

Readiness to Invest Checklist

Despite what you see on those late-night infomercials, there are no shortcuts to building wealth. The strategy is simple. Buy a rental property with fixable things wrong with it. Upgrade the property to improve cash flow and the value of the asset. Sell the property for a profit and invest in another property.

You need cash

You need cash for your first down payment. The amount varies by market. In San Diego, in 2018, you need \$200K. The amount where you are may be different. A great broker can help you learn what you need.

You need cash for renovation and repairs. That's the money you spend to improve the property. A great broker can help you determine your renovation budget and its potential impact on property value.

You need cash for surprises. Life and investing are full of surprises. Prudent investors set aside cash for them.

You should have a clean balance sheet

Don't consider investing in apartments until you've paid off your credit card debt. It's a good idea to pay off your car loans, too. The less debt and the more ready cash you have, the safer you are from life's (and investing's) surprises and the more flexibility you have to seize the opportunities your broker will identify for you.

You should be able to answer "yes" to the following questions

- Do you have enough cash for a down payment in your market?
- Do you have additional cash you can invest in repairs and renovations?
- Do you have cash you can set aside for surprises?
- Have you paid off your credit cards?

What next?

If you're fiscally fit, start building legacy wealth today. If not, improve your situation before you invest.

Adapted from Appendix B, "Are You Ready to Invest?" in [Building Legacy Wealth](#) by Terry Moore, CCIM

Americans want to build wealth, but few people really know how. Terry Moore, CCIM shows clients low-risk ways to invest in rental property, so they can enjoy financial security. Terry is an award-winning broker and author of [Building Legacy Wealth](#).

Find out more at BuildingLegacyWealth.com