

How You Can Still Make Good Money in a Soft Real Estate Market

How Real Estate Investing Must Change When the Market Shifts from Hot to Cool

Why There's Still Good Money to Be Made in a Cool Market

In recent years, many real estate markets in our country were hot. We saw record levels of appreciation and a lot of people made a lot of money. This caused a certain belief system to develop. This inaccurate belief looks something like this:

Now that the real estate markets have slowed down, it's not possible to do well as a real estate investor.

This is not true, but market conditions have caused many folks to believe that it is true.

All of the real estate pros, who have been around awhile, know the truth: We make great money in *any* market. Our strategies just change.

This next statement may shock you.

Not only is it an excellent time to invest in real estate, in many ways, it is actually a better time to invest!

You may have just thought “You have got to be kidding me. That isn’t true at all.” We commonly hear that reaction from our *inexperienced* real estate investors. Our experienced folks know the truth.

More money has *always* been made in a down market than in an up market.

If you are an experienced real estate investor, you know this statement is accurate. If you’re newer to real estate, you feel that it’s so, maybe without knowing exactly *why*. Why are markets softer? We’ll talk about that during our time together. But we’ll spend *most* of our time exploring a more important topic:

How do I invest in today’s softer market and still make a good profit?

Very few of us have control over the real estate market. However, *all* of us have an enormous amount of control over how we invest. In fact, we have 100 percent control over what investments we select. Therefore, this book will focus on the very important topic of *how* we invest in today’s soft market, and less on why today’s market is the way it is. We will be teaching many fundamentals for making wise decisions and choices for investing in this particular market.

When markets go soft, things get interesting. Even though an abundance of opportunity exists in a soft market, many people still won’t take action. Why is this? Because by nature, people follow a “herd” mentality. Most people believe that for something to be the “right” thing to do, many people need to be doing it. Actually, this is not true at all. But this is generally how people think and act. We are going to teach you why you want to be in a market before the herd gets there.

Good times create action by people with a herd mentality—many more people become interested in real estate investing and thousands of new investors enter the market. This, in turn, creates a lot of competition. All this competition from these newbies makes it harder to negotiate good deals, because so many people are looking to buy, buy, buy.

As a result, the good times eventually end. The real estate market becomes “oversaturated” with investors and eventually the market needs to “adjust.” This happened in many markets in 2006 (such as Florida, Arizona, and Nevada). Believe it or not, this is a good thing.

An experienced insider's secret—that many folks don't want you to know—is this ...

When the markets go soft the playing field is being “reset.” Short-term opportunists are removed and an abundance of opportunity gets created for the seasoned investors who know how things really work.

And here is where you really create opportunity for yourself. By using the strategies in this book, you will be able to embark on investments that are in the right place ... at the bottom. Once you have entered, you wait. You manage your investments, and add to your portfolio. And eventually something will begin to happen. The market will begin to come back.

And when the market does come back, here's what you do ...

You exit from your transaction when the frenzy is still in its early phases.

We will talk more about this during our discussion of market timing. In the early stages of a market rebound, all the short-term opportunists become active again. And your exit strategy is ready. Don't be greedy. Exit when the frenzy is still in its early phases. One of our favorite expressions is this one: “Pigs get fed, but hogs go to slaughter.” There is a lot of truth to that in the real estate business. But it doesn't have to be that way for you.

There is an abundance of opportunity in our country in good times and bad. When the market changes, our strategies simply must change with the market. This book will outline each of those strategies for you. This is how the wealthy make their money. They know when and how to change. After reading this book, you will also know when to enter a market and when to leave it.

