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POST WRITTEN BY

John Larson

Managing Partner at American Real Estate Investments. We help investors build passive income rental portfolios.

Real estate is secured by a physical asset and is an overwhelmingly stable investment. In the vast majority of cases, an investment property will retain its value and appreciate over time. If you make your monthly mortgage payments and have the correct insurance, it is very unlikely that you will experience a total loss on a real estate investment.

Robert Kiyosaki, the author of *Rich Dad Poor Dad*, claims that there is money to be made even when the market crashes:

"Real estate is a long-term hold. It's not liquid. I don't care if the market is up or down. What I'm looking for is a bargain. I make most of my money when the markets crash. I made most of my money in 2007. I made even more money in the subprime crash. I don't care about the overall economy or the markets."

Because people will always need a place to live, real estate can be a safe way to invest your hard-earned money in something that's always in demand. It's no surprise, then, that real estate is a popular investment today. Let's look at some of the other reasons behind its popularity:

Investors make money immediately.

Depending on the type of real estate investment and the method with which it is acquired (i.e., with or without financing), real estate investors may begin earning cash flow immediately. For example, when you purchase a turnkey real estate investment, the property is completely renovated with a quality tenant in place. You receive your first rent check at the end of the first month.

Long-term appreciation and equity build over time.

Long-term real estate investments not only produce positive cash flow each month, they also build equity. Every mortgage payment you make is done with the proceeds from your tenant's rent. When you pay off a mortgage with the money furnished by your tenant, you are essentially having someone else pay for your investment.

Appreciation is the second benefit of a long-term real estate investment strategy. In most markets, real estate appreciates over time. According to Zillow, real estate in the U.S. has increased in value by 6.9% year-over-year since the time of this writing. So, the $150,000 home that you purchase today could be worth $292,000 in 10 years.

There's a low barrier to entry.

Getting started as a real estate investor isn't as difficult as it sounds. You don't need to have hundreds of thousands of dollars on hand to make your first investment. There are many financing options available, and taking advantage of them is the secret to success for many real estate investors. To get started in real estate investing, you may only need to put 20% down on a property and finance the rest with a low-interest mortgage. If you can't get a mortgage, there are other options such as non-recourse loans, hard money or even personal loans. Understanding financing options is critical to making the most of your real estate investments.

Investors can leverage their capital.

If an investor wants to buy $100,000 worth of stocks or mutual funds, they typically need $100,000 in cash to do so. With real estate, though, an investor can buy a piece of real estate valued at $100,000 for only $20,000 in cash and a loan for the remaining $80,000.

While not all properties meet the requirements for a conventional mortgage (think fix-and-flip investors), many real estate investors can secure multiple mortgages and grow their portfolios with only 20% down on each property. Real estate investors use conventional financing to leverage their cash on hand so they can purchase more properties and maximize their investment opportunities, as we discuss further here.

With an affordable entry point for investing, real estate offers good potential for growth and diversification in a portfolio. And leveraging assets like professional property management companies allows investors to buy properties almost anywhere. As a real estate investor, you aren't just limited to your hometown; here we outline some of the hottest markets around the U.S. where you can purchase.

Investors enjoy tax deductions.

Real estate investors enjoy tax deductions that other investors simply don't have access to. Here are just a few of the deductions a real estate investor can claim:

• Interest paid on mortgage

• Depreciation

• Property taxes

• Insurance

• Repairs and maintenance

• Business-related travel costs

There are other ways to avoid losing money on a real estate investment, like leveraging a 1031 exchange to avoid capital gains taxes. Deductions can mean more positive cash flow for the investor and less money sent to the IRS.

The time commitment is flexible.

Fix-and-flip investors and investors who act as property managers make investing a full-time job, while turnkey investors simply use real estate investing as supplemental passive income. Depending on your investment style, different time commitments are required.

Arnold Schwarzenegger made his first million in real estate while building his film career. The perception that many people have of real estate investing is wrong -- it is possible to successfully invest in real estate on the side.

Investors can manage their risk.

You've heard the phrase, "The greater the risk, the greater the reward!" This age-old saying holds true in the world of real estate investing. Lower class assets can produce higher yields (at least on paper), but they also bring more risk for loss. Higher class assets generally produce lower yields, but they are considered a safer investment. Just like in the stock market, investors can make real estate investments that fit their risk profile.