



“Smart Buy and Hold”

How Buying Low
Can Create Massive Highs
(Cashflow)

LISA PHILLIPS

Smart Buy And Hold - A Short Interactive Guide to Buying Lower Price Rentals

Many of you want to invest in real estate but are intimidated by the high prices associated with purchasing homes. After all, most of us don't have hundreds of thousands of dollars just lying around with which we can buy a house.

Well, I'm here to let you in on a little secret. You don't necessarily need to spend six figures or more on a house if you know which properties to look out for.

I have purchased four sub30k properties to date. They were purchased for 13k, 25k, 35k, and 11k respectively. I rent three of them out, giving me a total positive cash flow of around \$1900 each month, and I am in the middle of renovating the fourth one. The financial independence that my real estate investing strategy has brought me is not only attainable, it can literally be the easiest path to consistent monthly cash flow.

There's one caveat - these homes are usually in working class neighborhoods.

The upside of this strategy is that by knowing how to view and analyze these neighborhoods — using freely available information online — you can easily find out which of them is a war zone or which are just decent working class neighborhoods. Your gift is arming yourself with the skills to kill it in this industry while everyone else is snubbing their noses at it.

This is a quick interactive guide that gives you the basics on investing in lower-cost real estate. In it, you will find links to video demonstrations and how-to's that explain the entire strategy. Don't hesitate to reach out and ask questions after viewing the video content. I usually answer everyone within a couple of hours, if not sooner. Once you're done with this guide, you will have an outline of how this strategy works, and then you can decide if you would like to delve deeper into the resources provided at the end of the book. You can then see for yourself how you can jump in and build your real estate investing business.



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VOTES

Shawn Ackerman Wholesaler from Long Island, New York
replied about 16 hours ago



Hi [@Lisa Phillips](#) I just wanted to tell you that you are a Real Estate ROCK STAR!!! I've watched pretty much all of your videos up to around 101 LOL!!! (Addict) I see Videos 102 - 106 on Youtube. Will go through those tonight. You are the reason why I began investing in Sub 30K and why I found the cash flow market of Milwaukee. Never had the opportunity to say thank you, so Big thanks to you and thanks for the great content!

Shawn Ackerman, IKEPTIT Real Estate LLC | owner@ikeptitrealestatellc.com | 5169926401 | <http://www.ikeptitrealestatellc.com> | NY Agent # 10401277940





Allaenna Williams reviewed Affordable Real Estate Investments — 5★
December 25, 2016 · 🌐

Love the videos and the excellent strategies I have applied them successfully

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Johnathan Hicks reviewed Affordable Real Estate Investments — 5★
October 16, 2016 · 🌐

Guys I jumped head into my first rental property thanks to you! Exactly what I needed to hear!

1 Comment 

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Terri R. Denne reviewed Affordable Real Estate Investments — 5★
July 27, 2016 · 🌐

I've learned so much in a week's time. Well worth your time to check it out.

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Bradley Fertel reviewed Affordable Real Estate Investments — 5★
July 24, 2016 · 🌐

Great insight from your youtube page! Learned a lot.

👍 Affordable Real Estate Investments

1 Comment 

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Highlighted comment

David James 1 day ago (edited)

I remember after seeing one of your videos about 2-3 years ago I started to do real estate full time. The video was about using 0% interest credit cards while flipping a house for all the rehab. In the past 2 years I have flipped 2 houses and my rentals went from 1-4 units. I find rentals to be a much easier fit with me. Your videos a couple years back gave me a lot of ideas and I rolled 1k% with them.

On cash flow on rental properties I try to keep it at 400+ month minimum net profit from a property with rents under 1k. Basically when I run the numbers on a purchase I do my 100% basic formula. Last couple I have brought in NO KY area have been around 50k after repaired. These cost me PITI wise around 350-400 bucks a month total cost. The rents around 750-800. That is the 100%. SO far, so good. I just need a small bank to back me now to buy more. Thanks for your videos.

Show less

REPLY 👍 🗑️ ❤️



AffordableREI 1 second ago

Thank you!! So glad to hear it - are you in the mastermind group? They're killing it in there just like you! www.facebook.com/groups/Sub30kMastermindGroup

REPLY 👍 🗑️ ❤️

Using the Leveraged Analysis Technique:

It's easy! This resource freely demonstrates how to find and analyze Working Class Neighborhoods (WCNs) and rental properties, ANYWHERE in the country, using the power of the internet. This works in Canada, France, UK, etc. It's a systematic blueprint that I use for finding WCNs and great cash flowing property. The good thing about this is that free, smart, and ... er ... free!

You NEED to use this in order to ensure that you're not wasting your time and to help minimize losses.

The Leveraged Analysis Technique has worked for me in Ohio, Maryland, and Virginia; it's the same story everywhere I go. It also works for other people — for example, my technique helped a brother and sister investment team purchase their first triplex in DC for \$75,000. One unit in the duplex rents for \$1230, and the other for \$1200 for a monthly cash flow of \$2430! [Im Not Kidding, This is REAL!](#) By the end of this series, you should be fully able to search for, analyze, and purchase outstanding real estate investment properties at rock bottom prices. Properties that offer worry free management and high cash flowing income. And you can find them all within a short radius of where you live using free online tools and this road map.

“Leverage is the reason some people become rich and others do not become rich.” Famed investor Robert Kiyosaki was referring to Leveraging Credit in this quote (which I do believe in), but I ALSO know that the key to beating everyone at this game is leveraging FREE resources methodically and systematically. My electrical engineering training has definitely come into play in creating these solid metrics.

This is just completely practical advice gleaned from experience and knowledge of how working class neighborhoods operate. It comes from my experience living in them and my time investing in them. Don't pay companies like RealtyTrac and RentFax for this neighborhood analysis. Get it for free!

First, some background on who I am, and why I started doing this. It's a painful and tough story, but I hope my resilience can serve as an example that empowers you to take the same steps I am taking. I wasn't born to wealth, so I feel a duty to help as many people as possible get there.

I graduated college with an electrical engineering degree, and soon after that, I landed my first job with IBM. Shortly after I started my career with IBM, I bought an extremely overpriced house in Las Vegas.

So right away, I think I'm doing great. I mean this is what we were always told we should do right? Get an education, do well in school, and then we can land a good-paying job, buy a nice house, and be set for life.

Not so fast.

Something happened that I didn't expect.

I got laid off.

Twice.

Within two years of the second layoff — and this was 2009 so just remember how many jobs were being lost at that time — I'd come to the realization that I could no longer afford my mortgage and I was facing foreclosure.

Following the prescribed path was clearly not working for me, so I had to start thinking outside the box if I was going to turn this around. I did the opposite of what most people in my situation would probably have done.

I bought another house. A condo to be exact. I spent only \$35,000 on it.

Now you would think for that price, that I'd resigned myself to living in a really bad neighborhood, but that wasn't the case. The neighborhood (this is in Ohio) was actually really nice so I was easily able to rent the place out.

I was inspired. Here I was, about to be homeless and jobless, and, with a little bit of research and daring, I was able to find one really good property that was now literally keeping me from being homeless, hungry, and broke. I realized, so fundamentally and viscerally - I can live well and earn money, outside of a job, if I own real estate. And, it's EASY and AFFORDABLE to purchase these lower priced ones!

I was hooked!

I got a job about 6 months of living this way in the DC area, and knew I had to do this again. I used the above mentioned, and below demonstrated, Leverage Analysis Technique, and low and behold: I was able to repeat this in the DC area, in Baltimore and in Richmond. On my weekends. This was doable EVERYWHERE. All wonderful and safe family neighborhoods, just resident that were mostly hourly and uniformed workers versus salaried and white collared.

My vision was set and I knew I had to show others the systems I'd learned. I started a YouTube channel, and, at first, only a few people watched my videos. Eventually, though, more viewers rolled in, and I was contacted by someone offering to pay to work with me one on one to show her my system.

We mapped out a plan and guess what? It worked for her. In total, she only spent around \$63,000 for the home and renovations (a duplex), and that home is now being rented out for \$1400 a month.

Moral of the story? If I can do it, and my clients can do it, you can do it too.



Darlene Nunez

25 mins

I want to thank Lisa Phillips for all the great content in the Sub30k Income Series, the Private videos and group recorded calls. I was able to purchase my first investment today... Yay so excited! I bought a 2/2.5 townhome for 25k only needs 5k in repairs and rent in the area go for \$800 a month. Also, I want to thank Steve Sanchez for the great advise and everyone in the group that some way or another contributes their knowledge here.



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Lisa Phillips YES!! Thank YOU!! Thank you Steve Sanchez!! We're making a difference! The revolution will not be televised 😊

Like · Reply · 1 · 16 mins



Lisa Phillips Pics Darlene Nunez! Im so happy for you, glad you went forward with the program, glad to see you contribute!

Like · Reply · 1 · 14 mins



Darlene Nunez To be honest I almost gave up but I am not a quitter. Orlando, FL is a really hot market, investors from all over the world and country are here looking for deals just like us and it made it a little difficult but not impossible. I will take some pictures this weekend. I feel truly blessed to be in this group. Thanks again!

Unlike · Reply · 1 · 1 min



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How I Make \$975/month For A 13k House

Here is my introductory podcast where I explain why you should listen to anything I have to say. I have four rental properties that I purchased for less than 35k each. The recording explains the experiences which I am offering to you. I have found a formula which is not a get rich quick scheme but is logical and takes the market, sellers, buyers, and contractors into account. And it's completely repeatable for everyone who reads this blog anywhere in the world. But please remember, my experience and my knowledge came through very hard work and determination, and I hope you can see my sincerity in sharing all of my knowledge with you. I want to enable you to have the confidence to embark upon a life of using investment realty for creating rental property income.

[This Is How I Started This Very Lucrative Journey - No Gimmicks, Just Being Real](#)

How the Leveraged Analysis Technique Works

This is how you can invest in cash flowing neighborhoods safely and with minimal risks. This page clearly explains the Crucial Three Metrics you MUST use to vet property before investing in WC or lower income neighborhoods. The Crucial Three Metrics are Crime, Photos, and Rents (CPR Metrics).

This is why and how I use the internet to do my Leveraged Analysis Technique for finding properties in working class neighborhoods (WCNs)-properties which provide rental income and grow my real estate investing business. This search for real estate focuses on three Crucial Criteria:

- 1) Searching the available crime reports,
- 2) Viewing the most photos per MLS listing, and,
- 3) Noting average rents for that address.

I call this CPR for Crime, Photos, and Rents, and these are the crucial key metrics for working in this demographic. When going into A and B neighborhoods, you may analyze schools, but for working class neighborhoods, you look at crime accounts and rental income. It's a different beast, and the better you know what skills you need, the better you can analyze the market in the way it requires.

This will hopefully take any fear out of buying a rental property and solve the question of where to find a house.

The following post will be a demonstration, using a screen capture, of what criteria I look for to determine if I want to invest in that property. So stay tuned! So much information is on the internet, and I have used a method that takes in the key most important factors

that really determine a person's perception and comfort level. This may seem like common sense, but it has come from four years and three different states of experience. I think it's a valuable way of diagnosing an investment using sound techniques. Please use this as an investment guide that can jump start you to owning real income-producing assets you can pass onto your heirs.

In this property finder segment, I will have a full-screen shot showing all the resources I utilize on the internet when conducting my property search. In the previous tutorial, I went into detail on the theory behind my strategy, [and here I show you how straightforward it can be to find an affordable property](#) to create real estate income.

Ok, now that I have blown your mind about finding these properties, and now that it's coming together for you, you need to understand how to analyze the rental for cash flow before going a step further.

Keep in mind that if you don't have these properties in your neighborhood or immediate city, you can find them in neighboring cities. I explore this more in the Finding Your Property 102, City Nearest You on my Getting Started Series Online E-Course. [Here's a sneak peak of that video demonstration](#) to get you to understand. Yes you can do this!

There are two main reasons I believe in this model:

1. It lowers the barrier for entry into real estate investing, especially for those who do not have a lot of money saved up.
2. By purchasing a property at such a low price point, you will never have to worry about being homeless. You will always have a place to live, which is invaluable, especially for those who've faced the hardships of the real estate crash.

Also, I believe that a high photo count, low price, high rent, and low crime are all you need for a successful single-family buy and hold. You could either use this approach or tailor it to fit your own investment strategy.

Creative Financing Method

If you have low to average credit or having any other issues qualifying for a loan at conventional bank, follow my strategy:

- 1) Look up local Credit Unions in your area.
- 2) Determine the loan programs they offer.
- 3) If you qualify, sign up and put \$5 into an account.

401K Loan, Tax Refund, Personal Savings, and Retail Credit Card

For my investment property in Baltimore, Maryland, I used four different financing methods to purchase the property for all cash. I used a combination of personal savings and cash from closings the 401K account to pay for the \$13,000 purchase price. A retail credit card from Home Depot and tax refund paid for the renovations.

Car Refinance and Retail Credit Card

The retail credit cards from Lowes and Home Depot were used for the second investment property to fund a portion of the cost. To fund the remaining portion, I was able to leverage the equity in my vehicle to obtain a loan for \$10,500 from one of the credit unions at a 4% interest rate.

Personal Loan

I obtained a personal loan from the Credit Union to cover the purchase price.

In all three examples above, I was able to creatively obtain financing, even with a low credit score. The rental income covered all of the expenses so I am not paying anything out of pocket.

The best real estate advice is “To get started, just start!” Don’t let other people’s vision of real estate shape yours. Take your vision, use it to set your own real estate goals, and then figure out what you need to get there! Do what you need to get there! Do what makes you feel comfortable because you are the only one that knows exactly what you need.

Analyzing Cash Flow Is A Important Aspect of Rental Property Investments

Remember, we want an income producing asset, not a drain on our expenses. This property should be purchased and renovated at such a low price that you're almost guaranteed cash flow. In my online e-course for the Getting Started Series Online E-course, I go into detail Cash Flow Analysis 101, but for this purpose, I will sum it up that you will be adding up common rental property expenses (and with rentals in 3 different states, so these expenses are definitely common). I included a link to a popular real estate investing site "BiggerPockets," a large real estate investing site which I have contributed to and whose educational resources I recommend. Here, one of their bloggers did an overview of cash flow calculations. My video in my [**Sub30k Income Training virtual training center**](#) (**Only open for enrollment 4 times a year to the public**) is more in depth, nuanced, and a lot easier to understand, but this is an overview of common line items all rental property owners learn to do with their analysis (skim through to see how simple it is).

<http://www.biggerpockets.com/renewsblog/2013/01/19/real-estate-math/?rel=author>

Finding Tenants In That Working Class Neighborhood

Now, just like your main concern is "how good is that school," in working class neighborhoods (WCNs), but you also have to understand the type of tenant you're going to encounter. When you pick a nice diamond in the rough (and there are a lot of them to build your portfolio with). Now, here is a guide that is good if you're in an A or B neighborhood. Where BiggerPockets gets it wrong is that it doesn't delineate these differences — thus newbies are confused and don't get the information they need for their particular niche.

Now, they aren't WRONG, it is just not reflective of the reality of being in a WCN (remember, its a different market - you don't apply techniques for high end rentals to lower end rentals), where you need to understand the demographic to get the best person in your rental.

In this video, I go over how they get it wrong, how these parameters change in screening in these neighborhoods, and how you can too. A lot of new investors follow this too strictly since there isn't a delineation of what neighborhood or demographic they are working in. Luckily for you, I'm good at explaining things. I also feel that you should have the chance to invest in these areas with the right skills and knowledge at your fingertips.

[How BiggerPockets Ultimate Tenant Screening Guide Gets It Wrong! For Sub30k Investing.](#) and how YOU can get it RIGHT!

Any questions?

Property Managers are KEY to investing long distance in WCNs

Since I live in the Washington DC area, which doesn't have many affordable real estate investment opportunities, I invest in real estate in neighboring cities and states with more affordable options. These can be from 30 to 90 to even 400 miles away. The key part of this strategy is finding a licensed property manager. A property manager is a person that takes care of finding tenants for your rental property, conducts maintenance, responds to tenant concerns, and files evictions. It is a mature industry that used to be exclusively held by a friend of the family or real estate agents for side income. However, with the recent explosion of real estate investing, this industry has become a key player in facilitating passive real estate income. In theory, property managers should make your real estate investing smooth and should free you up to geographic diversity since you don't have to necessarily be on site to manage your property or field maintenance calls. That being said, it is VERY important to find a good property manager because a bad one will cause you as much stress as doing the work yourself.

The following video illustrates why this is such an important strategy for building a real estate investing business and what to look for when qualifying a potential property manager for your investment.

[Property Managers Are Key To Out Of State Investing](#)

The Harder Part: Finding a Quality Property Manager for That WCN!

Here are the standard set of questions I will send to property managers when deciding which one to choose. This is an EXTREMELY important part of my Real Estate Investment Strategy since I own properties 35-90 miles outside of where I live. The right property managers will make things flow smoothly to the point where you can be on vacation in Germany and have them taking care of things (been there, loved it). Just because you own rental real estate does not mean you have to handle all of the headaches yourself. However, a bad property manager can leave you feeling ripped off, so getting a few questions out the way first can get you on solid ground. First, check out the National Association Of Residential Property Managers (www.NARPM.com) to find a licensed Property Manager for the city you plan to invest in.

Here are my questions, and the video demonstration below explains WHY I ask these questions:

- 1) What are set up fees and monthly fees after that?
- 2) My property is a 3 bed 1.5 bath home on ____ Blank St, RANDOM CITY, VA (so they can Zillow the property)
 - Have you rented in this area before?
 - How long does it take for you to fill vacancies in this area?
 - Do you get mostly Section 8 renters or market renters for this area?
- 3) What are your maintenance fees/limits?
- 4) How many full time staff members manage your properties?
- 5) How many properties are you responsible for?
- 6) How many of these properties do you own?
- 7) Is there an early termination fee if our mutual business needs aren't matched?

Questions To Ask a Potential Property Manager - ignore at your own risk!

You're Saving Money on the House, So Hire Quality Contractors!

Choosing a contractor can be the best and the most irritating aspect of real estate investing. You bought the house, and that's great. But many times, there's more work to be done while getting it ready for rental. This can be a little bit of work or a major renovation. The contractor search and estimate gathering does get relatively smoother as you get better at sizing up your future “temporary employees.” After doing this for a while, I have a new respect for hiring managers in corporate America. Good workers can be very hard to find.

This blog post delves into the details and gives some great tips on weeding out the bad contractors and choosing contractors with the best track record. And, in order for this all to work they need to care about their online reputation (it will all make sense as you finish up this portion of the guide). Also if possible, remember to ask for pictures or references from previous jobs (most contractors will have a few on their smartphones nowadays, if not their website).

[How To Save Time And Choose The Best Contractor You Can Find](#)

Escalating Issues with Contractors

Sometimes when a contractor finishes a job, you are less than satisfied. Sometimes you're shocked, appalled, and wondering what the heck the contractor was thinking to assume you would be okay with the job or mess they left. The video below deals exclusively with concrete ways to mitigate the situation deteriorating, and gives some guidance on how to “save” a situation versus your bridges.

Taking appropriate pictures and escalating to the owner sooner rather than later when an issue arises in the timing or the delivery of a product is often a good way to resolve issues with contractors.

[How To Escalate, Then De-Escalate, Issues With Contractors](#)

[It's 2015 - Everyone has a cell phone and can take pictures of their work](#)

See how this all works? You have to get the right contractor, from the right source, so you can manage and guarantee the right outcome when you run into bumps? Get it? Not that bad. There are a lot more tips and a step by step system you can follow that's more in depth for out of state investing, but I wanted to show you that it can be a lot smoother than you think so you can be extremely confident there is a guide out there for you to follow.

The End Of The Interactive Guide To Investing In Lower Price Rentals

That's it folks. That's how you do the Leveraged Analysis Technique.

Now, there are a few more things you can do if you want to go more in depth in this investing niche:

- 1.) Send a Facebook request to join the Sub30k Investor Mastermind Group ---> www.facebook.com/groups/Sub30kMastermindGroup
- 2.) Sub30k Case Studies <https://www.affordablerealestateinvestments.com/sub30k-case-study/>
- 5.) If you want all the information IMMEDIATELY and would like to obtain your first income producing investment within 8-16 weeks, you really must take a look at my Sub30k Income Series Program **once it opens for enrollment**. Get on the email list to find out more!
- 6.) Also, be on the lookout for [the Investing Made Easy Monthly Membership Program](#) **when it opens for enrollment** as well

Using these guidelines, I have been able to personally help 100s of investors these last 2 years (either directly through one on one coaching or through my online training courses) - and I am incredibly proud of this! If this sounds like it makes sense for your business, we'd love to schedule a call and explore what kind of approach and campaign would generate the best results for you.

Click here to get in touch!

HOME

xo Lisa Phillips