



From Learning to Earning

Real estate investment insights to
help you go from novice to pro



Strategies You Can Use From Experienced Real Estate Investors

Gain the wisdom of experience, the insight of data, and an outlook on what other residential real estate investors are thinking, doing, and buying.

Investing in real estate is always evolving, with the outcomes constantly being affected by market shifts, individual objectives, and strategic choices. Understanding the actions and motivations of other investors can provide valuable perspectives for investors who are relatively new to the world of residential real estate.

It's especially helpful for newer investors to not just hear from peers, but those who have been in the investment game for a while. Getting a perspective from an experienced investor can help beginners learn the industry faster, focus on key information, and even avoid common mistakes.

When you're at the beginning of your real estate journey seeking to learn all you can and fine-tune your strategies, knowledge gained from other investors can be a compass that helps guide your decisions and point you toward success.



In November 2023, Xome surveyed 300 people across the United States, 100 of which who identify as newer real estate investors (owning 1-2 properties), 100 of which who identify as experienced real estate investors (owning 3 or more properties), and 100 of which who identify as real estate enthusiasts or influencers (of which only 5% own investment properties).

Why do people invest in real estate?

According to the investors we surveyed, residential real estate appeals to the deal makers with a future-forward focus — both for them and their families.



Experienced investors are 13% more likely to look to real estate to achieve short-term gains — so while real estate investing is a long-term game, newer investors may want to consider some near-term goals (e.g. passive income).

What do investors want to achieve?

Whether new to investing or seasoned pros, investors are overwhelmingly looking for one thing via real estate investing — financial freedom.

+



86%

agree or strongly agree that they want to be their own boss.

+



92%

are looking to find financial freedom through investing in real estate.

+



80%

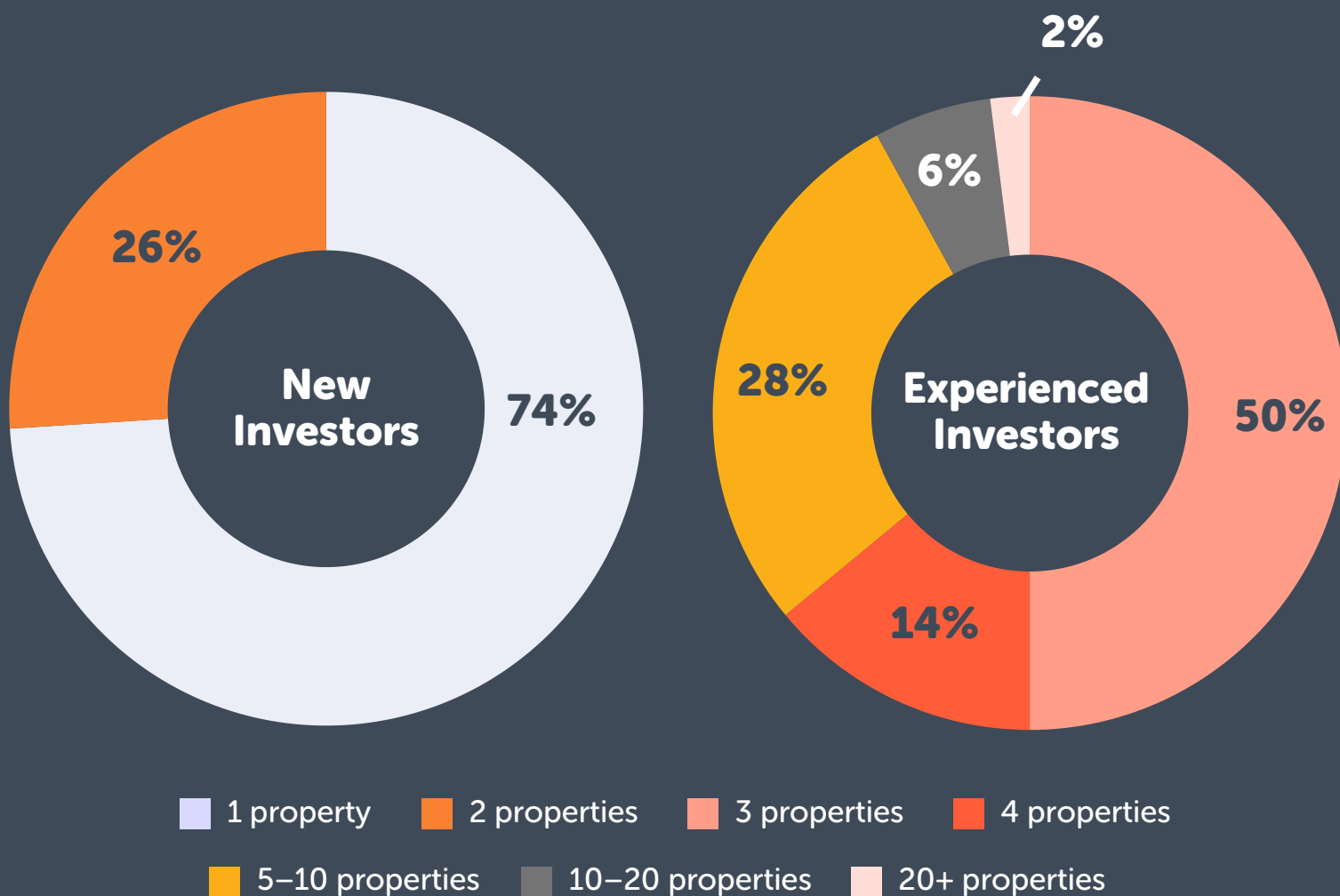
agree or strongly agree that real estate investment is essential for financial security.

In today's economy, most see investing in real estate as a safety net that provides financial security in a way that working for others may not.



How many properties do investors own?

Most new investors only own one residential real estate property – but what may surprise newer investors is that most of the experienced investors we surveyed own 10 properties or less.

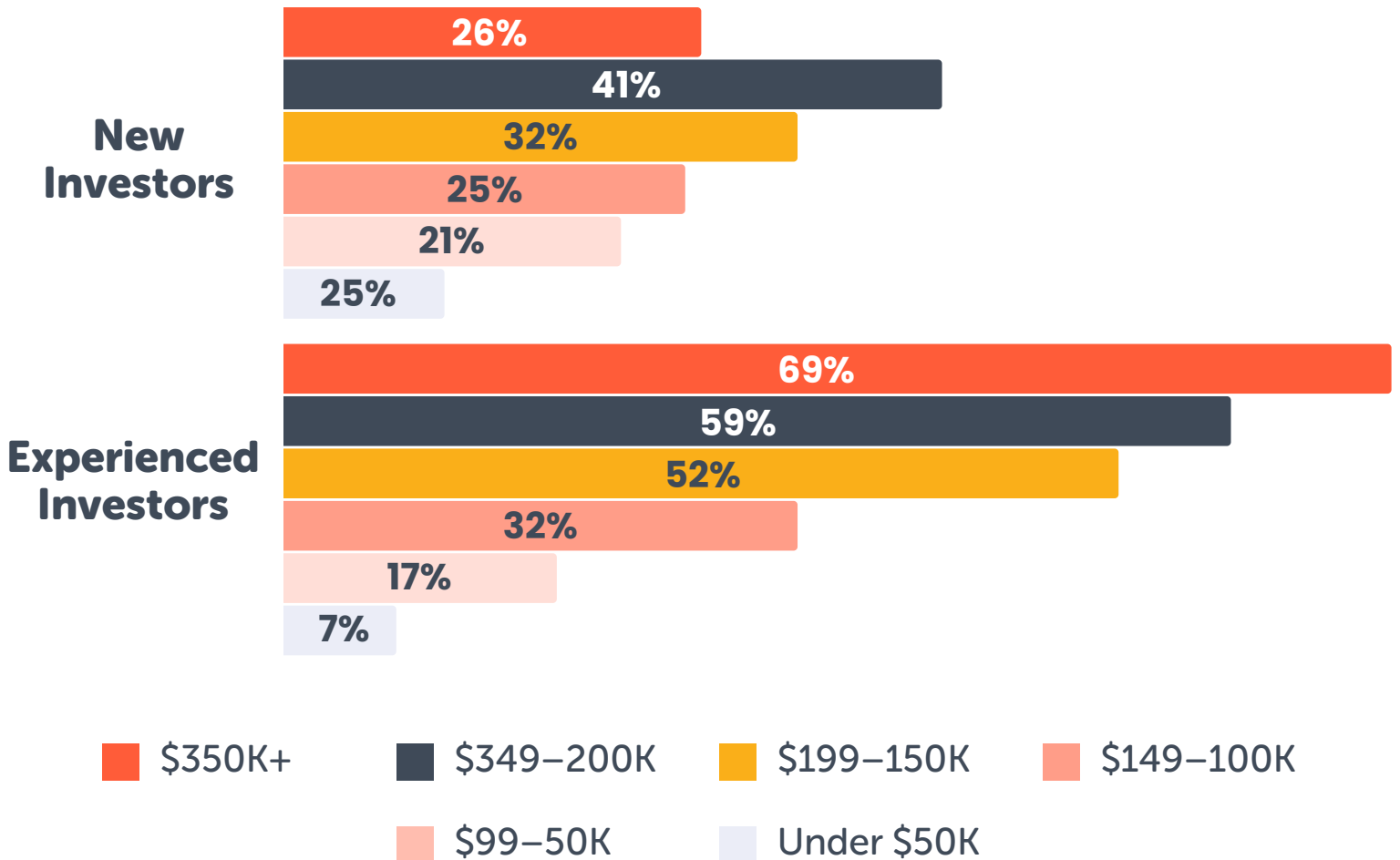


Quality over quantity is the name of the game for experienced investors. Finding the right properties to fit their portfolio and buying strategy is their key to success.



How much are investors paying for properties?

The range of average property purchase and sale prices are mostly the same across all investors, but new investors tend to start low and work their way up to higher-priced properties over time. This could indicate lower available investment funding, or hesitance over higher prices.

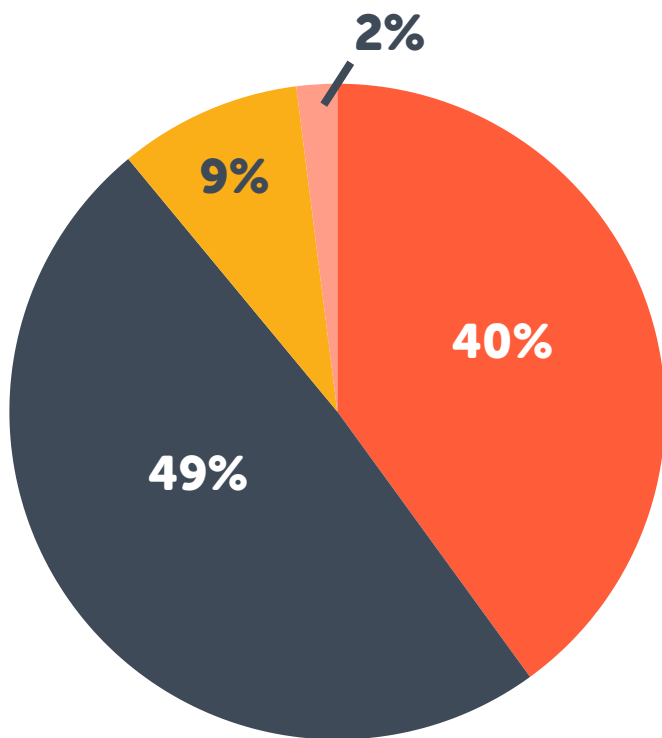


The price tier where experienced investors are investing significantly more than newer investors happens around **\$350,000**.

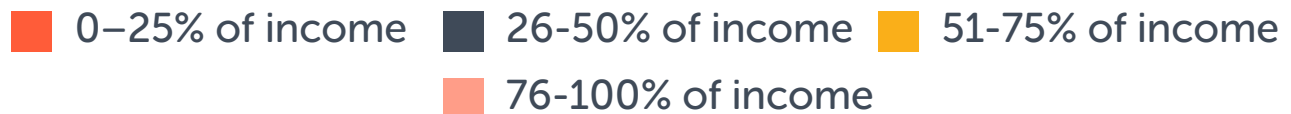
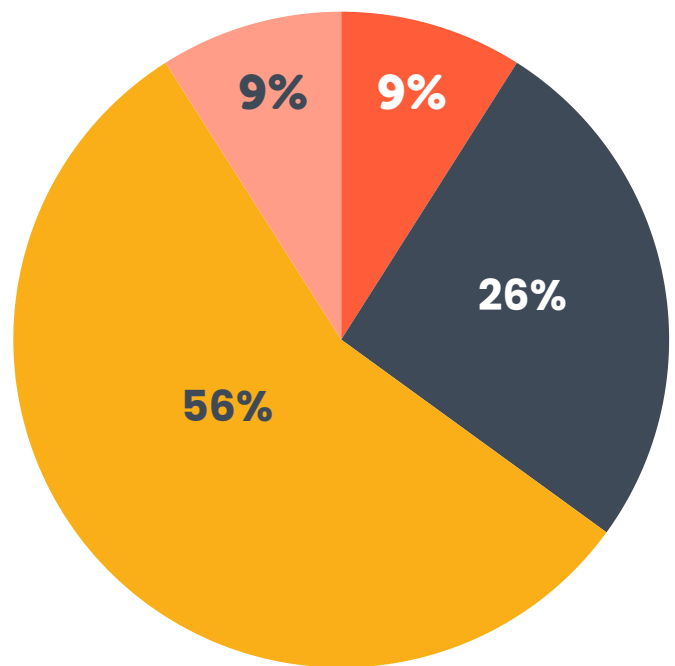
How much are investors making from real estate?

We know financial freedom is the goal, and even most newer investors get more than 25% of their income from real estate. Most experienced investors see more than 50% of their income from real estate.

New Investors



Experienced Investors



This shows how real estate investing can be a great way to create passive income streams, even early on in the investing journey.

What kinds of properties do investors want?

Newer investors show that they are often interested in the same kinds of residential real estate properties as more experienced investors, but they tend to be a little more conservative in that interest.

New Investors

- 62%** Single-family rentals
- 38%** Single-family fix and flip
- 35%** Long-term rentals
- 35%** Multi-family properties



They are also more hesitant about options like land, short-term rentals, and distressed properties.

What kinds of properties do investors want?

Experienced investors show much wider interest across residential real estate property types. They have likely figured out a strategy for their portfolio and know what works for them and they're willing to get more complex.

Experienced Investors

- 64%** Long-term rentals
- 63%** Multi-family properties
- 59%** Single-family fix and flip
- 59%** Single-family rentals

Additionally, experienced investors don't shy away from distressed properties — 82% buy them at some point, and they can often be a source of great real estate investment deals when done right.



Do investors like to tackle renovations?

Renovations may seem like a daunting and risky project, which can deter newer investors. But experienced investors recognize the potential for higher returns if they invest in properties that need work.



90% of experienced investors **sometimes, often, or always buy residential properties in need of renovation.**



Newer investors are more cautious: Only 71% say they sometimes, always, or often purchase properties in need of renovation. But buying properties to renovate could help them grow their portfolios more.

How do investors find properties?

Most experienced investors and newer investors use real estate sites to search for properties for sale. But experienced investors have a few more tools up their sleeves that can give them an edge over the competition.



55% of experienced investors **use auction sites to find investment properties.** Only 35% of new investors consider auction sites in their search.



48% of experienced investors **attend real estate or investing conferences to network and find deals** — compared to only 22% of newer investors.



46% of experienced investors follow real estate influencers, compared to new investors, who clock in at just 32%. Influencers are a great resource that shouldn't be overlooked.

How do investors work with agents?

Real estate agents are still an important part of the equation for investors at all levels. 47% of new investors and 55% of experienced investors work with agents as part of their process for finding properties, taking advantage of their resources and perspectives.

44% of newer investors say that **real estate agents offer valuable market insights.**

41% of experienced investors say that **they feel safer when using a real estate agent.**

38% of newer investors think that **real estate agents are knowledgeable about transactions.**

39% of experienced investors feel that **real estate agents add value to their transactions.**

41% of experienced investors are actually licensed real estate agents themselves! Becoming an agent may be a great move for newer investors to build knowledge and open more doors.



How are investors paying for properties?

While a small percentage of investors are using a mix of funding, many still rely on traditional approaches with loans. Experienced investors do take a few different tactics, like higher use of seller funding.

Mortgage

37% of new investors
25% of experienced investors

Private loan

13% of new investors
13% of experienced investors

Self-funding

27% of new investors
32% of experienced investors

Seller financing

3% of new investors
18% of experienced investors



Newer investors should get educated on all the options to create a smart funding strategy. Relying on mortgages alone may limit your growth.

What do new investors want to learn?

New investors seem to be eager to learn everything they can that would give them an edge in their developing strategies, especially how the market works.

41% want to learn how to time the market

38% want to learn how to sell properties and pay lower commissions

36% want to learn how to find deals

31% want to learn about trends in real estate investing and local markets

29% want to learn about which renovations are financially beneficial

25% of new investors also say they want to learn how to bid on properties at auction — definitely a great resource to help them find more deals!



What do experienced investors want to learn?

More experienced investors look to deepen their knowledge. They want to know what's moving the market, get real-time data, and find deals — including at auction.

33% want to learn about trends and get real-time data in specific investment areas

32% want to understand what's influencing the market

32% want to learn how to find deals

32% want to learn how to time the market

31% want to learn about bidding on properties at auction



These are some great topics that newer investors can learn more about to expand past the basics in their real estate knowledge and investment strategies.

About Xome

Xome is a leading online real estate marketplace that helps connect buyers and sellers directly to the auction market via its best-in-class platform.

Whether you're looking to make a new deal or you want to sell one of your investments to fund the next one — with or without an agent — there's no place like Xome.®

Are you ready to make auctions a part of your real estate investment strategy?

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