

Apartment Buildings Are An Investor's Dream

Million dollar dreams are only an illusion without the proper vehicle to attain it. If you're a serious investor looking for a way to obtain more wealth without the hassle and risk of building your financial empire one house at a time, then apartment building investments are just the thing you're looking for. With regards to cash flow, apartment complexes are by far, the most lucrative deal that is within the reach of private investors. Here's why.

- There's less competition. The large cost of the apartment buildings compared to single family residences are enough to keep many investors away from this type of investment. For that reason, this market has considerably less competition. Couple that thought with the fact that the amount of apartment building foreclosures are on the rise, and you've got a prime market that's just waiting to be tapped.
- Apartment building foreclosures are quickly gaining the attention of commercial property investors looking to gain even deeper profits. Investors can attain even better cash flow than if they were to buy an apartment building that wasn't in foreclosure simply because they will obtain the property for less than what it was worth.
- Higher cash-on-cash returns in comparison to single family homes make apartment buildings the premier opportunity. Obtaining a cash flow of \$300 on a single family home is a good starting point for many investors, but with apartment buildings, investors can realize multiplied cash flows because of the sheer number of units you're dealing with. Even owning a small apartment complex with 10 – 12 units can literally put thousands of dollars in your pocket with just one property.
- There's an increased demand for apartment rentals. Foreclosures happening across the nation have caused many families to have to downsize. More than likely, they'll end up in apartments because it's cheaper to rent than a house. For the investor, that means that they won't end up sitting on an empty apartment building.
- Investors can profit instantly from positive cash flows. Apartment building investors profit just because of the number of units they're dealing with. In the case of a single family home, any profit you receive can easily be eaten up by taxes, insurance, and ongoing maintenance. With apartments, those expenses can more easily be spread over the number of units you have.
- Apartment buildings have lower risk. If your single family home goes vacant, do you have the cash flow to sustain it and if so, for how long? The advantage of having multiple units is that if one goes vacant, you've got other units that can take on the burden. Earlier, I mentioned that there's an increased demand for apartments. This trend makes the risk even lower compared to the single family market.

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- Multiplied profits enable investors to hire property managers who can handle rental issues and maintenance issues. The cash flow you'll be generating from an apartment building enables you to leverage your time leaving you with the opportunity to look for more deals or enjoy the time you have.
- Apartment building owners are more willing and able to provide seller financing. While this doesn't apply to all apartment owners, there are still considerably more opportunities to obtain seller financing compared to single family homes. Again, I do want to mention that I don't advocate 100% loan deals, but if the numbers work and the deal is solid, then it might be something to consider.

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