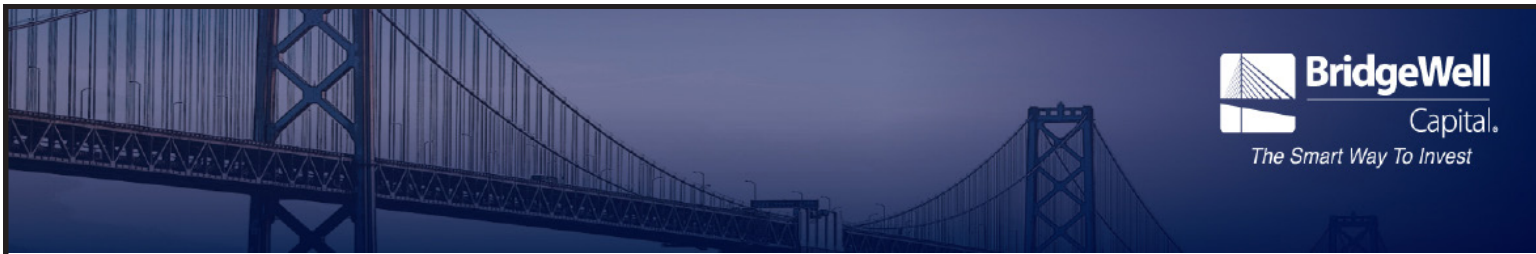

Maximize Profits With The Right Properties

October 15, 2019 by John Parrett, President of BridgeWell Capital LLC

Why don't many low cost RE investment opportunities reap solid profits? Let's answer that question by first looking at exactly where RE investing profits come from. Profit is most often defined in any type of investing as: Return On Investment or "ROI". There are 3 primary profit centers that create ROI in RE investing:

Property Development Profit:
This is sometimes referred to as "Use Change Profit". An example of this profit center is changing the use of a single family home from poor condition and not able to be conventionally financed by an end user occupant into a good condition home that can be financed with conventional financing. This is the main use change profit.The technical use change here is improving a deferred home into FHA insurable condition, whereby allowing a resale to an owner occupant utilizing low down payment conventional financing.

2) Cash Flow: This a simple profit center to understand, buy low, make improvements, and then lease out to a renter that pays more in rent than the your cost of holding the property. Rental income minus Investors Cost = Cash Flow Profit.

3) Appreciation: This is the RE Investors secret weapon. There's an old saying in the RE investing business "Landlords Grow Rich in Their Sleep". The main reason for this is "Appreciation". The simple fact is: over time real estate values go up. Some types of properties and certain locations appreciate more than others. In fact the difference in appreciation between similar priced properties in the same metro area can be dramatic.

So what type of properties will help you maximize profits in your real estate investments? After 40 years of extensive experience with all different types of properties and locations, I've seen a solid trend of which properties make consistent profits and which ones do not.

John Parrett is the Founder and President of BridgeWell Capital, a national lender specializing in funding real estate investment projects. John has over 30 years of experience in the business and has successfully developed major commercial and residential projects. He is a licensed general contractor, real estate broker, and mortgage lender. He has participated in over 2500 successful residential flips and funded over $300MM to real estate investors throughout his career. He hosted a national radio program on real estate investing and is a recognized speaker and educator in the industry. John graduated from Purdue University with a degree in Building Construction Management.