

## 12 Rules of Real Estate

Observe these rules when buying and selling real estate.  
The more rules you follow, the better your transaction will be.

*Rule 1.* Before taking a “buy today, sell tomorrow” approach, ask yourself, “Where would I be if I had to sell this property tomorrow?”

*Rule 2.* *Work with motivated sellers and buyers who have equity.* Equity is the difference between what they owe against the property and the net sales price.

*Rule 3.* *Buy wholesale and sell or exchange retail.* In other words, buy low and sell high. Smart investors seldom can afford to pay the retail price for a property. There are many reasons why it may be possible to buy wholesale.

*Rule 4.* *Financing is often more important than price.* If you can't finance something, what difference does it make what the price is? There is an adage in real estate: “You name your price if I can name the terms.” When we find a property that's overpriced (yet price is important to the seller), we see if we can adjust it in the financing, to put the deal together.

*Rule 5.* There are three things in real estate to remember: location, location, and location. There's a substantial amount of truth in this statement. One of the magnificent things about Colorado and particularly Boulder is the great location.

*Rule 6.* *Enhance the value of a property.* Generally, you want to purchase a piece of real estate whose value you can enhance at the right cost — by remodeling, doing minor fix-ups, landscaping, fencing, etc.

*Rule 7.* *Don't get greedy.* Don't necessarily demand and hardball the very best deal. First, you may lose a good deal by alienating the seller. Second, you may lose the opportunity for other deals.

*Rule 8.* *Don't fall in love with a property unless you are buying it for your personal residence.* If you're buying a home, you can afford to pay a little more to get it if you plan to live in it.

*Rule 9.* *Solve the other party's problem.* Don't allow the other party's problem to become your problem that you can't solve. Although the context happens to be real estate, you are still dealing with people and their needs.

*Rule 10.* *Do not believe everything the other party tells you.* Buyer and seller beware; do your homework and take care of yourself. The other party is not your enemy, but not your friend either.

*Rule 11.* *Do not tell the other party what their property is worth.* Just tell them what the property is worth to you.

*Rule 12.* *Always give yourself an out, some kind of escape clause until you are sure you want to complete the transaction.*