Building Your Dream Team

~ Jeff Watson, Esq.
Smart real estate investors know that a team of competent financial professionals is essential to their success. Real estate and finance are competitive fields, but not all
professionals involved in them understand investment property and the unique needs of real estate investors. Tempting as it may be to work with the insurance agent you knew as a child, the bank where you keep your personal checking account, or the real estate agent who sold you your first home, when it comes to your investment properties it pays to interview lots of professionals until you have assembled a team that knows what they are doing and can act quickly, competently, and at a price you can afford. That team is your ‘Dream Team’, the group of experts that will help to insure your success.

The consequences of hiring just anyone to manage your investment properties and purchases can be serious and expensive. A few hours lost here or there because your real estate agent has never negotiated a short sale can mean losing a great property to another investor who has hired a more experienced agent. Similarly, many real estate investment deals have languished for weeks or even longer simply because the escrow agent and title company were unfamiliar with what it takes to close such deals. Hiring the wrong contractor or handyman can cost you thousands of dollars and cut into your profits or even eliminate them. You need a team of experts, one you can count on to do what needs to be done without dropping the ball: a “Dream Team.”

Who will you need to hire for your Dream Team?

First and foremost, you are going to need a real estate agent who is familiar with neighborhoods most likely to be of interest to investors; and who will come armed with information you need most such as cost per square foot as compared to comparable
square foot costs in the area in which you are shopping. You need a real estate agent who is also experienced in expediting the sale of distressed or repossessed property and in negotiating short sales, and knowing who to contact at various lenders as well who the prominent REO agents are in your town.

You will certainly need a good insurance agent, but again, your needs as an investor are not the same as the needs of a new homeowner. Many insurance companies place limits on how many rental properties they will insure per person, and some companies won’t insure investment properties at all. A captive agent (one who represents only one insurance company) is not likely to be your best bet. You will most likely need to hire an independent agent who knows the ropes and can keep all of your properties insured at the lowest possible price by accessing many different insurance companies.

You will definitely need a good handyman or contractor who will fix up your properties at a rate you can afford, a good attorney who is familiar with real estate issues, a tax professional who can advise you of potential tax issues before they arise, a banker or mortgage broker who understands your needs and who can be trusted to get you the best loans at the lowest rates, and a pest and home inspector who will tell you the truth without charging an arm and a leg.

If investing in real estate were easy, everybody would be doing it. The truth is, real estate investing can be tricky. Success depends on knowing you have hired the smartest, most reliable Dream Team of specialists and expert professionals available.
Delegation is the secret to management success in any field. You don’t have to know everything, but you do have to have ready access to a team of professionals who do. Choose a Dream Team in the beginning and you will save yourself money, time, and work that will lead to bigger profits and a smoother, more efficient investing experience in the end.

**How to Hire an Insurance Agent for Investment Properties**

Most people shop around for the best rates on auto insurance, but few investors spend as much time as they should thinking about what kind of insurance they will need for their properties, much less which insurance agent can get the best rates. Yet when it comes to insuring investment property, insurance agents are definitely not all created equal. It pays to find the right one.

Insurance agents come in two varieties: captive agents, who represent a single large insurance corporation, and independent agents who are able to sell policies written by many different insurance companies. Your best bet as a real estate investor is to find an independent insurance agent who is used to working with real estate investors and servicing their unique needs and challenges.

One good way to find such an agent is to talk with other investors and business people in your community. Once you assemble some names, you will want to ask some pertinent interview questions about what kind of coverage you need and how it works.
Your first clue as to whether you have found the right agent will be how willing or able he or she is to answer you. The right insurance agent will not only take the time to explain various policies and their costs, that agent will also have suggestions for how to protect yourself and your investment properties at the best possible rate.

Make sure you ask your prospective agent how many rental properties you may own before you are required to switch to a commercial policy. Ask about how easy or difficult it will be to insurance your properties as an LLC corporation (in case that is what your attorney advises down the road), and ask how difficult it is to add an additional named insured in case you take on a partner. You should also ask about liability coverage and whether a separate liability policy (often called an umbrella policy) is available at a reasonable cost. You will almost certainly need such a policy, and you need an agent who can write one that is affordable.

If you are going to be hiring contractors or handymen, you will want to ask about your liability for injuries they might sustain while on the job, and you will need to know what to ask and what to provide your insurer before allowing a contractor access to your property. (Many are bonded, or self-insured, but not all have taken this step.) A cheap handyman may not seem like such a bargain if he injures himself on your property the first day, is not covered under his own policy or yours, and decides to sue you for his hospital bill.
A knowledgeable, experienced independent insurance agent will be anxious to answer all of your questions and assist you in putting together an insurance package tailored to your specific needs as an investor. He or she will actively offer suggestions and explain what you need to do in the event of a claim, as well as what to expect in terms of insurance changes should your investment business grow. An agent who is familiar with commercial insurance policies should you need one, or who has ready access to a partner or a department that can write a commercial policy, is essential so you don’t have to keep switching insurance agencies as your investment business grows.

Taking a few days to interview agents until you find exactly the right one can pay off in big savings and fewer headaches almost immediately. A trustworthy, knowledgeable property insurance agent is a Dream Team essential, so don’t stop until you’ve found the perfect person.

**How To Hire Title Companies & Escrow Agents**

A title company or escrow agent has a financial and ethical responsibility to remain neutral and serve all parties involved in any real estate transaction in a fair and equal way. In other words, a title company or escrow agent cannot be biased in your favor; they have to be fair to everyone. Other parties that are typically involved (even in simple real estate transactions) include the seller, the lender, the existing lien holder, various government agencies, and at least one or more real estate agents and the real estate companies each of them represents.
Despite the requirement that your title company or escrow agent remain neutral while closing, you still should take a number of factors into consideration when choosing an agency to handle your title and escrow.

The first and most basic step is to make sure that all the paperwork generated towards the sale of a property includes a clause stating that the title company or escrow agent will be handing the closing. The proper contact information for that agency should also be listed. The title company and escrow information should be included right in the Purchase and Sales Agreement (the very first document generated) so that no last-minute surprises or lost papers cause unnecessary delays or problems later on.

You should also ask a few key questions before your first meeting with your title company or escrow agent to make sure you have everything set up properly.

First, you need to know which title carriers provide insurance for the agency you choose. Many title agencies work with more than one title insurance carrier, and each insurance carrier may have different underwriting standards and conditions. Some may be able to close certain kinds of real estate transactions but not others, so you want to make sure your sale can go through without a hitch.

You will need to know the cost per $1,000 of value for the title insurance on your specific property, as well as how much the title company charges to do a lien search. (A lien
search provides you with information about all current and previous liens held on the property you intend to buy.) These costs are a normal part of every closing, but it's better to know them up front than to be surprised when it's time to sign papers.

If you plan to flip your investment property and resell it as soon as possible, you will also need to know how to simplify the closing documents and terms for speedy resale. If you are negotiating a short sale (a sale in which a bank accepts an offer for a property that is less than what is actually due on the mortgage), you must ask the your escrow agent or title company if they have any experience in setting up short sale closings. How many have they done this year? How long on average did they take?

Short sale closings can become problematic when it isn’t clear how the chain of title will be documented, especially when you are not funding the first half of the transaction. A title company or escrow agent unfamiliar with structuring the chain of title so as to prevent a seasoning issue or other problem with the contract later on can cause the closing to be postponed again and again, or can cause problems for you later when you try to sell. You definitely want to work with an agency that understands this, and not all title agencies do. You have to ask.

Acquiring a property in foreclosure that you intend to resell can be a tricky matter. Make it clear to both your real estate agent and your title company that you require a seasoned escrow agent familiar with foreclosures, distressed property sales, REO
sales, and short sales; you need to work with someone who has closed these types of sales successfully on many occasions.

A few carefully selected questions of this nature early in the closing process will save you endless headaches later on, and will help to insure your ultimate real estate investment financial success.

**How to Hire an Investment Property Tax Professional**

One of the most important people you will hire for your Dream Team is a tax professional. No matter how shrewd an investor you are, if you don’t have a good tax professional on board from the very first day, you run the risk of seeing all your hard work go up in smoke.

Tax problems and arguments with the IRS are not fun. Nobody likes getting letters from the IRS, even when the letters are simple notices about form changes and filing deadlines. Having a knowledgeable tax professional on your Dream Team lets you shift the burden of tax issues and worries about tax issues onto someone who understands how to handle them and keep you out of trouble.

When it comes to dealing with the IRS and making sure all of your tax documents and payments are in order, you can choose from two categories of professionals: accountants or enrolled agents.
Accountants can help you keep accurate records for your business, take care of the bookkeeping, track the accounts payable and receivable, help you with payroll if you have staff, and advise you on best business practices and ways to stay ahead of the game. A good accountant can be a valuable member of your Dream Team and can keep you on track if your investment property business is small or new, especially if he or she has a lot of experience working with investors.

An enrolled agent is probably a better choice if you can’t find an accountant who is very familiar with real estate investors and the specific tax and financial issues they face. An enrolled agent can do everything an accountant can do, but is also licensed to practice with the IRS and specializes in preparing, completing and filing tax returns. Look for an enrolled agent with experience in the specific kind of real estate investment that you practice. For example, if you buy, improve, and flip houses, look for an enrolled agent who has worked with other clients who do that successfully. Don’t be the first client in your field for the enrolled agent you select. Get someone who knows real estate.

Talk with your prospective tax professional about how you can best ward off audits and tax problems. Taking some basic organizational steps can save you a world of trouble, but you need a tax professional who is familiar with how you can best structure your real estate investment business to guide you toward the right choice.
For example, the IRS audits sole proprietors who file Schedule C much more heavily than any other group, so if you are investing on your own, ask whether adding a partner or setting yourself up as an LLC corporation to ward off audits and other unwelcome tax issues might be a good move.

If you are involved in more than one kind of real estate investing (for example, if you are both a “flipper” and a landlord for properties that you hold over time), talk to your tax professional about setting up separate business structures for each type of real estate investing you do. If you keep your different investment activities legally separate for tax purposes, you can save yourself both money and trouble. Make sure that whoever you hire as your tax preparer and/or accountant understands the ins and outs of business organization with regard to potential problems and expenses.

Finally, don’t forget to ask basic questions about costs per hour, standard charges, and unexpected issues. Ask if your tax professional charges an hourly rate for phone calls you make to him or her, and ask if fees are set up according to a flat rate schedule or are calculated by the hour.

Don’t be afraid to ask how long the tax professional has been in business and how many real estate investor clients he or she services. If you know any successful investors or business people, ask who they use for tax preparation, and start there. Your goal is to hire a tax professional who is very familiar with your issues and who has been successfully working for real estate investors for some time.
Having a competent, experienced tax professional on board from day one will take a huge weight off your shoulders in terms of worry and stress. Your Dream Team accountant or enrolled agent will cover the worrying over IRS problems, leaving you free to pursue your business and reap the rewards of hard work.

**How to Hire Home & Pest Inspectors**

One of the most common errors new real estate investors make is failing to hire a professional to thoroughly inspect a prospective property before purchasing it. Most lender require a pest inspection, but beyond that, inspections are usually optional and they are not free. Many investors have made the mistake of saving themselves the cost of hiring an inspector or contractor only to discover, shortly after closing the sale, that this “savings” has cost them thousands of dollars in necessary repair work.

When hiring a pest inspector, ask some basic questions. Will the report the inspector makes be verbal, written, or written in FHA format? How much does the inspector charge for each kind of report? How long has the inspector been in business? Is pest inspection the inspector’s main job, or is it a secondary job? How often has the pest inspector found problems with the house before the sale? How many problems have been missed? Will the inspection reveal prior pest damage as well as active damage?
General inspections require more thought. If you are looking at a “pretty” house that is owner-occupied, you can probably get by with a general whole-house inspection, but if you are buying a distressed or vacant property, your best bet is to do a walk-through with a contractor. This will cost you some money, but not taking this step can cost you even more money. A general contractor will be able to look for signs of trouble in all the most expensive areas: structural, plumbing, electrical, heating and air conditioning, roofing, and building code violations.

Interview your inspector or contractor in advance and ask the same questions you asked of the pest inspector. Also ask how good that contractor is at spotting potential problems a buyer (or bank, in the case of a foreclosed property) might be trying to cover over. Most inspectors and contractors have a clause right in their contract that exempts them from liability for anything they have missed on the inspection on the grounds that you are the one buying the house, not them. Even so, you can probe for information on how often they actually find anything wrong.

The last thing you want is an inspector whose first priority is to push the sale along. You need specific information about possible costs of needed repairs, and you need this information before you make an offer on the house. If you know, for example, that a plumbing problem will cost you $5,000 to address in the near future, you can either shave $5,000 off of your offer or insist that the seller make the repairs before you close. If you don’t have the information in advance, then you are stuck with a $5,000 expense that will eat into your profit. That’s an expensive mistake to make even once, but if you
make it repeatedly, you will have a much tougher time creating a profitable real estate investment business.

Don’t let your realtor hire your pest inspectors and contractors. Realtors are usually happy to do this, but you are going to need a general contractor, a home inspector, and a pest inspector that you can rely on and work with personally over time. Think in terms of building a relationship with a professional you trust, not in terms of getting through a single sale and getting on to the next.

Hire the right pest and home inspectors and contractors as regular members of your Dream Team, and you will be rewarded with better real estate deals, fewer headaches, and greater profits now and with every sale. The more information you have about a property, the stronger your leverage will be when it comes to negotiating price and ultimately making money as a real estate investor.

How to Hire a Contractor or Handyman

No matter what your long-term goals as a real estate investor are, you are going to need to hire a handyman or contractor at least once and, more likely, on many occasions. If nothing else, there will be times when you need the interior of a house painted and carpeted quickly, and you won’t have the time or the inclination to do it yourself. A reliable, responsible contractor or handyman is a vital part of any real estate investment Dream Team, and yet out of all the people you hire, contractors and
handymen have the potential to cause you the most trouble and grief. Knowing how to prevent contractor problems before they happen is essential to maintaining your sanity and keeping your real estate investment business profitable and efficient.

If you need painting and minor repairs done, you can save money by hiring a handyman instead of a contractor, but you have to be careful. Any drunk with a pickup truck can buy a few tools and some business cards and call himself a handyman, but that doesn’t mean he knows how to fix anything or complete the work he starts or show up at all. Asking a few pertinent questions can help you to separate the wheat from the chaff and find the person you need instead of a person you wish you’d never met.

Does the handyman have a business checking account? Does the business have an actual name that you can make a check out to as payment? This is important legally, since you will need to show that the person who did this work for you is responsible for himself and any injuries he may sustain in the event something goes wrong. If his business has no name, if he doesn’t have a business account, and if you can’t show that he actually is in business for himself, then you could end up being considered his employer, and that comes with all kinds of expensive obligations and tax problems.

Does he have liability insurance and worker’s compensation insurance? Is he bonded? Can he prove any of this? What kind of truck does he drive? Although it might sound odd, many real estate investors find that handymen who drive nice trucks tend to be a safer bet than handymen who drive older, worn out trucks. If your handyman or
contractor drives a nice truck, he probably has decent credit and a real address. You may also be able to go after his truck in the event of real trouble down the road.

When looking for a contractor for more extensive work, ask about written estimates. Does the estimate list the cost of materials and labor separately, or is everything lumped together? Does the estimate specify what kinds of materials will be used? You can't compare costs if you can’t tell whether or not two contractors will be using the same materials. Does the contractor actually use a contract? If so, read it thoroughly and make sure it spells out when the job will start and when the work will be completed, as well as who is liable for mistakes and injuries on the job.

Be very careful about contractors or handymen who want you to provide the materials. This can get you into a legal situation where, again, you are considered the employer and suddenly find yourself with all the obligations of an employer (and they are many). Never give a contractor or handyman more than 30% of the cost of the job in advance, and try to keep it down to 25% if you can, otherwise you risk writing a check and never seeing that person again, ever.

Finally, resist the impulse to pay relatives or friends in cash to work for you, and do hire real professionals instead. In addition to saving you lots of personal trouble, you need to be able to show your expenses for tax purposes, and you need to show that you’ve paid a separate business for the work for liability and legal purposes.
Ask your insurance agent about adding an inexpensive worker’s compensation clause to your property insurance to protect you in the event that all of your careful questioning fails and someone is injured while working on your property. Many policies offer this option, and it is usually not expensive at all. It’s better to be safe than sorry.

Once you find a good handyman or contractor, treat that person like gold. You will definitely need help again. A good handyman and reliable contractor is an essential part of any real estate Dream Team, so make sure you ask all the questions you need to ask before letting anyone onto your property, and watch out for your own interests as well as theirs.

How to Hire a Banker or Mortgage Broker

Many banks and mortgage brokers were so badly burned by issuing subprime loans to real estate investors than they have gotten away from making anything except conventional loans to people who plan to occupy a property themselves. In other words, many banks and mortgage brokers are shying away from real estate investors completely. In spite of this unfortunate reality, you are going to need to find at least two bankers or mortgage brokers for your Dream Team, and more than that if you can find them. The more good options you find, the better for your business.

You will be using your mortgage and banking professionals for two purposes: financing the properties you buy, and finding financing for buyers who want to buy properties you
are reselling. The reason you need more than one mortgage broker or banker is that mortgage brokers and bankers don’t always follow through on all the promises they make, so you will need a backup plan if financing with one drags or falls through.

Ask some basic questions up front so you don’t waste your time with a lender who isn’t going to be able to help you anyway. Does the broker or banker work with real estate investors? How many? How many nonconventional loans has this person closed in the last six months, and how many of those loans were made to investors or their clients? How many different lenders can this broker or banker access? How much time typically passes between the initial application and approval of a loan? Will the broker or banker prequalify potential buyers for free or is there a charge? Will the broker or banker issue you a pre-approval letter for financing on a property you want to buy? Will he or she do that for your clients?

You will also want to ask about ways you can expedite financing for people who want to buy houses you plan to flip. Does the broker or banker have a simple application or pre-approval form that you can have potential buyers fill out and then fax? Will the banker or broker allow you to include his or her contact information in your advertising? What is the typical credit score range needed to obtain financing? Can the broker or banker access alternative, subprime, or creative financing when needed? Does the broker or banker have experience with FHA and VA financing?
Lots of mortgage brokers work on commission only, so the turnover in this profession can be enormous. It isn’t a bad idea to ask how long the broker has been in business. How many mortgages has he or she had approved this year? This month? This week? Sometimes a newcomer can surprise you, but investors tend to have their best luck with mortgage professionals who have been at it successfully for many years, not a few months or a few weeks.

Asking these kinds of questions up front can help you to weed out bankers and brokers who mostly deal in refinancing, home equity loans, and other conventional loan products that are of no use to you. Once you do find a broker or banker who can put together the kinds of mortgage products that will be helpful to you, the final proof is in the performance. That person will either come through for you or will quickly become annoying and unavailable. The ones who come through for your become a part of your Dream Team. The ones who do not come through for you, don’t.

**How to Hire a Real Estate Agent**

An aggressive real estate agent can be a valuable resource for any real estate investor. Aggressive real estate agents can give you a heads-up on properties that are just coming on the market at a good price, direct new clients to properties that you are trying to sell, and access the Multiple Listings Service (MLS) database to provide you with necessary information to make great buys, such cost per square foot on a new property as compared to cost per square foot on comparable properties.
Real estate agents often also know the best contractors, handymen, mortgage brokers, and insurance professionals in the business, and can provide you with names, numbers, and referrals to these people. You definitely need an aggressive real estate agent on your Dream Team, but how do you find one?

Real estate is an incredibly competitive field. In any given locale, about 90% of the people who go into selling real estate will drop out of the profession sometime in the first two years. That means that about 10% of the real estate agents sell about 90% of the real estate in any given city or general location. These are the people you need to find.

Ask your prospective real estate agent how long he or she has been in the business, and then ask for the gross dollar amount of his or her previous year’s real estate transactions. Anything less than a million dollars tells you this person is not really making a living selling real estate. Why not? Because by the time a real estate agent gets finished splitting commissions with other agents and the agency he or she works for, the dollar amount left is about 2% of the gross sales figure. A real estate agent selling a million dollars in property per year may sound successful, but he or she is netting an annual salary of only about $20,000.

You will encounter three basic kinds of real estate sales professionals: agents, realtors, and brokers. Real estate agents sell real estate for an agency and have no special training beyond basic state licensing. Realtors have taken additional classes and have
met higher licensing requirements that give them special expertise and a competitive edge. Real estate brokers are simply realtors who employ other realtors or real estate agents, usually in the course of running their own real estate agency. For your purposes as a real estate investor, an aggressive real estate agent is all you really need.

Once you’ve determined that your prospective real estate agent actually makes a living selling real estate (by asking about that person’s gross sales figure), ask about your agent’s marketing plan for selling homes. You aren’t really looking for details you can use here; you just want to find out if a marketing plan exists. Does this person actually aggressively try to sell property, or does he or she just list it and forget about it? Ask if the agent would be willing to tip you off about clients who are behind on their mortgages or who might take less than their property is worth, and if the answer is affirmative, ask how much involvement, if any, this real estate agent has personally had in short sales.

Another question worth asking is whether or not your prospective real estate agent has an assistant and whether you can work with that assistant to access the MLS database to find potential properties to buy. You might even ask if your prospective real estate agent needs an assistant and if he or she does, ask if that person might consider hiring you part-time. Assisting a real estate agent is more than worth your time for the chance to be the first one in on the best real estate deals in your area. Some real estate agents will even let you use their conference room to meet with potential clients, but you won’t know this unless you ask.
When interviewing prospective real estate agents, you are looking not so much for a long resume as an aggressive sales history. An aggressive realtor recognizes that relationships with local investors can be mutually beneficial when handled correctly. Everybody wins. Look for the real estate agent who sees you and your real estate investment business as an opportunity for both of you, and then use that real estate agent as much as you possibly can.

**How to Hire a Real Estate Attorney**

A popular saying advises that everyone hates attorneys until they need one. As a real estate investor you will need an attorney from time to time in three separate legal areas: business law, real estate law, and (even though you’d rather not think about it) litigation.

Very few attorneys are trained in all three areas, so often the best way to go about hiring an attorney for your Dream Team of real estate investing professionals is to look for a small firm that specializes in servicing small businesses and real estate investors. Such a firm will almost certainly keep attorneys on staff in each of these separate specialties. Sticking with a single firm that you trust and that has all your records can make your life as an investor a lot less complicated and stressful.

How do you choose the right team of legal professionals?
First, it is important to understand exactly what you need your attorney to do for you. In the area of business law, you will need an attorney who can advise you on the best business and tax structure for you depending on the size and complexity of your real estate investments. You will need an attorney well versed in real estate law to draw up contracts and purchase agreements and to review documents before you sign them. A good litigation attorney will do his or her best to keep you out of court, but sometimes you will need to evict a tenant or take action against a land contract buyer who is in default of the contract terms. Other issues that often come up in the area of litigation regarding real estate include problems with closing a short sale, foreclosure issues, and disagreements about deposit refunds.

Make a 15-minute appointment with the attorney or firm you are thinking about hiring and ask them directly if they routinely handle these specific matters common to real estate investment businesses. Don’t be afraid to ask them what percentage of their time is spent handling the kinds of issues you will need them to handle and what their system is for fees and charges.

Do they charge by the hour? Or do they have a flat fee for various services? Hourly charges can be greatly to your disadvantage, especially if the attorney in question is not familiar with the issues you need him or her to handle. You don’t want to be paying your attorney an hourly rate while he or she learns about real estate law from the ground up. Ask about how charges are calculated. Are phone calls charged at an hourly rate? What is that rate? Does the attorney charge for postage? How about for copying?
Ask your prospective attorney how other fees and charges will be handled; e.g., expert witnesses, move-out costs (in the case of evictions), court fees, etc. Will you be responsible for these costs separately or will the attorney include them in your bill? Is a retainer required? (A retainer is an advance good faith payment toward services not yet rendered.) How often will you be billed? Can you carry a balance? Will any portion of your retainer be refunded if the work ends up costing less than the retainer amount?

How does the attorney prefer to be contacted and how quickly will you hear back? Should you call, write, or e-mail questions and concerns? Or do you need an appointment each and every time something comes up?

The right attorney or firm of attorneys is an essential part of your real estate investment Dream Team of consultants and experts. Asking lots of questions, taking the time to interview several firms until you find the right one, and not being afraid to be aggressive in your questioning will ensure that the attorney you finally do hire will serve you well at a cost you can actually afford.

**Top Ten Tips for Hiring Your Real Estate Investment Dream Team**

You’ve started your own real estate investing business, and of course you want to be as successful as possible right from the start. The best way to make sure you make money
in real estate is to understand and accept that you can’t possibly know everything, and in some cases, you can’t even know what you don’t know.

You have to hire experts to advise you on all manner of specific issues, but the good news is that you don’t have to keep all these people on your payroll. You just have to find out who they are and keep their phone numbers close at hand. This collection of experts is your Dream Team, the team of professionals who will place your real estate investment business ahead of everyone else’s. Choose them carefully and wisely.

Here are ten tips for finding the very best people in any field of expertise.

1. **Ask other real estate investors for referrals.** Networking is one of the most crucial and most neglected skills in business. Many people are attracted to working for themselves because they are ambitious loners, but you can’t succeed without understanding what other people are up to, and you can’t know what they are up to unless you chat them up and get to know them.

2. **Don’t try to go it alone.** Resist the impulse to save money by doing for yourself what you should be hiring out. The sink that you decided to fix yourself would have taken a plumber a fraction of the time you spent on it. Meanwhile, while you were spending way too long *not* fixing that sink, you were also *not* doing your real job: investing in real estate and scouting out new customers and properties.
3. **Resist nepotism.** Nepotism is the practice of hiring unqualified relatives and friends just because you can. Nepotism will sink your business and sink it fast, not to mention destroy perfectly good relationships and mess up your personal life. Hire professionals, not your out-of-work second cousin.

4. **Interview all prospective team members.** Any professional who won’t give you fifteen minutes without charge to ask pertinent questions before you commit to working with them is not the professional you want to hire. Move on, and don’t stop until you find the right person.

5. **Ask aggressive questions.** Real estate is an unbelievably competitive field. No one who succeeds in it or in any area associated with it (insurance, law, construction, etc.) got where they are by being delicate and shy. Don’t be rude but do ask what you need to ask directly, and expect a real answer.

6. **Protect yourself.** Liability issues hang over small business people like a dark cloud. Always remember the potential for trouble and ask about every professional’s policies regarding mistakes, injuries, and lawsuits. What will you be left holding and what do they take responsibility for? You need to know this.

7. **Consider the worst case.** Most people who first start out in real estate investing look at properties and people through rose-colored glasses until a string of bad experiences sober them up. Be realistic from the start by checking people out thoroughly and asking tough questions in advance.
8. **When in doubt, check it out.** That nagging feeling you have about a property that you want to ignore because the price is so great is there for a reason. Don’t ignore it. Use your contractor and or inspectors and be thorough. If you still aren’t sure after all that precaution, you might want to pass this one up.

9. **Don’t be bullied.** Learning to take good advice while retaining control of the advisor is a tricky business, but you can develop the capacity to do this with grace and firmness. Remember that you are hiring the attorney, insurance agent, contractor, realtor, etc., not vice versa. If a power struggles seems endless, re-assess whether this person is right for your team.

10. **Pick up the phone.** Your Dream Team can’t help you if they are left languishing in your address book. Put a few of them on speed dial and call them.

Investing in real estate can be incredibly rewarding, both financially and personally, or it can quickly become a messy, confusing nightmare. Your Dream Team is there to make sure your investment experience is a positive one and a lucrative one. Choose them well, use them often, and your bank account and sanity will quickly show it.