

# WHAT ARE DISCOUNT POINTS?

Points allow you to **lower your interest** rate in exchange for paying for an upfront fee.

Buying 1 discount point costs **1% of the loan amount** and lowers your interest rate by **.25% (not by 1%)**.

**Example**  
**\$250,000 home**



**1 DISCOUNT POINT COST \$2,500**

**No discount points**  
**4% interest rate**  
**\$1,193.54 payment**

**1 discount point**  
**3.75% interest rate**  
**\$1,157.79 payment**

**\$35.75 monthly savings**  
**5.83 years to break even**

**For this home, a discount point would only pay off if you plan to live in the home for more than 5.83 years.**

# 8 BENEFITS OF WORKING WITH A REAL ESTATE AGENT

## Negotiating skills

Not everyone is an expert negotiator, but luckily your agent is and they can negotiate on your behalf.



## Service provider network

Real estate agents have a useful network of service providers like inspectors, movers, lenders, and repair companies.



## Dedicated time

An agent can save your time by hosting open houses, replying to inquiries, scheduling showings, etc.



## Paperwork expertise

It's hard to remember all the documents needed for a transaction. Your agent will handle this for you.



## Sales experience

Working with a professional agent ensures that your home will be valued at what it's worth.



## Buyer and seller access

Your agent has community connections that will help you buy or sell your house faster than you could on your own.



## Ongoing advice

Selling or buying a home can be tricky. Think of your agent as your pilot. They will navigate the journey and ultimately create a smoother ride!



## Marketing knowledge

Real estate agents know how to showcase your home and attract the right buyers online.



# HOW MUCH HOME EQUITY COULD YOU BORROW?



## Step 1

$$\begin{array}{|c|} \hline \text{Your home's} \\ \text{value} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Percentage of value} \\ \text{lender allows you to} \\ \text{borrow} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Maximum amount} \\ \text{of equity that could} \\ \text{be borrowed} \\ \hline \end{array}$$

## Step 2

$$\begin{array}{|c|} \hline \text{Maximum amount} \\ \text{of equity that could} \\ \text{be borrowed} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Remaining balance} \\ \text{on your mortgage} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Total} \\ \text{amount you} \\ \text{can borrow} \\ \hline \end{array}$$

# WHY MULTI-FAMILY REAL ESTATE IS THE BEST INVESTMENT?



## **Everyone needs a place to live**

Shelter is a fundamental and basic human need and more people are choosing to live in apartments than ever before.



## **More people are paying rent**

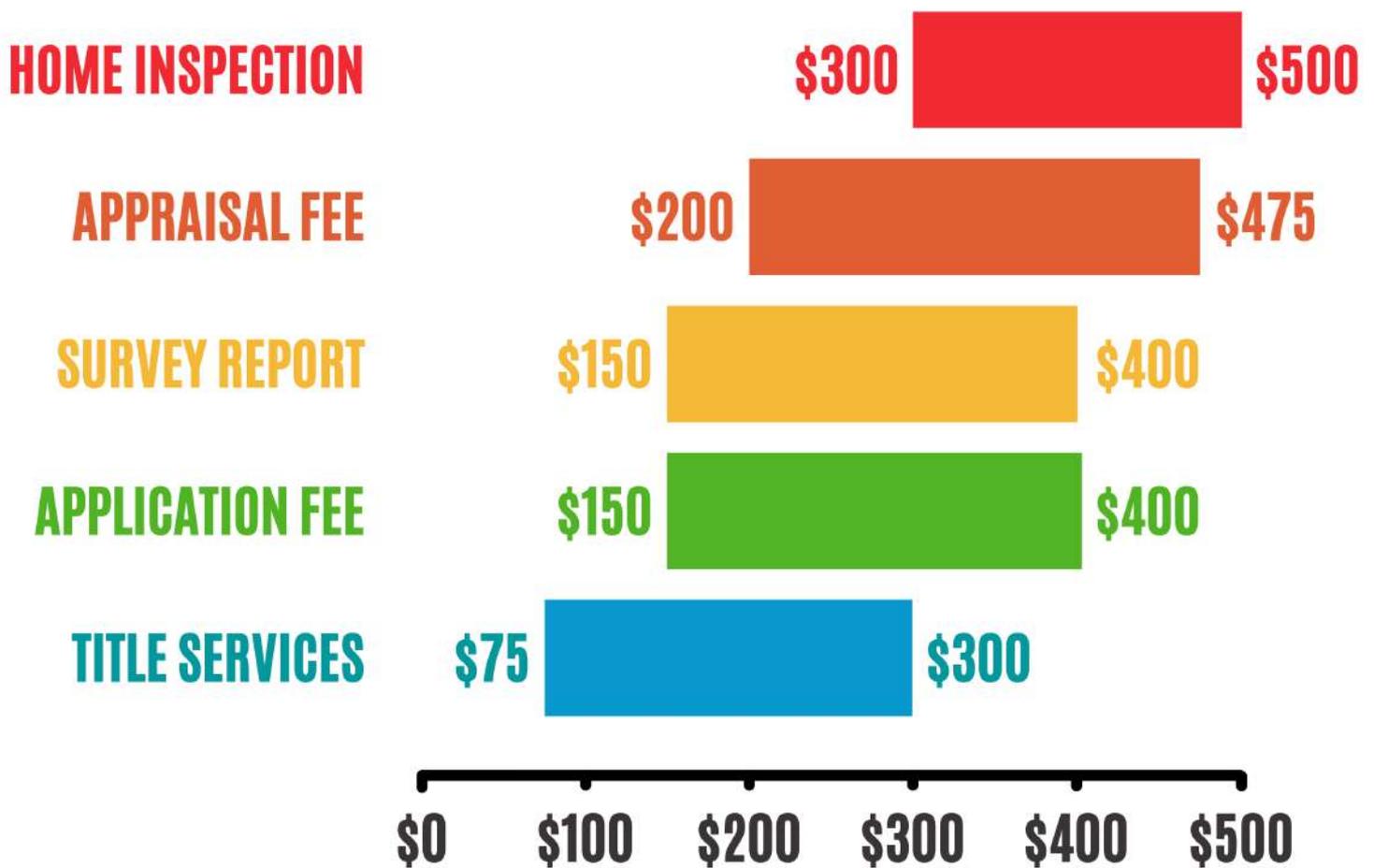
More and more people are choosing to rent. Homeownership rates are at near all-time lows; millennials are increasingly delaying homeownership, and baby boomers are downsizing as they begin their retirement years.



## **Supply/demand imbalance**

A recession creates a supply/demand imbalance. During a recession, new development tends to slow down, but populations continue to increase. By the time the recession is over, the demand for housing far outweighs the supply.

# LESSER-KNOWN FEES HOME BUYERS SHOULD BUDGET FOR



# **4 SIMPLE WAYS TO IMPROVE CURB APPEAL**



**Pop a fresh coat of paint on the front door**



**Power wash the garage and driveway**



**Upgrade the mailbox**



**Add potted plants**

# HOME BUYERS, AVOID THESE COSTLY HOME REPAIRS

In this hot market, some people are **skipping home inspections or waiving repair requests**. Be careful if you spot any of these issues.

Roof repair



Foundation issues

Heating /AC issues



Water damage



Electrical issues

Termite damage



Plumbing issues

# 7 BEST PIECES OF REAL ESTATE INVESTING ADVICE

1. Live **below** your means
2. Find a **great** tenant
3. Know your **strategy**, then **execute** it
4. Practice **one strategy** until mastery
5. **Track** your results and what works
6. Invest in **WHAT YOU KNOW**
7. A good deal is **not always** a good deal



# IT DOESN'T PAY TO WAIT!



**BUY NOW**  
LOWER RATES

**30-YEAR MORTGAGE**  
INTEREST RATE: 3.25%  
LIST PRICE: \$300,000

---

**\$60,000 DOWN PAYMENT**  
**\$1,044 X 360 MONTHS**

---

**\$375,842**



**BUY LATER**  
LOWER PRICE

**30-YEAR MORTGAGE**  
INTEREST RATE: 5%  
LIST PRICE: \$289,000

---

**\$57,000 DOWN PAYMENT**  
**\$1,242 X 360 MONTHS**

---

**\$447,120**

**WAITING CAN COST YOU \$71,278!**

# HOME SELLERS TIP



## Lighting Matters

A dark home comes across as **small and uninviting**. Make sure to not only turn on lights and open blinds in the property, but test out additional creative methods to **add brightness!** For example, **increase the wattage** in your light bulbs and see what a difference this small change makes.

# WHAT TO DO BEFORE MOVING IN

Turning on the utilities, installing cable and painting the walls are some of the things commonly done before moving into a new apartment. But there are a few other tasks to accomplish before you call in the movers.



## Change the locks

You never know how many keys past tenants have shared.



## Call the exterminator

Have the exterminator check for bugs, plug any rodent holes and spray.



## Change the toilet seat

Replace the old throne with a new one, and while you're at it, give the bathroom a good scrub.



## Clean

The apartment has most likely been cleaned after the old tenants move out, but clean it yourself once more just in case.



## Design your space

Measure your space and have a plan. It will be easier to tell the movers where to place your heavy furniture.

# FIVE QUESTIONS TO ASK YOUR MORTGAGE LENDER

1. What type of loan do you recommend for me? Why?
2. Will my down payment vary based on the loan I choose?
3. What is the interest rate and the annual percentage rate (APR)?
4. Can I lock in an interest rate? If so, for how long?
5. What will my closing costs be?



# 4 TYPES OF HOME LOANS

## WHICH IS RIGHT FOR YOU?

### VA

- **No down payment** required
- Must be a **US military veteran** to qualify

### FHA

- **3.5%** down payment
- **580** minimum credit score

### USDA

- **No down payment** required
- **Agricultural & income** restrictions

### Conventional

- **3%** down payment
- **620** minimum credit score



# **ARE YOU FINANCIALLY READY TO INVEST IN REAL ESTATE?**

## **PERSONAL FINANCES**

Get your personal finances in order.

No consumer debt

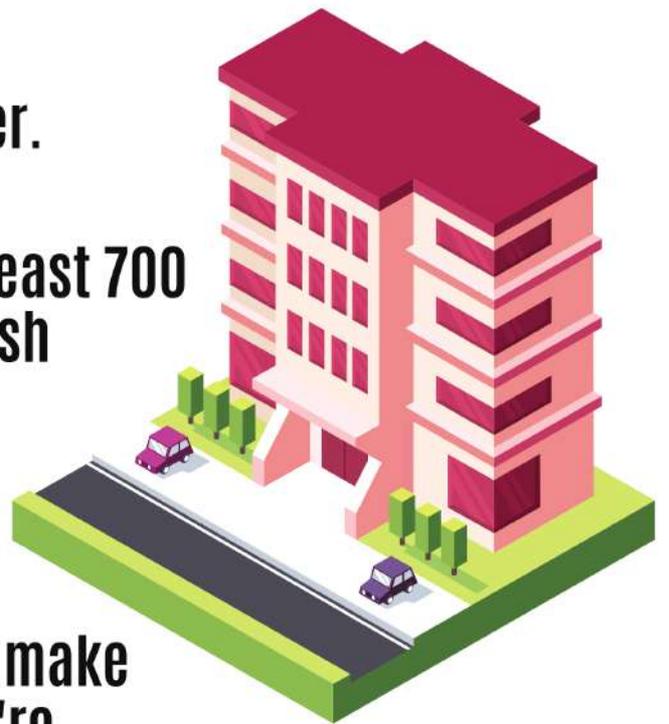
- Raise your credit score to at least 700
- Have sufficient real estate cash reserves

## **MAKE SURE YOUR PARTNER IS 100% ON BOARD**

This is a big financial decision, so make sure your partner knows what you're investing in.

## **EDUCATE YOURSELF**

Educate yourself all the time through podcasts, books or courses.



# BUYING REAL ESTATE IS LIKE DATING



- You meet **online**.
- See if the pictures look like **the real thing**.
- Make a **financial commitment**.
- **Inspect** each other.
- Hope your parents **approve** and don't ruin it.
- Then you see if it's **worth** it and take it to the next level.

# CLOSING COSTS EXPLAINED

## TYPICAL REAL ESTATE CLOSING COSTS IN NORTH CAROLINA

### Buyer's costs

#### Lender fees

- Origination fee
- Application fee
- Appraisal fee
- Flood Certification fee
- Discount points\*



#### Escrow charges

- Homeowners' insurance escrows
- Property tax escrows



#### Title & closing fees

- Title Exam/Closing fee
- Title insurance premium
- Recording fees
- Prorated property taxes
- Prorated HOA dues\*



### Seller's costs

#### Real estate fees

- Real estate commissions
- Repair costs



#### Title & closing fees

- Excise tax (revenue stamps)
- Attorney fees (deed & doc prep)
- Prorated property taxes
- Prorated HOA dues\*



#### Miscellaneous fees

- Wire fees
- Home warranty\*
- Buyer's closing costs\*



\*if applicable

# 3 REASONS TO REFINANCE A HOME



**Lowering the cost of the home**



**Shortening the term of the mortgage to pay it off sooner**



**Using the equity to accomplish another purpose**

# 7 KEY ELEMENTS OF A REAL ESTATE BUSINESS PLAN

**Business description**  
Define who you are, what sets you apart

**Goals**  
Set your focus for the year

**Your services**  
Outline what you offer and to whom

**SWOT**  
Identify strengths, weaknesses, opportunities, and threats

**Market analysis**  
Narrow in on changes and trends in the market

**Marketing strategy**  
Decide how you want to market your business

**Competitor analysis**  
Who are they, and what are their strengths?



# HOME BUYING TIPS



**Know your WHY**  
**Know your MUST HAVES**  
**Know you MAX BUDGET**  
**Know your FINANCES**  
**Determine your WANTS vs. NEEDS**

# SHOULD I SELL MY HOME ON MY OWN?

You can sell your home without an agent but it usually **takes longer**. You could sell for **less money** and get into **legal issues**.

Marketing your home, finding a qualified buyer, managing the selling process, and completing all the complicated **paperwork is time consuming and can be expensive without an agent**, but it is an option if you have time and money.



# QUESTIONS TO ASK WHEN AT AN OPEN HOUSE

1 Is there an HOA?

2 Have there been any major repairs?

3 What's within walking or nearby driving distance?

4 How long has the home been on the market?



# HOW MUCH IS MY HOME WORTH?

- You can use an online valuation tool.



- Get a comparative market analysis or evaluate comparable properties.



- Hire a professional appraiser.



# 5 SIGNS YOU ARE READY TO BE A HOMEOWNER



1. You're ready for **home maintenance**.
2. You're ready to **settle down and stay put**.
3. You're itching to make a **home upgrade**.
4. You want more **privacy and control** over your living space.
5. You want your **home sweet home**.

# **COSTS INVESTORS FORGET TO CONSIDER WHEN ANALYZING RENTALS FOR CASH FLOW**



# FINANCING TIP

## - GET ORGANIZED -



Organization is a key component to the **home buying process**. With so much information related to the mortgage process, not to mention the search for that right home, a first time home buyer should try and find an **effective way** to keep all of this information together.

# 4 WAYS TO HELP YOUR HOME SELL FAST

## Price it correctly

Trust your agent to know what comparable homes in your area have sold for

## Deep clean

Including carpets, windows, walls, appliances... do yourself a favor and hire a cleaning service



## Make upgrades that add value

Certain changes have a higher return on investment than others

## Make it appealing to every buyer

Remove personal items, declutter, paint walls a neutral color and consider hiring a professional stager

# IS A CONDO RIGHT FOR YOU?

## THERE ARE BENEFITS WORTH CONSIDERING

### Potentially lower price

A more affordable way to get into the market

### Less maintenance

Say goodbye to your lawnmower!

### More freedom

Go on vacation without concern for home security.

### Amenities

Tennis courts, swimming pool, clubhouse, etc.



# HOW TO SCALE A REAL ESTATE BUSINESS

Invest in large income  
producing assets

1031 exchange  
& expand

Start small



Learn the basics and  
work by yourself to  
improve skills

Start outsourcing  
small details

Build a management  
team or hire outside  
management

# CONVENTIONAL LOANS



## Low down payment

As low as 3% down

## No PMI w/20% down

Can be cancelled once LTV reaches 78%

## Housing options

Can be used on vacation and investor homes



## Low DTI ratio

- Divide your total monthly debt payments by your gross monthly income
- 36% max, some lenders as high as 43%

## Tougher credit guidelines

Typically min. 640 credit scores

## Seller's concession

The seller can only contribute up to 3% towards the borrower's closing costs, whereas FHA allows up to 6%

# TRAITS OF A GOOD REAL ESTATE AGENT



**GOOD  
COMMUNICATION**



**RELIABLE  
EXPERIENCE**



**STRONG LOCAL  
MARKET KNOWLEDGE**



**POSITIVE  
REVIEWS**



**PERSONAL  
RAPPORT**

