



HOW DO YOU KNOW IF A PROPERTY IS A GOOD DEAL?

Many real estate investors say that you make your money on the buy. But what does that mean? Your top priority when buying an investment property should be determining if the purchase makes financial sense.

There are a number of ways to analyze a property to determine its value and potential value. Here are a couple tips to use:

Price: the most important piece. When assessing if a property is a good deal, you should start by analyzing the property's worth in its current, AS-IS condition. Typically, this is done by looking at comparable sales data of homes that have sold in the same general area, in the same general condition. Once you have a rough idea of the current value, compare that to the price being asked or offered. For example, if you're buying an investment property for \$400,000 that's worth \$450,000 in its current AS-IS condition, you have satisfied the first rule of real estate investing = making money on the buy!

Upside Potential: Your second step is to assess what the upside potential of the property is. If it's a *buy and hold* rental property; how much room for appreciation is there in this neighbourhood? What kind of rent will this property generate? What will my cash flow be? Will this be an easy property to re-sell in the future? What is the potential re-sell price?

If you are considering buying a property as a flip, consider what the potential resale value will be after renovations are completed? (we call this the ARV – After Repair Value) What will the renovations cost? Do you have a good agent who understands real estate investing that you could re-list with?

Don't forget to factor in all costs, including legal fees, commissions, land transfer, repairs and interest/mortgage payments.

FOR MORE INFO ON HOW TO FIND OFF MARKET DEALS, CONTACT US TO GET ON OUR EXCLUSIVE EMAIL LIST. EMAIL HELLO@CERTAINLI.CA



In our opinion, you really want an investment focussed real estate agent on your team helping you pull comps and analyze the upside potential of any property you are considering.

Gut Feel: The first two tips are about using data to help you make an informed decision. But when all the data has been analyzed, you should always TRUST YOUR GUT.

Does the deal make you feel good and excited? Does this feel like a desirable home that someone else will want to buy or rent? Will it be easy to get financing on? Will you be upset if you don't get the deal?

Investing isn't an exact science, so asking yourself questions like this can help flush out where your gut is and if you will feel good about the purchase.

Evaluating whether a property is a good deal in real estate investing is a multifaceted process. It involves a careful analysis of both the price you are buying it for, and the upside potential. And while price and potential are important in ensuring the deal makes sense from a numbers and profitability standpoint, it should also feel good.

Working with real estate agents who are also investors themselves can provide you with a significant advantage when making a good real estate investment. At Certainli Realty, not only are we investment specialists but we also have access to a huge network of off-market properties to help you save money versus market value. **Our buyers save an average of ~\$60,000 versus market value.**

Don't hesitate to reach out to Certainli Realty today!



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