

MIAMI, FL, September 17, 2013 /24-7PressRelease/ -- [Tomas Cabrerizo](#) is both the founder and current head of a successful, privately held real estate investment company based out of Miami, Florida. As such, he knows how lucrative the real estate investing market can be and how attractive this makes it to many different types of investors.

However, despite the many potential gains to be had in real estate investment, there are still plenty of places for novice investors to trip themselves up. One of the easiest mistakes to make, according to a recent Forbes [article](#) on the subject, is for investors to invest their own money in their real estate plans.

Admittedly, says the article, this can seem like a good idea on the surface - especially today with the housing market making its comeback. Housing prices are on the rise again, and with interest rates that remain historically low, investors are still able to secure favorable financing. Such low interest rates have made real estate investments more attainable for a wider group of investors that do not plan to purchase "all-cash".

However, says the article, banks are less likely to grant loans to those looking to buy a property as an investment than they are to those looking to buy a property as a residence, since property investment naturally carries greater risks. This is what has led many investors to contemplate using their own money as investment capital, despite it being general knowledge amongst the most serious investors that this is almost never a good idea when another option presents itself.

"There's a common acronym in investing known as OPM, or Other People's Money," explains real estate corporation founder Tomas Cabrerizo. "The general idea is that you shouldn't put your own capital at risk if you don't have to, as doing so carries more risk. It can sound selfish at first, but it's a much more financially sound practice to utilize capital from loans or shareholding groups than to put cash upfront in a new investment."

There is also the time value of the money to consider, explains the article. What this basically means is that money grows in buying potential over time, so any money locked up in a big investment like real estate is subsequently locked out of this value growth. Using one's own money for big investments, then, is like loaning one's money to oneself at zero percent interest, the article points out.

There is also no absolute guarantee that a real estate investment will only grow in value over the years, as the recent crash of the housing market pointed out none too subtly. Because of

Tomas Cabrerizo Warns Real Estate Investors Against Spending Their Own Money

Written by Australian Business

this, says Tomas Cabrerizo, while real estate can definitely make a great investment, smart investors will not bet massive amounts of their own finances on it.

ABOUT:

As both the founder and the CEO, Tomas Cabrerizo owns and runs CFH Group, a privately held real estate corporation based out of Miami, FL. Since 1995, CFH Group has acquired and operated more than 18,000 residential real estate units and over two million square feet of commercial real estate property. They specialize in undervalued commercial and apartment properties in superior locations, which they acquire at competitive prices due to their distressed physical state and lack of proper management. Beyond his work, Cabrerizo also enjoys travelling, competitive sport fishing, and spending time with his family. In addition, he supports many charitable nonprofit organizations such as the Lotus House Women's Shelter and the Woody Foundation.