

# Investigating investing

**W**hen local real estate sales cool off, either because of the season, because financing is a little harder to obtain or because the market is making a correction, it becomes the time to investigate investing.

We are experiencing what is called a "buyers' market." Simply put, it means the number of homes for sale is higher than the number of active buyers. Those buyers who are looking for property have a good selection of houses, and sellers may be more willing to negotiate due to increased competition.

If you have entertained the idea of investing in real estate, it may be a good time for you to get in the ballgame. As they say about the stock market, buy low, sell high. With momentum in the buyers' favor, now might be just the time to buy a house that you can either hold and rent or remodel and sell later.

Interest rates are low, financing is easily obtainable for those with good credit scores, and



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savvy investors can find some good deals from both individual sellers and builders who may be offering incentives.

In addition to working with your real estate agent to find a promising investment property, many property management companies in the area can assist you if you are thinking about buying a rental property. It is understood that in times when home buying slows, it is common for the rental market to increase because would-be buyers are opting to rent instead.

Property management professionals can tell you which kind of house rents quickly and which areas of town may be hot rental markets. They also can work with you on the price to charge for rent. Depending on how you want to manage your property, these companies can find your renter, do a credit check, verify references, call home-repair people when needed and collect the rent. They will deal directly with the renters on your behalf. Some companies can help you find a renter and will leave the rest of the management up to you, which is usually less expensive.

For investors who want to "flip" a house, plenty of choices are on the market right now, so a house that will offer a good return on your investment can be found with the help of your real estate

agent. Your agent should be watching the Multiple Listing Service for the newest listings, including foreclosures, and can help you determine if the asking price is fair.

Once you decide which improvements need to be made to the property and how much those repairs/remodeling expenses may be, you can work with your real estate agent to make sure that, with the cost of the improvements added in, you can sell the house later for a profit. In times like these, many investors prefer to buy and improve properties, then rent them until sales pick up again and a financial gain can be realized on selling.

The window of investment opportunity will not stay open forever, since the pendulum eventually will swing back toward the sellers' side. An investor who hesitates to make an offer because prices might go even lower or interest rates might drop further could lose a good investment to another buyer who seizes the opportunity and gets the house first. So think about investigating investing. You may be glad you did.

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