



# THE ROAD TO *Investing*

A REAL ESTATE INVESTOR'S GUIDE

*Tanya Lechner*

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*Sunshine*  
REAL ESTATE TEAM

**lpt realty**  
REAL ESTATE REIMAGINED

# nice to meet you



## TANYA LECHNER

REALTOR® TEAM LEAD

Hi, I'm Tanya and I am the founder of the Sunshine Real Estate Team.

I have over 5 years of experience in real estate with an emphasis on investment properties. I will work to better understand what you need and want out of your property investment so that we can set realistic expectations upfront.

I believe that communication is key when it comes to buying a home which is why I will text, email, or call you at your convenience - however you prefer! I even have a cancellation guarantee and if you aren't satisfied working together, you can walk away for any reason without any obligation.

## LET'S CONNECT



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www.Sunshine.Realestate



facebook.com/tanyasellssunshine



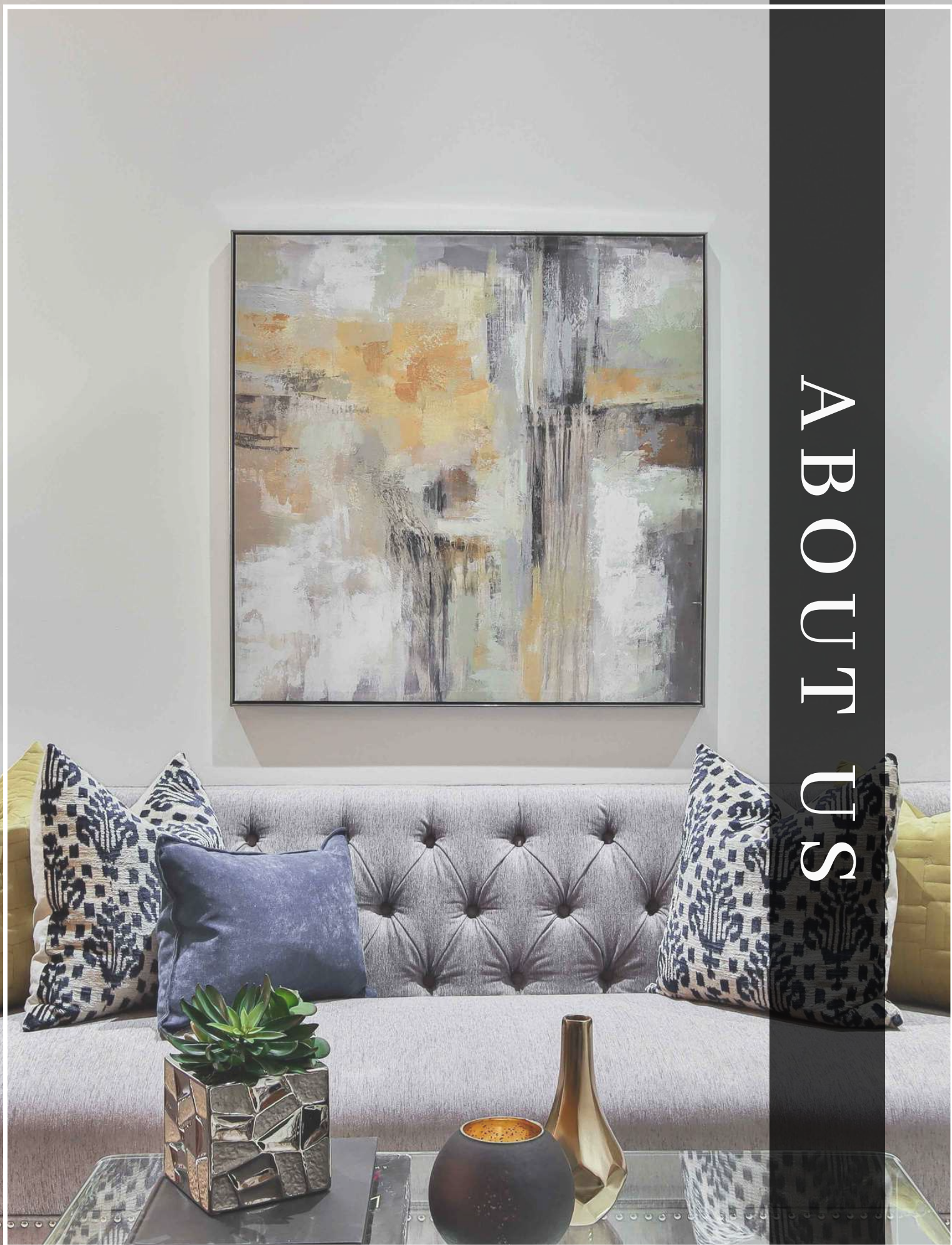
instagram.com/tanyasellssunshine



www.linkedin.com/in/tanyasellssunshine



# ABOUT US





“

Committed to bringing you the  
most professional, informative,  
trustworthy & dedicated service.

My responsibility is protecting  
the interests of my clients in  
every transaction.

”



# MEET THE TEAM



*Frida Sofia Acosta*

**SHOWING AGENT**

Determined to succeed, Frida wanted to get into real estate as soon as she graduated high school. She is passionate about helping others and wants to get her real estate license soon. In the meantime, she is helping Tanya with the back-end operations and communications. You will see many emails from Frida throughout the duration of the transaction!



*Filiberto Muniz*

**BUYER'S AGENT**

Fili is a Realtor® with a genuine desire to help people become homeowners. He's been in real estate for the past 15 years and has helped many people find their perfect home. If you're buying, he can turn your dream of owning a home into a reality. He will give you honest advice on how to get top dollar for your property while keeping in mind all of your personal preferences and details about the process.



*Monica Wensi*

**BUYER'S AGENT**

Monica is a Realtor® with a genuine desire to help people become homeowners. She's been in real estate for the past 2 years and has helped many people find their perfect home. If you're buying, she can turn your dream of owning a home into a reality. If you're selling, she will give you honest advice on how to get top dollar for your property while keeping in mind all of your personal preferences and details about the sale process.

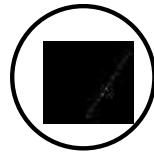


*Cathy Trevino*

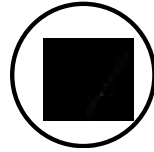
**LPT BROKER ON RECORD**

Cathy became a broker to establish herself as a respected leader in Texas. Cathy is a real estate professional in Texas with over 26 years of experience. Guided by principles of integrity, excellent customer service, and concern for her agents' wellbeing, Cathy strives to create a positive and supportive environment for her team.

# Ten Steps TO BUYING A HOME



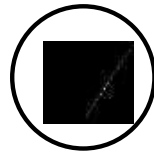
FIND THE RIGHT AGENT



PREPARE FINANCES



GET PRE-APPROVED



ANALYZE DEALS



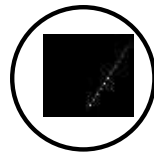
START HOUSE HUNTING



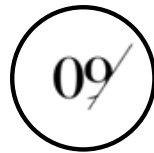
MAKE AN OFFER



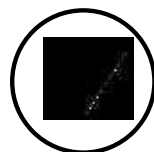
ORDER AN INSPECTION



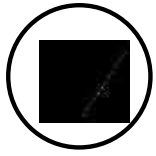
NEGOTIATE FINAL OFFER



APPRAISAL ORDERED



CLOSING DAY



## FIND THE RIGHT AGENT

It is essential to have an experienced agent in your corner, always looking out for your best interest. A buyer agent's fiduciary responsibility is to represent the buyer and to ensure that they are protected.

Ask buyers agents some of these questions before you commit!

- Do you invest yourself?
- Do you have a team? If so, what role do you play in the process?
- Why are you a good fit for me?
- What fees and/or contracts am I responsible for?
- How often can I expect to hear from you? How will you keep in touch?



### GETTING YOU IN THE DOOR

We will narrow down the homes that are within your investing guidelines and get you in the door! I look at dozens of homes every week, and I can help you identify potential problems within a home.

### HANDLING CHALLENGING CONVERSATIONS

When repairs or changes in price need to be made, I will be your guide and handle requesting any repairs or changes in price to the sellers.

### STAYING ON TOP OF THE PAPERWORK

Buying a home involves many types of documentation. I have the experience and knowledge to navigate real estate contracts. Ensuring that nothing is overlooked, and that you truly understand what a paper means before ever signing on the dotted line.

### ON YOUR SIDE

A buyer's agent will represent your best interests. With a pulse on the local market and a sound understanding of how various amenities effect the value of a home, we will make sure we submit a competitive offer on the right house for you.

### NEIGHBORHOOD EXPERT

I work daily in neighborhoods with inspectors, contractors, and negotiating with sellers. I have the market knowledge you need to get you the home of your dreams at the best price! Understanding the local real estate market is essential when it comes time to make an offer on a house.

### PROBLEM SOLVER

I will work hard to protect all of your interests and take on any issues that may arise throughout the entire process. I work tirelessly to make sure buying a home is a fun and stress-free process.

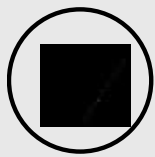
### SERVICE FEES

The seller typically pays the commission for both the seller's agent and the buyer's agent for homes listed on the market. When I find a deal that is off market, you may have to pay the 3% fee on top of the purchase price. I take this in consideration and will not send you an off market property if the numbers don't make sense for you.

# PREPARING

for a positive look





## PREPARE FINANCES

### HOW SHOULD YOU BUY?

There are multiple ways to get into your investment!

1. Cash: If you are lucky enough to have cash, that's a great way to get a good deal. You can also
2. Hard money: When you want to compete with other offers looking like you have cash. -the downfall if high interest rates and short term
3. Conventional Loan: Most lender require 20-30% down on investment loans but it is also a great way to get into your first investment
4. Creative Financing: This is perfect if you don't have a w-2!. That's me and this is how I refinance our properties..

### CHECK YOUR CREDIT

A mortgage requires a good credit score. You can improve your score by:

- Paying down credit card balances
- Continuing to make payments on time
- Avoid applying for a new credit card or car loan until you have been approved
- Avoid making big purchases until you have been approved
- If possible, avoid job changes until you have been approved

### SAVE CASH FOR A DOWN PAYMENT & OTHER EXPENSES

In order to make your dream of buying a home a reality, you will need to save cash for your down payment, earnest money, closing costs & home inspector.

- A Down Payment is typically between 20% & 30% of the purchase price
- Earnest Money is money you put down to show you're serious about purchasing a home. It's also known as a good faith deposit.
- Closing Costs for the buyer run between 2% & 5% of the loan amount
- A Home Inspection costs \$300 to \$500



## GET PRE-APPROVED

Being pre-approved, unlike being pre-qualified, means you've actually been approved by a lender for a specific loan amount. You will need to provide documented financial information (income, statements, assets, debt & credit reports etc.) to be reviewed & verified by the lender.

# My Savvy Home Investor *Mortgage Rule of Thumb:*

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If interest rates are 4%, every **\$10,000** in purchase price = **\$40** in monthly payment.

Focus on your monthly payment compared to the cash flow then stay within your budget and find a good investment!

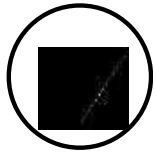




START *already living*







## ANALYZE *deals*

- *Property Details:* Number of units, square footage, utility metering design, etc.
- *Purchase information:* Total purchase expenses—or purchase price plus rehab or improvement costs
- *Financing details:* Mortgage or loan information, such as the total loan amount, down payment, interest rate, and closing costs
- *Income:* Rent payments and any other income the property produces
- *Expenses:* Maintenance costs, including property taxes, insurance, and maintenance

## NITTY GRITTY *Example*

### COST ASSUMPTIONS

PURCHASE PRICE:	\$400,000
DOWN PAYMENT:	\$80,000
IMPROVEMENTS:	\$10,000
CLOSING COSTS:	\$8,000
TOTAL COST:	\$418,000
MONTHLY MORTGAGE:	\$1,800
MONTHLY RENT:	\$4,000

### EXPENSES

PROPERTY TAXES (2.7%):	\$10,800
INSURANCE	\$1,200
VACANCY (2 weeks)	\$2,000
PROPERTY MANAGEMENT (6% of rent)	\$240
MAINTENANCE AND REPAIRS	\$1,500
ADVERTISING:	\$300
UTILITIES	\$3,600
TOTAL ANNUAL EXPENSES:	\$19,640

## DETERMINE *cash flow*

CASH FLOW IS THE MONEY LEFT OVER AFTER ALL THE BILLS HAVE BEEN PAID. CASH FLOW CALCULATION:

$$\text{INCOME} - \text{EXPENSES} = \text{CASH FLOW}$$

$$\text{EXAMPLE: } \$4,000 - \$3,436 (\text{MORTGAGE} + \text{EXPENSES}) = \$564$$

\*IMPORTANT\* MAKE SURE TO INCLUDE ALL EXPENSES AND NOT JUST THE MORTGAGE



## START HOUSE HUNTING

### **START TOURING HOUSES THAT MAKE SENSE NUMBERS-WISE**

Time to start shopping! We will take notes on all the homes we visit. It can be hard to remember all the details of each home, so take pictures or videos to help you remember each home, and review the notes you have written. Once we have found THE house for you, we will present an appropriate offer based on recent sales and current buyer activity in the area, as well as the value of the property in its current condition. Negotiations may also take place after the offer is presented.

### **TIP**

We will make sure to check every little detail of each house

- Test the plumbing
- Test the electrical system
- Open and close the windows & doors to make sure they work properly

Evaluate the neighborhood and surrounding areas

- Are the surrounding homes well maintained?
- How much traffic is on the street?
- Is it conveniently located to schools, shopping, restaurants, & parks?

MAKE AN *offer*







## MAKE AN OFFER

### WHEN TO MAKE AN OFFER:

So you have found a deal! Congrats! In today's market when the demand is higher than the amount of homes available it is important to act fast!

### HOW MUCH TO OFFER:

We will sit down and look at recent sales and current buyer activity in the area, as well as the value of the property in it's present condition. Putting all this information together, we will determine the price that you would like to offer.

### SUBMITTING AN OFFER

There are some components to an offer that makes it more appealing to the sellers.

#### •Put Your Best Foot Forward

We will work together to discuss your options and create your very best offer. Depending on the circumstances, you may have only one chance to make a good impression.

#### •Put Down a Strong Earnest Deposit

A large earnest money deposit shows the seller you are serious

#### •Cash Talks

A transaction that is not dependent on receiving loan approval is more attractive to a seller

#### •Shorter Inspection Periods

Try shortening the inspection period to 3-5 days

#### Include an Appraisal Waiver

This will make your offer stand out if you are up against cash buyers.

#### •Offer to Close Quickly

Many sellers prefer to close within 30 days.



## THE PROCESS

### AFTER YOU SUBMIT AN OFFER

#### THE SELLER COULD

##### •ACCEPT THE OFFER

##### •ACCEPT A DIFFERENT OFFER

This is a possibility when you are competing with multiple offers

##### •DECLINE THE OFFER

This happens if the seller thinks your offer isn't close enough to their expectations to further negotiate.

##### •COUNTER-OFFER

A counter-offer is when the seller offers you different terms. If this happens, you can:

#### THEN YOU COULD

##### •ACCEPT THE SELLER'S COUNTER-OFFER

##### •DECLINE THE SELLER'S COUNTER-OFFER

##### •COUNTER THE SELLER'S COUNTER-OFFER

You can negotiate back and forth as many times as needed until you reach an agreement or someone chooses to walk away.

Fun Fact: Typical negotiations go back and forth 3 times

### OFFER IS ACCEPTED - CONGRATS!

You will sign the purchase agreement and you are now officially under contract! This period of time is called the contingency period. Now inspections, appraisals, or anything else built into your purchase agreement will take place.



ESCROW *laevius*



07/

## ORDER AN INSPECTION

During the inspection period, we will schedule an inspection with a reputable home inspector to do a thorough investigation of the home. Once this is complete, the inspector will provide us with a list of their findings. You can take the issues as-is or request the seller to address some or all of the findings. We will be mindful and reasonable on smaller items, while being very cautious and vigilant of potentially significant issues.



## NEGOTIATE FINAL OFFER

Issues typically arise after the home inspection, and those issues may give you a chance to further negotiate for credits or fixes.

- 1. Ask for a credit for the work that needs to be done.** Likely, the last thing the seller wants to do is repair work.
- 2. Think “big picture” and don’t sweat the small stuff.** Tile that needs some caulking or a leaky faucet can easily be fixed. Repairs are still up for negotiation and perhaps a small credit would help with closing costs.
- 3. Keep your poker face.** Most homeowners these days have cameras and may be spying on you during the inspection. Don't make anything seem too small while at the house.

**Food for Thought:** When your offer is selected in a multiple offer situation, the seller may be unwilling to negotiate at all knowing they have another backup offer lined up.

09/

## APPRAISAL ORDERED

Your lender will arrange for a third party appraiser to provide an independent estimate of the value of the house you are buying. The appraisal lets all parties involved know that the price is fair. The loan file then moves on to the mortgage underwriter.

If approved you will receive your final commitment letter that includes the final loan terms & percentage rates.

\*FYI, this does not need to happen when paying cash as it is a lender requirement.

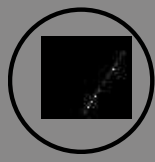
### Property Title Search

This ensures that the seller truly owns the property, and that all existing liens, loans or judgments are disclosed.

### Homeowner's Insurance

You'll need insurance for the new home prior to closing. This will protect against things like fire, storms and flooding





# closing day



## CLOSING DAY

Closing is when you sign ownership and insurance paperwork and you receive your new home's keys! Typically, closing takes four to six weeks. During this time, purchase funds are held in escrow, where your money is held safe until the transaction is complete.



## CLOSING DISCLOSURE

Lenders are required to provide you with a closing disclosure, at least three days before closing. This will show you what your final loan terms and closing costs will be. You will have three days to review the statement. This is done to ensure that there are no surprises at the closing table. If there is a significant discrepancy between the loan estimate and the closing disclosure, we must notify your lender and title company immediately.



## FINAL WALK THROUGH

We will do a final walk through the home within 24 hours of closing to check the property's condition. This final inspection takes about an hour. We will make sure any repair work that the seller agreed to make has been done.

We will be sure to:

- Make sure all appliances are working properly
- Run the water in all the faucets and check for any possible leaks
- Open and close garage doors with opener
- Flush toilets
- Run the garbage disposal and exhaust fans



## CLOSING TABLE

Who will be there:

- Your agent
- The seller
- The seller's agent
- A title company representative
- Your loan officer
- Any real estate attorneys involved in the transaction

The closing typically happens at the title company. You will be signing lots of paper work so get your writing hand warmed up! Some of the papers you will be signing include: the deed of trust, promissory note, and other documents



## CLOSING COSTS

Closing costs can vary depending on your home's purchase price and where you are located. You can generally expect your closing costs to be around 3% to 4% of the home's sales price. These closing costs can sometimes be shared with the seller.



## BRING TO CLOSING

- Government-issued photo ID
- Copy of the sales contract
- Homeowner's insurance certificate
- Proof of funds to cover the remainder of the down payment and your closing costs



## RECEIVE YOUR KEYS

Congratulations! It was a lot of hard work but you are now officially home owners!! Time to throw a party and get to know your new neighbors!





# THE ROAD TO *Investing*

*Tanya Lechner*

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