cashflow rentals

WE INVEST DIFFERENTLY

Cheap Properties, Expensive Mistakes

Why We Prioritize Predictability Over Promises

cashflowrentals.net · An investor's guide to quality over hype

CONTENTS

Table of Contents

cashflow rentals

WHY WE INVEST DIFFERENTLY

Introduction

If you've spent any time researching U.S. real estate investing, you've probably seen advertisements promising extremely high returns from low-cost properties in cities you've never heard of.

Many of these properties appear attractive on paper. They may show projected returns of 15%, 20%, or even higher.

Unfortunately, our experience has been that real-world results are often very different. At Cashflow Rentals, we take a different approach.

Our goal is not to find the cheapest properties or produce the highest projected returns in a spreadsheet. Our goal is to help investors build a portfolio of high-quality assets that generate stable, predictable income and long-term capital growth.

In other words, we focus on properties that perform in real life, not just in spreadsheets.

In this guide, we'll explain why some of the highest-return investment opportunities are often the most problematic, what we learned from owning more than 120 rental properties ourselves, and the principles we use to identify properties that are easier to finance, easier to manage, and better suited for long-term ownership.

Best regards,

David Garner

GENERAL MANAGER

The Problem With Chasing High Returns

The properties promising the biggest returns are often the ones carrying the biggest risks.

01 THE PITCH

Many foreign investors are introduced to U.S. real estate through very low-priced properties.

02 THE PLAYBOOK

The typical seller strategy is to buy a property in a challenging neighborhood, renovate it, place a tenant, and then market the property to investors using the projected rental income.

While this approach can look attractive initially, it often comes with significant hidden risks.

High projected returns can be the bait, not the prize.

THE CASE FOR QUALITY

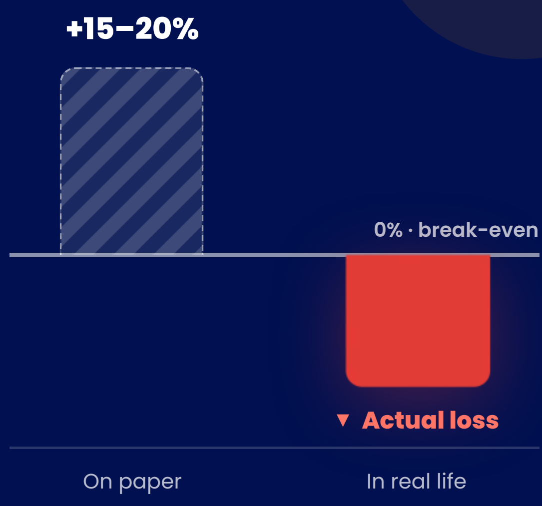
When Paper Returns Meet Reality

We strongly believe that the best investment properties are not those that look the most impressive in a spreadsheet, but those that continue to perform year after year in the real world.

On paper, the numbers always look perfect.

PROJECTED VS. RECEIVED

What's pitched vs. what reaches the owner



Illustrative. Projected figures rarely survive real-world costs.

As a result, the cash flow shown on paper does not always translate into cash flow received by the owner.

Many investors discover that the property promising the highest projected return is often the property causing the most problems.

LOWER-QUALITY PROPERTIES & NEIGHBORHOODS FREQUENTLY EXPERIENCE

- Higher tenant turnover
- More late rent payments
- More maintenance issues
- Higher vacancy rates
- Greater property damage
- More frequent evictions
- Higher management costs
- **...and thinner real returns**

WHAT 120+ RENTAL PROPERTIES TAUGHT US

What Actually Creates Long-Term Success

120+

U.S. rental properties personally invested in and managed since **2016**.

Over time, we noticed a clear pattern.

The properties that produced the best long-term results were not the cheapest properties and they were not located in the most challenging neighborhoods.

INSTEAD, THE BEST-PERFORMING PROPERTIES TENDED TO BE

- ✓ **Well-maintained homes**
- ✓ **Located in stable working-class neighborhoods**
- ✓ **Occupied by quality long-term tenants**
- ✓ **Professionally managed**
- ✓ **Less prone to major repair issues**

These properties were rarely the most exciting.

They were simply predictable. And in real estate investing, predictable is often more valuable than exciting.

WHAT WE LOOK FOR

Why Some Properties Outperform Others

Our experience has taught us that the best-performing properties often share several common characteristics. These are the factors we look for when evaluating an investment opportunity.

> **Not the cheapest. Not the flashiest. The most dependable.**

01 A Renovation That Goes Beyond Cosmetics

We prefer properties that have been comprehensively renovated rather than cosmetically improved. Depending on the property, this may include:

- New roofing
- New plumbing
- New electrical
- New HVAC
- Windows & doors
- Kitchens & baths
- Sewer line repairs or replacement

The goal is to reduce unexpected maintenance costs and create a better living experience for the tenant.

02 Homes People Actually Want to Live In

We focus on properties that appeal to stable, long-term tenants. Larger homes with multiple bedrooms and bathrooms tend to attract families and tenants who are more likely to stay for several lease terms.

LONGER RETENTION GENERALLY MEANS

- Lower vacancy costs
- Lower leasing costs
- Fewer turnovers
- More predictable income

WHAT WE LOOK FOR

The Factors That Compound

03 Neighborhood Stability & Growth Potential

We focus on working-class neighborhoods with strong rental demand and signs of long-term improvement. We are not looking for luxury neighborhoods, nor the most distressed areas, but a balance between affordability, tenant quality, cash flow, and future growth potential.

- **Homes being renovated**
- **Owner-occupants moving in**
- **Local investment rising**
- **Property values improving**

04 The Financing Advantage

Many high-projection properties are difficult to finance with traditional lenders. The properties we source are selected with financing in mind, making them attractive to lenders offering financing to foreign investors, so you can use leverage rather than concentrating all your capital into a single lower-quality property.

- **Fully renovated**
- **Professionally managed**
- **Tenant occupied**
- **Independent appraisals**
- **Professional home inspections**

05 The Tenant Factor

A tenant living in a clean, safe, renovated home generally has a better experience than a tenant in a poorly maintained property. The result is often more consistent income, fewer surprises, and a more predictable investment experience.

A GOOD TENANT

- Stays longer
- Pays on time
- Reports early
- Cares for the home

Our Investment Philosophy

OUR APPROACH IS SIMPLE.

We would rather own a high-quality property in a good neighborhood with a great tenant than a cheap property in a difficult neighborhood promising unrealistic returns.

Will our properties produce the highest projected returns you will see online? **Probably not.**

But our goal has never been to create the most impressive spreadsheet.

Our goal is to help investors acquire properties that are easier to finance, easier to manage, easier to own remotely, and more likely to produce consistent results over the long term.

01

Reliability

Properties that perform year after year, not just on paper.

02

Predictability

Stable, predictable income over the long term.

03

Quality

High-quality assets that are easier to finance and own remotely.

> **For investors living overseas, we believe that reliability, predictability, and quality are far more important than chasing the highest advertised return.**

WHO THIS STRATEGY IS FOR

Is This the Right Strategy for You?

This strategy is designed for investors who want:

- ✓ Stable rental income
- ✓ Professional property management
- ✓ Lower maintenance exposure
- ✓ Long-term capital growth
- ✓ Financing options from reputable lenders
- ✓ A property that can be owned remotely with confidence
- ✓ A partner with deep personal experience investing in the U.S. as foreigners

! **A CANDID NOTE**

If you are looking for highly speculative investments, major renovation projects, or properties promising extraordinary returns, our approach may not be the right fit.

CONTACT

Ready to Explore Opportunities?

If you're exploring U.S. real estate investing and would like a clearer understanding of what separates a promising opportunity from a risky one, we'd be happy to share our experience and answer your questions.

Schedule a Free Strategy Call

We'll discuss your investment goals, explain your financing options, answer your questions, and help you determine whether investing in U.S. real estate is the right fit for you.

BOOK MY FREE CALL

OR BOOK ONLINE
calendly.com/davidgarner/enquiry

30 minutes · No obligation · English & Spanish available

GET IN TOUCH

US +1 216-859-4455

BR +55 7399837 0211

@ dg@cashflowrentals.net

WEB cashflowrentals.net

cashflow rentals

We look forward to helping you build a successful U.S. real estate portfolio.