

## Profit by Residential Investment Property Acquisition

The recent mortgage meltdown of the sub-prime mortgage market in the United States has sparked a unique opportunity. Recently there has been one of the longest periods of sustained economic growth throughout most of the developed world. It has widened the gap between the haves and have not's while also increasing the number of people in the range of relatively wealthy.

This change in economics has placed many Americans in with the financially affluent who have the ability to use their financial security to build more for their future. Many of those within this fold have turned to investing in residential real estate.

The sub-prime mortgage fears have created a so-called "credit crisis" that have caused some to fear a recession is coming. The business world wants nothing to do with a recession and is doing everything possible to avoid an economic slow-down. Businesses are of course trying to protect themselves from a economic slump.

Economists agree that a recession is not likely, but still a possibility. It is felt that the likely scenario will be a slow-down in the rate of growth while the markets adjust to the economy instead of a collapse that precedes recessions in most cases.

With many Americans it is an uncomfortable position to be in while they focus on paying off a first mortgage on their home. If you managed to take advantage of the last decade of prosperity you are in a better position to take advantage of the current market and purchase residential investment properties.

The first reason would be that banks will view you as a fairly safe risk when applying for a loan on investment property. This favorable consideration assists you in gaining access to credit and favorable interest rates.

The sub-prime mortgage woes have caused access to credit to dry up and some feel the housing market to stall. There are even some that feel collapse which is causing prices in some markets to fall. Most experts don't feel there is a collapse.

If you are one of those that have failed to invest over the last decade or are focused on paying off your first mortgage, it is understood that you might not have a favorable opinion on the current stalling market. Most home owners view their homes as their largest asset and investment.

There are also those savvy investors that have access to favorable credit terms that view this market as a great opportunity. They look at this market as a unique opportunity to "Buy low, sell high" which is the cornerstone to making sound investments. The ability to investment property loans to secure the property makes it even more appealing to those ready to capitalize.

As with any investment there is risk if the markets do take a turn for the worse causing interest rates and inflation to climb while the real estate market falls. For those who already own their homes this could serve as collateral for the loan on the new property which will help to make sure you don't over extend yourself.

If you are new to investing you should make sure to secure the advice of professionals in finance as this can be a tricky balancing act.

## About the Author

When you want to sell your home wouldn't it be a good idea to have it listed on the [Denver Real Estate](#) website with the most traffic? Visit your [Castle Rock Real Estate](#) professional now and get your free home search.

Source: <http://www.tntarticles.com>