

INVESTING

4 tips for guiding clients through their first investment property

'Some people just want a check in the mail while others want to know who's coming into their home,' Amie Quirarte, an agent at Tahoe Luxury Properties, told a crowd at ICNY



Joe Rand, Amie Quirarte and Rick Haskins *AJ Canaria of PlanOmatic / Inside Real Estate*

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With [home values](#) showing no sign of going down, many are toying with the idea of buying [an investment property](#). It all seems good on paper — you put in the money, sit back and watch a modest investment turn into a major stream of passive income.

While the reality is more complicated than that, there's still no bad time to invest in a potential short-term rental, experts at a panel entitled "Keeping Up With The Rise of The Short-Term Rental" said at [Inman Connect New York 2020](#) at the Marriott Marquis.



Amie Quirarte

You just have to know what you're doing. Here, below, are four ways to guide your clients through their first investment property.

Start talking

The strategy you'll need will differ depending on if your clients are looking to earn as much as possible or buy a vacation home that they could visit with the grandkids from time to time. To make sure that your clients do not have overinflated (and, ultimately, broken) expectations, you need to start talking about what they want from their investment property as early as possible.

"Some people just want a check in the mail while others want to know who's coming into their home and what they will be like," Amie Quirarte, an agent at Tahoe Luxury Properties, said.

Learn the market and the numbers

Particularly for investment properties, you need to become an expert in the market in which you work — many of the clients come from out of town and are looking for you to provide the specifics of what is the best investment. Along with keeping up with financial statistics and following market trends in any given city, you can also run a quick estimate of how much a rental property is expected to generate.

Vacasa's [Vestimator](#) and [Hubzu's investment property calculator](#) are great options.

Learn the law

The regulations surrounding short-term rentals are complex, to say the least. The law varies from state to state (and often, from city to city) while cities are passing new laws constantly.



Rick Haskins

To avoid disappointment, you need to temper clients' excitement with facts about what is and isn't allowed early on.

There's nothing worse than buying a property and finding out that, like in New York, you cannot rent it out short-term unless you're also living in it.

"You want to be able to help your client successfully navigate where they want to go," Quirarte said. "You need to be doing your job and saying 'well, what happens if they put in new guidelines.'"

Consider branching out

A client who wants to get an investment property could be the push you need to expand into this branch of real estate full-time. Some may try it, find it difficult and choose to relegate it to colleagues who specialize in vacation rentals and second homes. Others, however, will see a new opportunity for career development. Use this time to figure out if this part of the industry is right for you.

"We want everybody to be in this market," Rick Haskins, Florida Principal Broker at Vacasa said. "It's a growing and expanding market in which you can make a lot of money."

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