

Answer.—He can. Once that "for rent" sign was put up, Jones was holding the property for the production of income—and it doesn't matter that he was unsuccessful.

Don't miss out.—The deductibility test is clear: As long as you're holding the property for production of income—upkeep and depreciation are deductible. Whether or not the property is actually producing income is immaterial.

HOW TO PINPOINT RAW LAND OPPORTUNITIES

Check the newspapers! All across the country local papers carry ads spelling out raw land opportunities. Weekly papers put out by small rural towns often carry a wealth of information that can help you cash in on a land buy.

And the Sunday real estate sections of large papers like the New York Times or the Los Angeles Times almost always carry page after page of good raw land buys within a radius of hundreds of miles from the city in which they print.

What to do.—Subscribe to different papers within a radius of a hundred miles or so from your own backyard—especially those rural weeklies. Get at least one Sunday paper from another section of the country, and you'll be surprised at what you can find.

Turn newspaper leads into opportunities.—Once you spot a likely land opportunity in an ad, chances are it carries a real estate broker's name and address. Write him a letter at once asking him for details and a photo of the property—and ask the terms of the sale. (Or if the property really looks promising, put in a long distance call.) You'll be pleased how many solid leads you'll get once you start to followup.

As you build a relationship with brokers in different areas, you'll soon find them coming to you with solid deals. Once they know you're interested in investing, you'll get first crack at a lot of fine opportunities for profits from raw land.

HOW TO BUILD IN TIME FOR AN AUTOMATIC TAX BREAK

If you're planning to build, you may be able to make a big one-shot tax saving. How? Simply keep your eye on the calendar when you plan your building at the right time can save you a substantial part of a full year's real estate taxes on your new building.

Here's why.—Real estate taxes are usually based on the value of your property as of an assessment cutoff date. If the building is in existence on the cutoff date—you'll be taxed on its value. If not, you usually won't be taxed on the building's value until after it's picked up on the next cutoff date—one year later. And it's this quirk in the way real estate taxes are often figured that gives you this—

Tax-saving opportunity.—The thing to do is to schedule your construction so that (1) The building won't be in existence on a cutoff date, but (2) It will be completed as soon thereafter as possible.

Bigger savings possible.—Sometimes you'll even be able to jump the gun by starting construction before the assessment date and still have your property assessed as vacant land. *Reason:* In some taxing districts a building in the course of construction is not assessed for taxes unless it's *substantially* or *completely* finished on the assessment day.

FINANCING LEVERAGE IS THE KEY TO TOP REAL ESTATE PROFITS

Making money on other people's money: That's the opportunity real estate offers far beyond any other field of investment. It's the big reason why more and more astute investors are daily joining the ranks of the thousands who have already made fortunes in real estate.

In practically every other field, a person must dig into his own resources to put up the major portion of the money. Take the stock market, for example. At the present time you have to put up 70% of the price of the stock you want to buy. (The percentage varies from time to time.) In real estate, on the other hand, you can buy a piece of property with a small downpayment—generally not more than 30% of the selling price. Many times this 30% can be shaved even smaller.