

Ten Real Estate Investing Myths

Reason #1: I have no cash

The Myth: "You need money to make money"

The Truth: Find a good real estate deal, and the money will find you. Ask any seasoned investor and they will tell you that lack of funds is never an issue; lack of good deals is! If you can negotiate a good price on a house, you will find plenty of partners willing to put up the money.

Reason #2: I have no time

The Myth: "I've got a job, a spouse, kids and very little time"

The Truth: Throw out your television, and you'll have all the time you need. People spend an average three hours per day in front of the tube. They spend even more time on weekends.

Want to do something fun this Saturday? Load the kids in the mini van and go driving around looking for ugly houses. Make a game out of it giving a dollar to each of your kids that spots an ugly house. Tell them that each ugly house your buy means enough money to take them all to *Disneyland*.

Reason #3: Everyone says this stuff doesn't work

The Myth: "That late-night TV stuff doesn't work"

The Truth: You can convince yourself that anything won't work. Henry Ford once said, "Whether you think you can or think you can't, you are right."

Every real estate transaction has risks; some risks are realistic, while others are remote. If you listen to the critics, the naysayers, and other pessimists, you'll convince yourself it doesn't work.

Most people that criticize [money-making ideas](#) need to do so for their own ego. After all, if it were true, what's their excuse for not being successful? Make a point of not taking financial advice from anyone who makes less than you do.

Reason #4: There's too much competition

The Myth: "Too many people are buying houses to find a deal"

The Truth: There are more than enough deals to make everyone rich. At any given time there are hundreds of properties for sale in your market for each investor looking for them. In addition, a majority of people who say they are investors are just sitting on the sidelines waiting for someone to fall in their lap. Don't be one of them - go out and make deals happen.

Reason #5: It doesn't work in my market

The Myth: "It doesn't work in my market."

The Truth: It works in EVERY market. True, it may work differently in some markets than in others, but there are investors making money in every city, every day of the week. You have to learn your market: the rents, the trends, the local customs, the bankers, the title companies, etc.

Then, learn the techniques and adapt them for your market.

Reason #6: The recession is coming

The Myth: "Certainly, the September 11th tragedy, the huge number of layoffs and the decline of the stock market will kill the economy, so anything I buy will go down in value."

The Truth: Sell cheaper or with attractive terms. When Dell wants to move computers, they drop the price. When GM wants to move cars they offer no interest financing. Be creative and do things that make your houses sell and rent faster.

If the prices are falling, buy way below market and sell just below market. If rental vacancies go up, offer free satellite TV (heck, it's \$25/month. When everyone else is "dooming and glooming", it only clears out the competition.

Reason #7: Realtors won't cooperate with me

The Myth: "Real estate agents don't want to cooperate with investors"

The Truth: The right agent can be your best friend and #1 source of business. They are familiar with the local market and have multiple sources for finding good investment properties.

Reason #8: I have bad credit

The Myth: "I need good credit to buy houses"

The Reality: Good credit helps, but you don't need it to make money in real estate. Lease options, owner-financing, flipping properties, and other creative techniques will allow you to [buy real estate without credit](#).

You can always use a partner who has good credit. You can also borrow "hard money" without having good credit. In the meantime, you can work on fixing your bad credit so you can use it as an asset in the future.

Reason #9: I might lose money

The Myth: Real estate is very risky

The Reality: Real estate is one of the safest investments you can buy. The stock market is beyond your control. Savings, CD's and money market funds won't give you enough return to make money. You have to be willing to take a calculated risk to make money.

The more you [educate yourself](#), the less risky real estate becomes. However, don't think you

need to know EVERYTHING before taking action.

Reason #10: I don't know what to do

The Myth: I need to learn more before I start

The Reality: You probably know more than enough to [get started in real estate](#). It takes years to learn a lot. You never learn everything.

Success is an ongoing learning process. Read some books, take some seminars, and go take MASSIVE action. Then, learn some more and take a lot more action. If you are really impatient, enlist the help of others.

Henry Ford said, "Why should I clutter my mind with general information, when I have men around me who can supply any knowledge I need?" He was a smart man because he realized that he didn't need to know it all if he could consult with others that did.

Ronald Reagan's cabinet was said to be the team of the brightest people in politics. The bottom line is that if you want to succeed faster with less risk, have someone you can call on for knowledge.