



MARKETPLACE
HOMES

INVESTOR EDUCATION SERIES

The First-Time Real Estate Investor's Guide

Everything you need to define your strategy, evaluate markets, analyze deals, and make your first investment with confidence.

What's Inside

Four tools that take you from "I want to invest" to "I'm ready to buy."

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Before You Begin

A note on how to get the most out of this guide.

This guide isn't meant to be read once and filed away. It's a working document. The worksheets inside are designed to be filled out, revisited, and refined as you learn more about the markets and properties you're evaluating.

Who This Guide Is For

This guide was built for investors who are just getting started — people who know they want to invest in real estate but aren't sure exactly where to begin, which strategy fits their goals, or how to evaluate whether a deal actually makes sense.

It's also useful for investors who have purchased one or two properties but want a more systematic approach going forward.

How Marketplace Homes Can Help

Marketplace Homes is a nationwide real estate company that works with investors at every stage — from identifying the right market and finding the right property, to managing renovations and handling property management after closing. We're licensed in 30+ states and work with investors at every price point and experience level.

As you work through this guide, you'll likely encounter questions specific to your situation. When that happens, our team is one conversation away.

A NOTE ON THE TOOLS INSIDE

Each worksheet is intentionally simple. Consistency is what separates good investors from great ones. Use these tools on every deal, every time, and you'll develop instincts that make investing feel natural.

Your Buy Box Worksheet

Fill this out before you look at a single listing. It keeps you disciplined and saves hours of wasted time.

SECTION A — INVESTMENT GOALS	
Primary Goal	<input type="checkbox"/> Cash Flow <input type="checkbox"/> Appreciation <input type="checkbox"/> Both
Strategy	<input type="checkbox"/> Turnkey Rental <input type="checkbox"/> Fix-and-Flip <input type="checkbox"/> New Construction
Timeline	<input type="checkbox"/> Short (0–2 yrs) <input type="checkbox"/> Mid (3–7 yrs) <input type="checkbox"/> Long (8+ yrs)
Involvement Level	<input type="checkbox"/> Fully passive <input type="checkbox"/> Somewhat involved <input type="checkbox"/> Hands-on

SECTION B — PROPERTY CRITERIA	
Purchase Price Range	Min: \$_____ Max: \$_____
Property Type	<input type="checkbox"/> Single-family <input type="checkbox"/> Duplex <input type="checkbox"/> Multi-family <input type="checkbox"/> Any
Beds / Baths	Min beds: _____ Min baths: _____
Condition	<input type="checkbox"/> Move-in ready <input type="checkbox"/> Minor repairs <input type="checkbox"/> Full reno OK
Year Built	No earlier than: _____ <input type="checkbox"/> No preference

SECTION C — FINANCIAL CRITERIA	
Min. Monthly Cash Flow	\$_____ per month after all expenses
Min. Cash-on-Cash Return	_____ % annually
Rent-to-Price Ratio	Target: _____ % (1% is a common benchmark)
Max Renovation Budget	\$_____ <input type="checkbox"/> Turnkey only

SECTION D — MARKET CRITERIA	
Target Markets	1. _____ 2. _____ 3. _____
Geographic Reach	<input type="checkbox"/> Local only <input type="checkbox"/> Regional <input type="checkbox"/> Open to out-of-state

 *Tip: Revisit your buy box after every property you evaluate. Your criteria will sharpen with experience.*

Market Evaluation Checklist

Run any market through these 10 factors. A strong market should check at least 7 of 10.

- 1. Population Growth**
Is the metro growing year over year? Look for 1%+ annual growth as a signal of strong rental demand.

- 2. Job Market Diversity**
Multiple major employers across industries? Avoid single-employer towns. Look for healthcare, tech, logistics, and government presence.

- 3. Rent-to-Price Ratio**
Can you achieve monthly rent equal to 0.8–1% of purchase price? Essential for cash flow investing.

- 4. Vacancy Rate**
Is the market vacancy rate below 7%? High vacancy is a direct threat to cash flow. Target 5% or below if possible.

- 5. Landlord-Friendly Laws**
Does the state have reasonable eviction timelines? Some states take 6–12 months. Know the rules before you buy.

- 6. Price Point Accessibility**
Can you find quality rentals within your buy box? Markets under \$250K median offer the best entry points for first-timers.

- 7. Rent Growth Trend**
Have rents been increasing year over year? Look for 3%+ annual rent growth to protect against inflation over time.

- 8. Infrastructure Investment**
New development or business relocation happening? These are leading indicators of future appreciation and demand.

- 9. Property Management Availability**
Reputable property management companies operating here? Non-negotiable for out-of-state investors.

- 10. Your Team Has Experience There**
Does your agent, property manager, and contractor have active experience in this specific market? Local expertise is often the deciding factor.

MARKETS MARKETPLACE HOMES KNOWS WELL

Detroit · Grand Rapids · Atlanta · Dallas · Phoenix · Oklahoma City · Birmingham · Indianapolis · Charlotte · Orlando — and 20+ more markets nationwide.

Deal Analysis Worksheet

Use this on every property before you make an offer. Let the math guide the decision.

INCOME		PURCHASE	
Monthly Rent	\$ _____	Purchase Price	\$ _____
Other Income	\$ _____	Renovation Cost	\$ _____
Gross Monthly	\$ _____	Total Invested	\$ _____

MONTHLY EXPENSES	
MORTGAGE (P&I)	PROPERTY TAXES
\$ _____ Based on your loan terms	\$ _____ Annual tax ÷ 12
INSURANCE	PROPERTY MANAGEMENT
\$ _____ Annual premium ÷ 12	\$ _____ Typically 8–10% of rent
MAINTENANCE RESERVE	VACANCY RESERVE
\$ _____ Budget 5–10% of rent	\$ _____ Budget 5–8% of rent
TOTAL MONTHLY EXPENSES	MONTHLY CASH FLOW
\$ _____	\$ _____ Income minus Expenses

KEY METRICS	
GROSS RENTAL YIELD	CASH-ON-CASH RETURN
_____ % (Annual rent ÷ Purchase price) × 100	_____ % (Annual cash flow ÷ Cash invested) × 100
CAP RATE	RENT-TO-PRICE RATIO
_____ % (NOI ÷ Property value) × 100	_____ % (Monthly rent ÷ Purchase price) × 100

 If monthly cash flow is negative or cash-on-cash return is below 6%, the deal likely needs renegotiation.

Turnkey vs. Fix-and-Flip

Use this chart to compare both strategies across the factors that matter most to first-time investors.

FACTOR	Turnkey Rental	Fix-and-Flip
Time to First Return	Immediate — rent from day one	3–9 months after purchase
Hands-On Involvement	Low — managed for you	High — active management required
Upfront Capital Needed	Lower — no renovation budget	Higher — purchase + renovation
Risk Level	Lower — predictable returns	Higher — cost & market variables
Profit Potential	Steady, long-term wealth building	High single-event profit possible
Out-of-State Friendly	Yes — ideal for remote investors	Difficult without local team
Income Type	Recurring monthly cash flow	Lump sum at sale
Best For	Portfolio building, passive income, out-of-state investors	Higher risk tolerance, renovation access
Marketplace Homes Support	Full service — property mgmt included	In-house renovations team available

CHOOSE TURNKEY IF...

You want reliable monthly income, prefer hands-off investing, are out-of-state, or are building your first portfolio with lower risk.

CHOOSE FIX-AND-FLIP IF...

You have higher risk tolerance, want large single-event profit potential, and have access to a reliable renovation team.

Ready to Put This Into Action?

You've defined your buy box, evaluated markets, learned to run the numbers, and chosen your strategy. The hardest part isn't the analysis — it's taking the first step.

Marketplace Homes works with first-time and experienced investors across the country. Whether you're ready to look at your first property or still working through your strategy, our team can help you move forward with confidence.

What Happens When You Reach Out

1. We learn about your goals

A member of our Investor Services team will walk through your buy box, target markets, and timeline to understand exactly what you're looking for.

2. We identify properties that match

Using your criteria, we'll surface properties in your target markets — including off-market and pre-foreclosure opportunities you won't find on Zillow.

3. We support you through closing and beyond

From renovations to property management, our team stays with you after the sale so your investment performs from day one.

START YOUR INVESTMENT JOURNEY

Fill out our investor intake form and a member of our team will be in touch within one business day.

[FILL OUT THE INVESTOR FORM →](#)

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