properties can also affect home values if other rental properties are not maintained to the standards that you maintain your properties.

5. Overall condition of the neighborhood. The neighborhood needs to reflect pride in ownership. This means



the majority of the homes are well maintained, in good shape, and accurately valued. If you're the nicest home in the neighborhood, you may find yourself having a hard time renting or selling the property.

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6. Location, Location, Location! Ensure the property does not back up to major roads or anything that could potentially cause values to decrease. Stepping back from the property and reviewing the surrounding area with a critical eye will be important to the success of your property. Considering how the surroundings will affect your tenants and their lifestyle will allow you to determine if this property is

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