

# **Common Mistakes of Investors**

## **Being TOO Optimistic**

Avoid being too optimistic with your research and evaluations. This will only result in failure. Be conservative with all numbers and fully evaluate the most possible and worst case scenarios.

## **Mis-Evaluating Risk Tolerance**

You must be confident in your ability to evaluate your risk tolerance. Mis-evaluating this can lead to financial distress and disaster. Better to be too conservative than lose everything and have to start over.

## **Lack of Landlord Skills**

Many people underestimate the skills required to be a landlord. You must not only be able to do the occasional repair, but deal with many phone calls, difficult questions, hardships of the tenants, and the eviction process and court systems. You must educate yourself on the law and be able to deal with many different personality types.

## **Not Using Professionals**

Realtors evaluate properties on a daily basis. While you may be able to accomplish the same results on your own, it is best to learn from someone else's mistakes and knowledge. You can also use this philosophy in repairs. You can spend a whole weekend fixing a bathtub leak, or you can simply hire a professional and spend your time doing something more profitable in the meantime. Knowing your limitations and when to ask for advice or help is crucial.