

## **No, It's Not a Bad Time To Invest In Real Estate**

We've had many potential borrowers reach out to us to ask if they should postpone their home purchase. We get it – the recent news of inflation, recession, high home values, and rising interest rates make it sound like buying a home is not a good idea right now. Here's the thing, though, real estate is a long-term game.

There's never a wrong time to invest in real estate if you take a calculated approach. Understanding today's market and looking at future projections will go a long way and help you succeed in your real estate investment endeavors.

### **Look At The Big Picture**

It's always better to jump into the market than to wait and hope conditions become more favorable for home buyers in Colorado. Remember, real estate investment is not about short-term gains but the long-term payout you'll get when you sell the property.

If you are buying a home to use as an investment, you will also run the all the numbers beforehand to ensure you'll be in the green at the end of each month. Let's look at some of the factors that make a property a good investment:

- Projected future home value growth
- Cap rate or gross rent multiplier: Measure the rental income to property price
- Local economy: Look at current unemployment rates, projected population growth, and business development plans.

Before you move forward with the financing of your rental property, we will look at the best loan types, interest rates, taxes, and insurance you will need to cover each month. You'll also have to look at how much money you'll be bringing in from rent each month and make sure that you'll be bringing in more than you are paying.

### **Invest With Intention**

Being smart about where you invest is the best way to ensure that you will gain equity and ultimately sell your home for far more than you purchased it for.

In a report by [Roofstock.com](https://www.roofstock.com), Colorado Springs was identified as an area with tremendous growth potential and relatively affordable homes, making it an excellent place for home investors to purchase a home. Some other cities named in the report were Salt Lake City, Utah, Cleveland, Ohio, Dallas, Texas, and Charlotte, North Carolina.

Each of the cities named above is in areas with a strong economic forecast. They currently have lower than average home values, with solid growth predictions. This makes them great places to buy rental homes since you should have a steady occupancy rate with high monthly rent potential and will see some significant returns when it comes time to sell.

## **The Market Is Cyclical**

There are always ups and downs in the real estate market. Many sources, including [this](#) article from the Denver Gazette, in the current cycle, think we may have reached a peak and are slowly starting to see home values in Colorado level off a bit. Even if prices go down significantly, you would just have to wait it out for the next cycle of increases to come along before you sell the property.

Also, keep in mind, if interest rates are what is holding you back, you can always refinance if they were to come back down. That way you'll already be collecting rent and building equity, setting you up for larger returns in the future.

## **Would You Like To Become A Colorado Real Estate Investor?**

If you're interested in purchasing a rental home in Colorado, [contact us](#) to get your financing taken care of. We will work through the process from application to approval and help you start your real estate investment journey.