

TOP 6 MISTAKES

WHEN INVESTING IN **BUY & HOLD** REAL ESTATE



MISTAKE # 6

Not Pulling the Trigger to Buy

Every owner of investment property understands the hesitation, doubt and uncertainty that one experiences before deciding to buy. It is a mix of euphoria and terror.

Are you making the right decision? Is this the right property? Should you even invest in real estate? Are you cut out for this type of investing?

Only those that close their eyes and go for it ever really experience the joys (and pain!) of being property owners.

There is a significant time and financial commitment necessary to find a suitable investment property. Don't lose out on potential profits and the ability to start growing passive income if they do not actually pull the trigger.



**Solution: Check the numbers,
then just do it.**

MISTAKE # 5

Poor Renovation Project Management

This mistake is primarily for investors that choose to purchase properties in need of a renovation.

The key to capturing the value from this type of project is managing the renovation project well. We wish that reliable contractors were in abundant supply. Because they typically are not, we suggest taking full ownership of the renovation process by outlining a detailed scope of work.

An attractive home rents fast.



Suggested Reading: Why a beautiful rental house matters [\[click this page\]](#).

MISTAKE # 4

Not vetting the neighborhood and/or understanding the city development plans.

A classic newbie mistake. As the old rule in real estate says, the value of a property lies in its location, location, location.

But what does that mean in a practical sense?

As an investor, we suggest researching specific attributes of the neighborhood, including:

- quality of neighborhood school
- socio-economic makeup of residents in the area
- amount of “foot traffic” on nights and weekends
- crime statistics online
- talk to neighbors and long-term residents
- proximity to amenities: grocery stores, drug stores, banks, restaurants



Pro Tip: Take a drive around the neighborhood at dusk on summer weekends for a realistic assessment.

MISTAKE # 3

Not Properly Vetting and Managing Tenants.

Proper tenant screening and management is essential to having a profitable buy and hold real estate business. Without quality residents, we literally have no business.

Careful tenant selection can ensure that an investor fully receives the benefits of their investment property. Proper tenant screening and on-going management are key to running a successful real estate business.



Suggested Reading: How to choose a property management company.

[click this page]

MISTAKE # 2

Not Having Systems.

This mistake isn't just for real estate investors, entrepreneurs of all sorts fall into this trap. We often think that if we don't do the task, it either won't get done correctly or at all.

A system is having a plan of action already outlined and resources on call, ready to be deployed to fix the issue. In the case of real estate investing, this could be having a rolodex of repair men that you can call for each of the mechanical systems in a house.

A system is a plan. A little strategic thinking up front will really improve your business for the better.



Suggested Reading: Creating your real estate investing business plan.

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MISTAKE # 1

Not Understanding the Numbers.

... this problem is pretty self explanatory!

Underestimating expenses and knowing where to spend money are absolutely essential to real estate investing.



Solution: Download our free rental evaluator! [\[click this page\]](#)