

People are investing in real estate to diversify their investments and secure cash flow for their future.



A return on investment measures the amount of profit that is earned from the investment as a percentage of the cost of the investment.



Calculate the capitalization rate on your potential rental investment to know the profit that you can make from net income generated by the property.



A general rule of thumb while evaluating a rental property is to see if the gross monthly rent equals at least 1% of the purchase price.



Also, add the maintenance and repair costs necessary to upkeep the property's value to your investment cost.



It should be noted that when purchasing property for rental purposes, financing terms can greatly impact the price of the investment.

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