

Are You Dumb Enough to Be Rich?

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(ARA) - The cost of living is higher than ever, there's weakness in the job market, stocks are in a free-fall and the housing market is in a slump. Sounds like a bad time to be a real estate investor, or is it?

According to G. William Barnett II, author of "Are You Dumb Enough to Be Rich?" from AMACOM Books, exactly the opposite is true. "These are the times smart real estate investors live for. There's more money to be made in chaos than at any other time, and no other investment strategy has created more millionaires than real estate," he says.

In the just released second edition of his book, Barnett, who has more than a decade of experience in real estate investing, has added chapters that lay out his strategies for being successful in the current marketplace. The key, he says, is knowing how to decipher not only which markets to invest in, but which neighborhoods hold the key to wealth.

"One of the greatest frustrations I had early in my career was reading about places where great things were happening, but not having the confidence to take advantage of them," says Barnett, who still regrets not investing in Hawaii back in the late 1990s when the crash of the Japanese stock market sent housing prices into a free fall. "Back then, I told my wife we have to invest in Hawaii. She said, 'No, we don't know anything about that market.' If I had known then what I know now, boy would I be better off."

Barnett has spent the past decade finessing an investment strategy he calls "Hot Mapping," which is outlined in the new edition. "Basically it's a business overlay that you can apply to any market in the U.S. to identify the areas in that market you should be investing in," he explains.

Here's a brief synopsis of how it works. Step one is to establish a market's median price which you can do with the help of resources on the Internet. Next you'll want to purchase two maps. One electronic, the other a 6-by-6-foot map that covers the town or county you want to invest in. Step three will be to break down the market from a pricing standpoint using color coding.

"Once you finish making your map, pick up the classifieds and start adding pins representing each of the homes for sale. This technique gets you to the point where you can just pick up the phone, call an agent and tell them exactly which subdivision you want to look at and how much you're willing to pay. You're in essence equipping the agent to do a great job for you," says Barnett.

In "Are You Dumb Enough to Be Rich?," Barnett offers other strategies for making a fortune in real estate, including instructions on how to find and take ownership of troubled properties before they go into foreclosure and how to move faster than your competition when it comes to getting your hands on lists of already foreclosed properties the banks and mortgage companies want to sell.

As for the housing markets Barnett likes best right now, he says number one is Las Vegas, which currently has \$10 billion worth of commercial construction going on and will soon have a demand for thousands of new employees. He also likes San Diego, which due to this summer's fires doesn't have enough housing to meet its citizens' needs; and Central Florida which thanks to the Disney empire will always have room for growth.

“Real estate is cyclical. Before you know it, the economy will recover and banks and mortgage companies will once again become more creative in their lending practices. Then there will be another string of foreclosures, and smart investors like you will be lined up to help clean up the mess,” says Barnett.

The second edition of “Are You Dumb Enough to Be Rich?” is available for purchase at bookstores nationwide or visit www.amacombooks.org for more information.

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