

*How might*

**Warren  
Buffett**

*Invest in  
Real Estate?*

HOWARD YEN

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*An Introductory Guide to Warren Buffett's  
Teachings for the Real Estate Investor*

**HOWARD YEN**



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To my wonderful wife, Wendy,  
and our one magnificent spin-off

*“Price is what you pay,  
value is what you get”*

- Warren E. Buffett

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# Who is Warren Buffett and why should I care?

For those of you who don't know who Warren Buffett is, pay attention. Mr. Buffett is arguably the most successful investor of all time, the most successful investor ever. He is admired and worshiped throughout the world, simply because he made a lot of money, I mean A LOT of money for his investors and for himself by picking stocks and buying companies. According to Forbes Magazine he is the world's 3rd richest person with a net worth of \$47 Billion dollars in

2010 (Bill Gates is the 2nd richest with \$53 Billion dollars). Buffett started with just \$100 dollars back in the 1950s and turned it into billions of dollars. If you were fortunate enough to have invested \$10,000 with Warren Buffett's company Berkshire Hathaway in 1965, your holdings would be worth more than \$260 million in 2011.

Buffett's strategies and philosophies are copied and emulated throughout the world. Thousands of individual investors and money managers try to implement his strategies hoping to achieve the success that Buffett has achieved. Some succeed and become very rich and others don't.

Buffett bought his first stock when he was 7 years old, and ever since then he was hooked. His adult investing roots started while he was getting his Master of Science in Finance at Columbia University in New York City, under the

tutelage of Ben Graham, who many consider the father of value investing. For decades Buffett has applied what he learned in school, while at the same time improving upon the set of philosophies and strategies that he learned from Ben Graham.

You may be saying to yourself, “Sure Mr. Buffett got rich and made his investors rich by investing in the stock market, but how does that apply to the real estate? Why do I care about what Mr. Buffett did, since he made his money in the stock market? I am interested in real estate investing, not investing in the stock market. What can I possibly learn from Mr. Buffett since he doesn’t really invest in real estate?”

These are very good questions - questions that I intend to answer with this book. I will show you how Mr. Buffett’s stock market investing teach-

ings and methodologies can be applied to real estate investing. I will show you how not only are Mr. Buffett's teachings (which made him one of the richest men in the world) essential for any real estate investor, but also how his techniques will give you an edge over other real estate investors. His techniques will help make you a very successful real estate investor, enable you to provide a comfortable living for your family and give you the financial freedom to do what you want. The freedom to get out of the corporate rat race!

I started my investment journey back in 2000 when a friend introduced me to Mr. Buffett's investment methodologies. At the time, I didn't know much about stock investing, or any sort of investing. I didn't think it was possible to make much money in the stock market because I bought into the conventional wisdom at the time

that no one could beat the market. In other words, no one could make an investment return better than how the market performed as a whole. I thought since the market was efficient, the best bet was to just put my money in an index fund (an index fund is a type of mutual fund with a portfolio constructed to match or track the components of a market index, such as the Standard & Poor's 500 Index). I don't know about you, but I knew (and still know) many people who have lost a great deal of money in the stock market so at the time, I didn't think it was possible to make money in the stock market or at least not a lot of money. I always thought of stock investing as a form of gambling and people who did make money were either lucky or were able to get some inside information. But, boy was I wrong! As I learned more and more about Mr. Buffett's techniques, and as I began to apply them, I learned that it is possible not only to beat the

market but it's possible to do extremely well as an investor. It is not all about luck or insider information! As of January 2011, I have successfully beaten the S&P500 on an annualized base by over 15% per year since 2003, when I began to apply Mr. Buffett's techniques. If you would to invest with me in 2003, you would have more than triple your money by 2010, while at the same time if you to invest your money in a S&P 500 index fund you would have gain a little over 40%.

For the full book please visit [Amazon.com](http://www.amazon.com)

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