

Bethany Kuhns

REALTOR® | ANNA POWELL REAL ESTATE AT EXP REALTY



— INVESTOR GUIDE

# Investing in the Triangle

A plain-English starting point: pick a strategy, run the numbers, line up funding and buy with a plan.

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**— WELCOME**

# Let's make your first (or next) deal a smart one.

Whether you're buying your first rental, living in one unit and renting the rest, or taking on a project, the goal is the same: know what you're buying and why. This guide walks you through the basics so our first conversation is a productive one.

## How I help investors

### Finding deals

I watch for properties that fit your strategy and send them your way.

### Running the numbers

We look at every deal together so you know what you're buying.

### Building your team

I connect you with lenders and contractors who work with investors.

## Areas to watch

The Triangle mixes cities and small towns, so different strategies can fit different places. A few to look at:

**Garner** Close to Raleigh with easy access to downtown.

**Knightdale** East of Raleigh along US-64/264, lots of newer neighborhoods.

**Fuquay-Varina** Small-town downtown in southern Wake County.

**Zebulon** Quieter town on the far eastern edge of Wake County.

**Durham** A lively city with a mix of older and newer neighborhoods.

**Clayton** Johnston County town southeast of Raleigh off I-40.

**Wake Forest** North of Raleigh with a walkable historic downtown.

## — STEP 1

# Pick your strategy

Each one fits a different goal, budget and amount of time you want to spend on it.

## Long-term rental

Buy a home and rent it to tenants on a lease. Steady and simpler to run.

### GOOD FIT IF

- You want steady monthly income
- You plan to hold for years

### THINK ABOUT

- Tenant screening and leases
- Repairs, vacancy and management

## House hack

Live in one unit or room and rent the rest. Your tenants help cover your payment.

### GOOD FIT IF

- You want to lower your own housing cost
- You're okay living near your tenants

### THINK ABOUT

- Loan rules for owner-occupied homes
- Privacy and shared spaces

## Flip

Buy a home that needs work, renovate it and sell. More risk, more hands-on, faster turnaround.

### GOOD FIT IF

- You like projects
- You want a payday sooner

### THINK ABOUT

- A solid rehab budget and contractor bids
- Holding costs while the work gets done

## Short-term rental

Rent to guests by the night or week. More management, and income can change with the seasons.

### GOOD FIT IF

- You like hosting
- You're ready to be hands-on

### THINK ABOUT

- Town and HOA rules
- Cleaning, furnishing and guest care

**Heads up:** short-term rental rules vary by town and HOA, and some limit or ban them. Always check local rules before you buy.

## — STEP 2

# Run the numbers

## Cash flow

**Rent** minus **all expenses** minus **your mortgage payment**

What's left over each month after everything is paid.

## Net operating income

**Yearly rent** minus **yearly expenses**, before your mortgage

Expenses include taxes, insurance, HOA, repairs, vacancy and management.

## Cap rate

**Net operating income** divided by **purchase price**

Compares properties no matter how they're financed.

## Cash-on-cash

**Yearly cash flow** divided by **the cash you put in**

Shows how hard your money is working. This example counts the down payment only.

### EXAMPLE ONLY

Made-up numbers to show the math. Not a quote, a rate or a market figure. Leaves out closing costs.

|                                  |            |                                          |                           |
|----------------------------------|------------|------------------------------------------|---------------------------|
| Purchase price                   | \$300,000  | Yearly rent                              | \$30,000                  |
| Down payment (25%)               | \$75,000   | Yearly expenses                          | \$10,200                  |
| Loan at a sample 7%, 30 years    | \$1,497/mo | <b>Net operating income</b>              | <b>\$19,800</b>           |
| Rent                             | \$2,500/mo | Yearly mortgage payments                 | \$17,963                  |
| Taxes and insurance              | \$4,500/yr | <b>Yearly cash flow</b>                  | <b>\$1,837 (\$153/mo)</b> |
| Repairs (\$150/mo)               | \$1,800/yr | <b>Cap rate (\$19,800 / \$300,000)</b>   | <b>6.6%</b>               |
| Vacancy (5%) and management (8%) | \$3,900/yr | <b>Cash-on-cash (\$1,837 / \$75,000)</b> | <b>2.45%</b>              |

Want to try your own numbers? Use the deal calculator on my Investor Hub: [bethanykuhns.com/investor](https://bethanykuhns.com/investor)

## — STEP 3

# Line up your financing

The loan you use shapes your numbers and your strategy, so talk to a lender early. Here are the common options in general terms.

## Conventional investment loan

A standard mortgage for a property you won't live in. Your lender looks at your income, credit and the cash you're bringing.

## FHA house hack

FHA loans can often be used on a property with up to four units as long as you live in one as your main home. Your lender will confirm the rules for you.

## DSCR loan

A loan for investment property that qualifies you based on the property's rental income compared to its payment, instead of mostly on your personal income.

## Fix-and-flip loan

A short-term loan, often called hard money or a rehab loan, for buying a property that needs work. It's based mostly on the property and the project, and it's meant to be paid off quickly.

## Questions to ask your lender

- ☐ Which loan types fit my strategy?
- ☐ How much cash will I need at closing?
- ☐ Can rental income help me qualify?
- ☐ What reserves do you require?
- ☐ How long does approval take?
- ☐ Can I get pre-approved for this loan type now?

Loan approval, rates and terms are between you and your lender. For taxes and how to hold the property (like an LLC), talk to a tax pro and an attorney.

## — NEED FUNDING?

Meet Amie.

## Amie Williams

LOAN OFFICER, KINGDOM CAPITAL

Helps investors with DSCR loans and fix-and-flip funding.

CALL OR TEXT 919-414-9966

EMAIL [amie.williams@kingdomcapital.fund](mailto:amie.williams@kingdomcapital.fund)

WEBSITE [kingdomcapitalapply.com/amiewilliams](https://kingdomcapitalapply.com/amiewilliams)

APPLY [kingdomcapital.app/officer/amie-williams](https://kingdomcapital.app/officer/amie-williams)

## Before you reach out, have these handy

- |                                                                           |                                                                            |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <input type="checkbox"/> Your strategy: rental, flip or both              | <input type="checkbox"/> Your rehab budget and contractor bids, for a flip |
| <input type="checkbox"/> The property address, or what you're looking for | <input type="checkbox"/> Expected rent, for a rental                       |
| <input type="checkbox"/> A rough purchase price                           | <input type="checkbox"/> Your timeline to close                            |

Bethany refers investors to Amie. Loan approval and terms are between you and the lender.

## — STEP 4

# From idea to keys

Here's how a deal usually comes together. Every one is a little different, and I'll walk through each step with you.

- |          |                                                                                                          |           |                                                                                           |
|----------|----------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------|
| <b>1</b> | <b>Set your goal</b><br>Pick a strategy, a budget and how hands-on you want to be.                       | <b>2</b>  | <b>Get pre-approved</b><br>For the loan type you'll actually use.                         |
| <b>3</b> | <b>Sign your buyer agreement</b><br>Before we tour, we'll go over what I'll do for you and how I'm paid. | <b>4</b>  | <b>Find and tour</b><br>I send properties that fit, and we tour the ones worth a look.    |
| <b>5</b> | <b>Run the numbers</b><br>Rent, expenses, repairs and returns, before you write an offer.                | <b>6</b>  | <b>Make an offer</b><br>Price, terms, due diligence and earnest money that fit your plan. |
| <b>7</b> | <b>Due diligence</b><br>Inspections, contractor bids, rules, insurance and appraisal.                    | <b>8</b>  | <b>Close</b><br>Sign with the closing attorney and get the keys.                          |
| <b>9</b> | <b>Rent, renovate or host</b><br>Put your plan to work and keep an eye on your numbers.                  | <b>10</b> | <b>Plan the next one</b><br>Look back at what worked and what you'd change.               |

## — BEFORE YOU BUY

# Your starter checklist

## Strategy

- ☐ Pick long-term, house hack, flip or short-term
- ☐ Decide how hands-on you want to be
- ☐ Decide how long you'll hold it

## Financing

- ☐ Choose your loan type
- ☐ Get pre-approved for it
- ☐ Know your cash needed at closing

## Numbers

- ☐ Realistic rent for the area
- ☐ Taxes, insurance and HOA
- ☐ Repairs, vacancy and management
- ☐ Cash flow, cap rate, cash-on-cash

## Due diligence

- ☐ Inspections, plus specialty ones
- ☐ Contractor bids for any work
- ☐ Zoning, rental and HOA rules
- ☐ Insurance quote, survey and title

## Your team

- ☐ Lender
- ☐ Tax pro and attorney
- ☐ Inspector and contractor
- ☐ Agent (that's me!)

## Want it printable?

Grab the one-page Investor Starter Checklist at [bethanykuhns.com/guides](https://bethanykuhns.com/guides)

## — YOUR NEXT STEP

# Ready to run a deal? Let's talk.

Bethany Kuhns, REALTOR® | APRE at eXp Realty

**CALL OR TEXT** 919-816-6591

**EMAIL** [buywithbethany1@gmail.com](mailto:buywithbethany1@gmail.com)

**BOOK A CALL** [calendar.app.google/dHK4umsvnE3uJj4X6](https://calendar.app.google/dHK4umsvnE3uJj4X6)

**WEBSITE** [bethanykuhns.com](https://bethanykuhns.com)



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This guide is general information, not legal or tax advice. General education only, not financial, tax or legal advice.



**SCAN FOR THE INVESTOR HUB**

Deal calculator, strategies and lender info at [bethanykuhns.com/investor](https://bethanykuhns.com/investor)

**FREE PRINTABLES**

Needs vs Wants Worksheet, Home Tour Notes, Pre-Listing Prep Checklist, Moving Day Checklist and Closing Day Checklist. Print them all at [bethanykuhns.com/guides](https://bethanykuhns.com/guides).