JUMP IN
REAL ESTATE

5 Things to do Right Now Before Investing Out of State

1. Get in the Right Mindset
If you're a control freak, or have a hard time trusting others, investing out-of-state may not be your cup of tea. So you've got to change that! With this investment strategy, you won't be able to quickly check up on your property, inspect the condition of it, or respond to a maintenance request. The biggest thing here is TRUST. You have to trust your agent, lender, contractor, and property manager, have full faith in them, and give up some control. Can you do that?

2. Select a Market
Now that you've committed to investing in long-distance real estate, you need to choose a market! My recommendation? Pick ONE and stick to it...at least when starting off.

Early on, I found myself bouncing around looking at properties all over the US. A single family in Kansas City for $47k? Sweet! A townhome in Fort Worth for $300k? Sick! A condo in Indianapolis for $169k? Lets do it! This strategy slowed me down, limited my market knowledge in one given city, and was just downright inefficient. I was diluting my focus.

Need help selecting a market? Read our post on how to choose one here:
https://www.jumpinrealestate.com/start-here.html

3. Make Friends
I can't overstate how important it is to meet other real estate investors, agents, lenders, contractors, property managers, and literally anyone involved in real estate. Some people call it "networking," but I call it "making friends." It's a little less intimidating. And it's 100% true.

Meet and connect with people you actually want to be friends with. Ultimately, these will be the people you turn to for advice. Or the people that come to you with deals. And most importantly, the people you WORK with.

And now that you've selected your market (see #2), connect with people IN THAT MARKET. Hop on **BiggerPockets** and start targeting individuals that can provide value. But remember, provide value to them as well. You cannot be that person that always asks, asks, asks, and never gives back.

4. Build your Core Four
Your Core Four includes your deal finder (agent, wholesaler, etc.), lender, contractor, and property manager. How do you find them? Easy. Take a quick look back at #3. Make friends in the market you've targeted and start asking for referrals. If the same few people keep popping up as quality individuals and companies, it's time for you to pick up the phone and call them. Interview them. Really vet them. Fly out and shake their hand. See for yourself if you can trust them with your investment. These people will run your business.

5. Understand your Numbers
We're going real basic here. But, you can't find a deal without knowing the numbers. Whether you're flipping, wholesaling, our buying to hold, you can't jump in to a deal unless your ROI makes sense.

Specifically when it comes to buy and hold investments, make sure when looking at your monthly rental income, you account for:

-Vacancy
-Taxes
-Insurance
-Mortgage
-Property Management
-Maintenance/Repairs
-HOA (if applicable)

And you'll notice real quickly that the $1,000 per month in gross rent you're getting, is nowhere near what you end the month with in your pockets.

Conclusion
There's a lot that goes in to investing in real estate. Add in the fact that you're in a long-distance relationship with your investment...and that can cause some issues. But, if you start with these 5 critical steps, you're ready to JUMP IN.

Shoot me a message if you have any questions! Happy Investing!

-Tyler

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