

A woman with long brown hair, wearing a beige sweater, is smiling and holding a small wooden house model. A man with a beard, wearing a blue and white plaid shirt, is looking at a document and holding a blue pen. The background is a bright, slightly blurred indoor setting.

HOW & WHERE

TO BUY YOUR FIRST

**INVESTMENT
PROPERTY**



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BROKERAGE INDEPENDENTLY OWNED & OPERATED

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**BUILDING
YOUR DREAM
TEAM**



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WHY INVEST?



WHY INVEST?

PASSIVE **INCOME**

BUILD SOMETHING
FOR YOURSELF

BETTER MY
COMMUNITY

PERSONAL
GROWTH

FUND
RETIREMENT

SET AN EXAMPLE
FOR MY CHILDREN

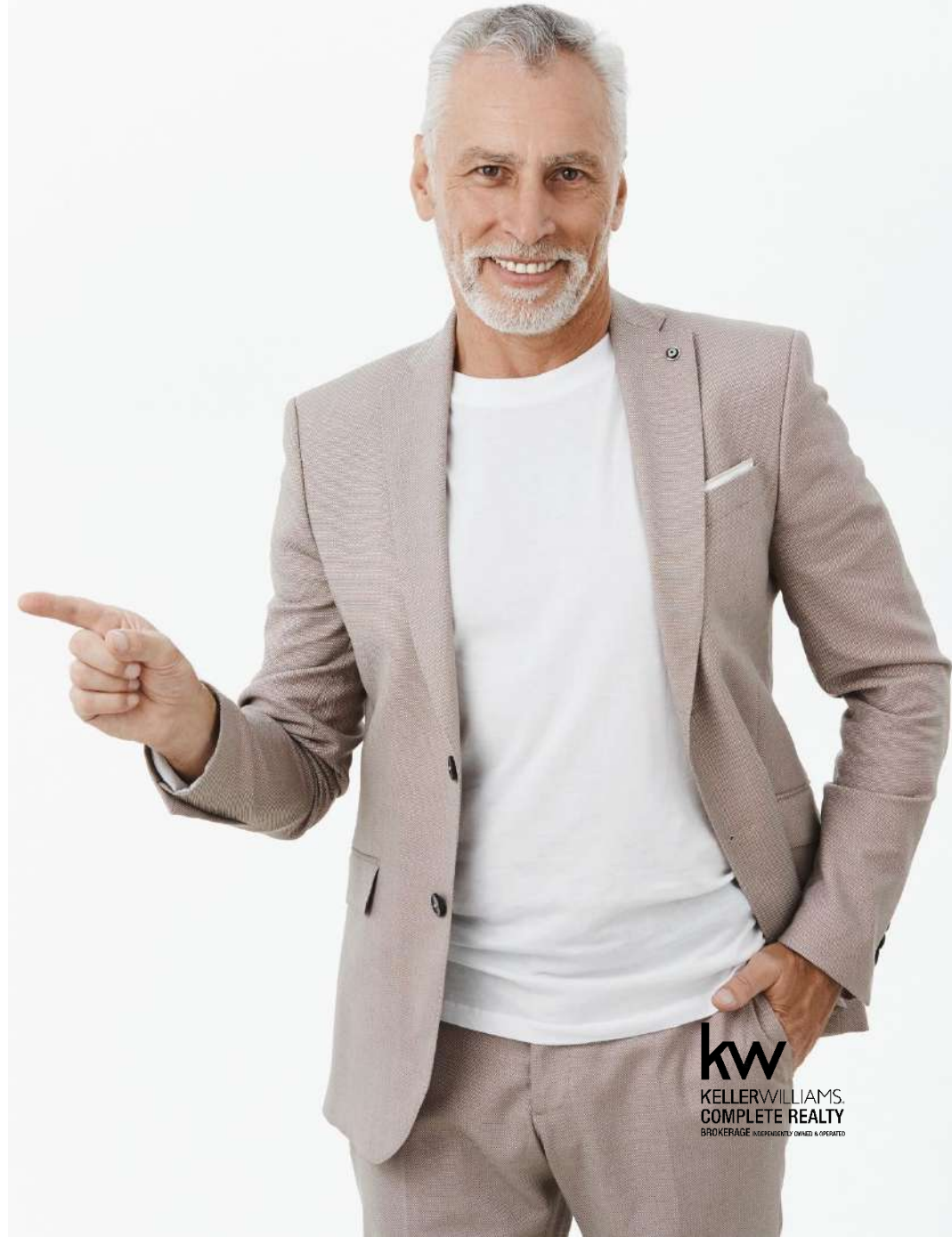
GENERATIONAL
WEALTH

TO LEARN
**SOMETHING
NEW**

A HOME FOR
YOUR CHILDREN
ONE DAY

BECAUSE **I'M
CAPABLE**

**90% OF THE
WORLD'S
MILLIONAIRES**
ATTAINED THEIR
WEALTH THROUGH
**REAL ESTATE
INVESTMENT**





INVESTMENT STRATEGY OPTIONS



HOUSE FLIPPING

RISK LEVEL	CASH REQUIREMENT	BANK QUALIFICATION	RETURN ON INVESTMENT
High	Medium	None	Low - High

- **“You make money in the buy”**
- Access to cash or private financing (purchase property & renovations)
- No need to qualify with traditional banks (flip properties generally don't qualify anyway, and not refinancing)
- Good for self-employed individuals (making money, but low T4)

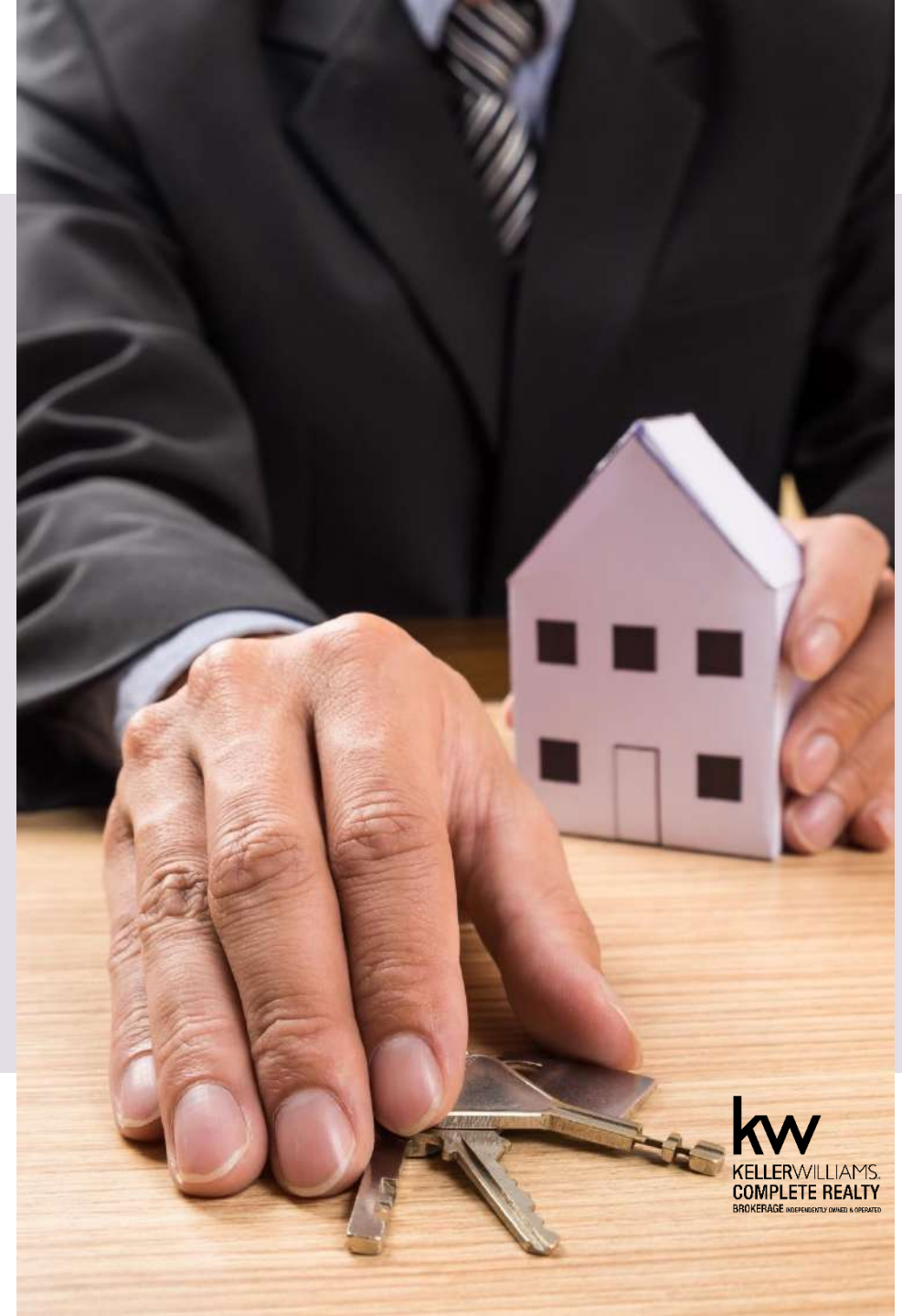
TIPS

- Use licensed contractors (don't DIY), competition is tough, you can't compete in the market with a DIY job
- Spend the money where it counts (quartz counters, SS appliances, # of bedrooms and bathrooms, WOW features)
- Finish it fully (mirrors included, appliances included)
- **STAGE THE HOME** – so important in a flip property

RENT TO OWN

RISK LEVEL	CASH REQUIREMENT	BANK QUALIFICATION	RETURN ON INVESTMENT
Low	Low	Medium	Low - Medium

- You are essentially a 'private lender', the buyer picks the property
- **You own the home for X number of years, buyer pays you rent + money towards purchase monthly**
- Good cash flow + lump sum when they cash out
- **Great starting point**



STUDENT RENTALS

RISK LEVEL	CASH REQUIREMENT	BANK QUALIFICATION	RETURN ON INVESTMENT
Medium	Medium	Low	Medium

- Good cash flow
- Higher than average maintenance
- Use a property management company to handle maintenance
- Location is important



BUY & HOLD

RISK LEVEL	CASH REQUIREMENT	BANK QUALIFICATION	RETURN ON INVESTMENT
Low	Medium	High	Medium

- Long term game
- Turn key multi-family investment
- Very hands off
- Minimal cash flow/cash flow neutral
- Long term equity growth



AIR BNB

RISK LEVEL	CASH REQUIREMENT	BANK QUALIFICATION	RETURN ON INVESTMENT
Medium	Medium	Medium	Medium

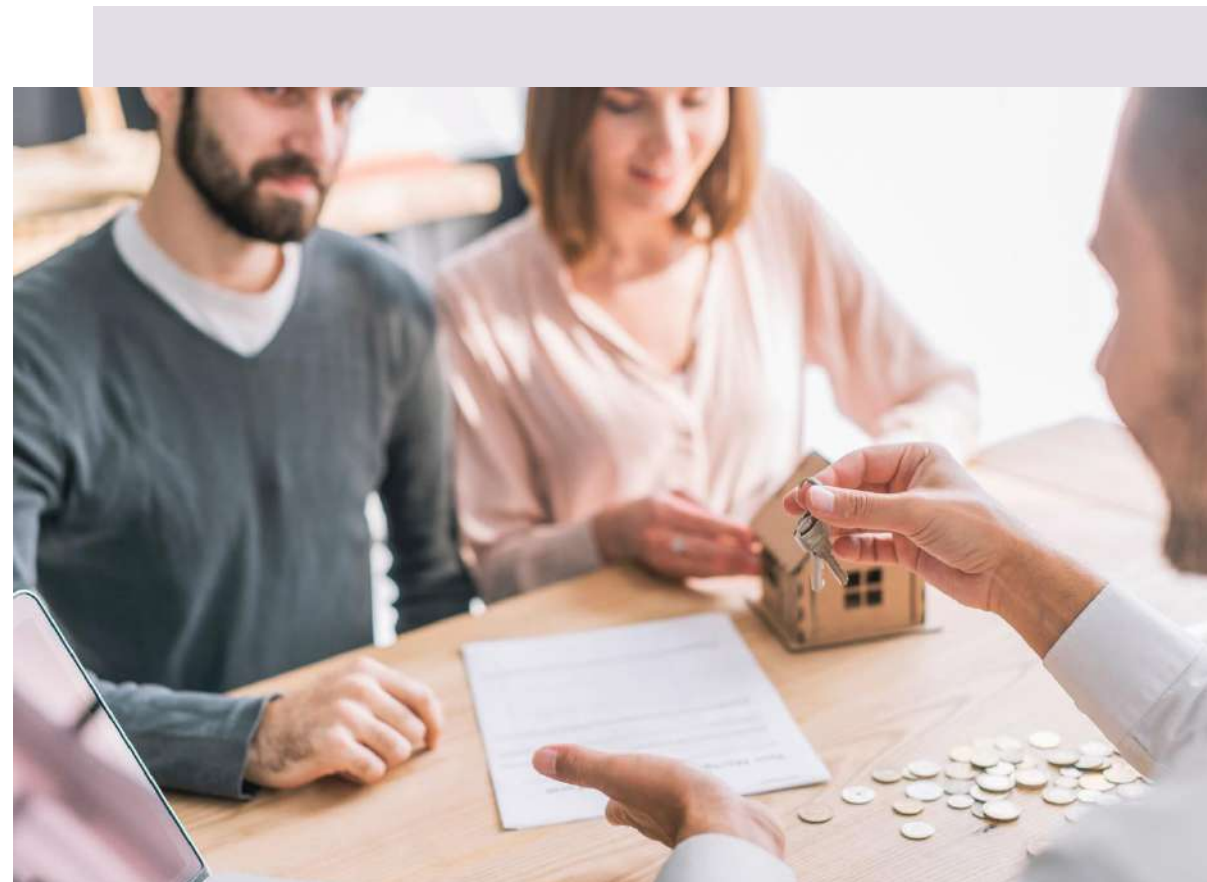
- Location is important – downtown core/tourist area
- Need the right property (should be different or unique)
- Must fully furnish + stock (dishes/cutlery/blankets/bed sheets/etc.)
- Things to consider: cleaning fees, higher than normal maintenance (to keep everything stocked and tidy)
- Can be a good source of cash flow in the right location



BRRR

RISK LEVEL	CASH REQUIREMENT	BANK QUALIFICATION	RETURN ON INVESTMENT
High	High	High	High

- Long term game (equity focused)
- Lower cash flow + Instant Equity (after refinance)
- More involved/hands on (renovations)
- 6 months from ownership to renters (average)
- Generally JV partnerships (for refinance purposes)



A hand is shown in the upper right corner, dropping a single coin into a stack of coins. The stacks of coins are arranged in a row on a white surface, increasing in height from left to right. In the background, a small, light-colored house with a gabled roof and a central arched doorway is visible, slightly out of focus. The overall scene is brightly lit with a soft, warm glow.

WHERE TO GET MONEY

COLD HARD CASH

- No interest, cash is king!
- Reduces your carrying costs
- Not many people have 500k cash just sitting in the bank...

UNSECURED LINE OF CREDIT

- Generally not enough to purchase a home, but can be good for reno costs
- 5-9% interest

HOME EQUITY LINE OF CREDIT

(i.e. Secured Line Of Credit)

- Get the bank to come do an appraisal of your home (generally costs \$300-\$400 to have done)
- Bank will lend you 65% of your homes value in a revolving line of credit
- Up to 80% of your homes value if you lock it in (more like a mortgage, pay penalties to break early)
- Must qualify for your line of credit amount (same process as getting a mortgage)
- 4-5% interest on most secured lines of credit



PRIVATE LENDING

- Can lend more up to 100% of the purchase price and reno costs
- Used when you don't have enough home equity/cash for the investment
- High fees involved
- 7-12% interest





TRADITIONAL BANK LENDING

- Will lend up to 80% of purchase price (standard down payment on non-primary residence is 20%)
- If living in one unit and renting another, there are programs where it can be as low as 5% down (House Hacking)
- Investment must be 'habitable' (i.e. Working bathroom and kitchen, heat, hydro)
- Restrictions on how quickly you can refinance a property
- Lowest interest rates are available through banks and A lenders (3-5% interest)
- Qualification criteria on verifiable income, rental income, and property details is very specific

JOINT VENTURES

- Partnering with someone to come up with the full money amount
- Many different arrangements – case by case basis
- **TYPICAL JV**
 - PARTNER 1 = 100% money (cost of home + reno material + reno labour)
 - PARTNER 2 = 100% of the work (management + labour time + material selection + knowledge + skill set)
 - = Refinance, PARTNER 1 gets all money back first, profit split 50/50 + 50/50 ownership
 - If money left in property, PARTNER 2 puts 50% of the money left in the property, 50/50 ownership





WHAT'S THE RIGHT FIT FOR ME

KNOWING YOUR **RISK TOLERANCE LEVEL**

House Flipping	High
Rent To Own	Low
Student Rentals	Medium
Buy & Hold	Low
Air BnB	Medium
BRRR	High

- Where are you comfortable?
- Match your risk tolerance with your investing strategy!

DIFFERENT MONEY = DIFFERENT STRATEGIES

1

Rent To Own =

- Down Payment (<100K)
- + Bank Qualification

2

Buy & Hold =

- 20% Down
- + Bank Qualification

3

Student Rentals =

- 20% Down
- + Bank Qualification

4

Air BnB =

- 20% Down
- + Furniture/Set-Up
- + Bank Qualification

5

House Flipping =

- Cost of Home (250K-500K)
- + Renovations (100K-250K)
- + Carrying Costs (30K-50K)

6

BRRR =

- Cost of Home (350K-600K)
- + Renovations (150K-250K)
- + Carrying Costs (30K-50K)
- + Bank Refinance Qualification

WHERE DO I BUY?



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DIFFERENT STRATEGIES = DIFFERENT LOCATIONS

- **House Flipping** = almost anywhere if you can buy the house for the right price
- **Rent To Own** = everywhere (with good home value appreciation)
- **Student Rentals** = St. Catharines, Brantford, Niagara region
- **Buy & Hold** = everywhere
- **Air BnB** = tourist areas (Niagara falls, Toronto, Hamilton, Niagara-On-The-Lake)
- **BRRR** = Hamilton #1!



BUILDING YOUR DREAM TEAM



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ACCOUNTANT

- Motivated to reduce income tax payable to as low as possible
- Does your accountant own real estate? Do you use an accountant?
- Are they up to date with current lending qualification rules?
- Does your accountant ask you what your borrowing goals are for 2020?





MORTGAGE BROKER

- Motivated to find the best lender
- Does your mortgage broker own real estate? Or are you using a bank?
- Do they have experience with clients who own 1-8-more properties?
- How many properties do you want to own? How many can they finance?

REAL ESTATE AGENT

- Motivated to find you the best investment property
- Does your real estate agent have experience with investors? Do they own investments?
- Can your agent assist with cash flow and future valuation calculations?
- Can they spot a profitable investment?



READY TO
START INVESTING?
GET IN TOUCH!

