

announcements

- ◆ **Note summit August 11-12**
- ◆ **\$197**
- ◆ **CincinnatiREIA.com or CentralOhioREIA.com**
- ◆ **Please turn in your FastTrack apps...**

A woman with long brown hair is wearing a black headset and smiling. She is positioned in front of a professional microphone on a boom arm. The background is slightly blurred, showing what appears to be an office or studio setting with a window and some equipment.

Wholesaling School

Week 7: Finding Buyers and Selling Deals

THIS WEEK: FINDING BUYERS AND SELLING DEALS

WHAT YOU'LL LEARN:

- The characteristics of your best buyers
- How to recruit buyers for your buyer's list
- The steps to take to sell specific deals quickly

THIS WEEK: FINDING BUYERS AND SELLING DEALS

WHAT YOU'LL LEARN:

- How to advertise your deals without running afoul of the division of real estate
- The due diligence you'll need to do before you sell your deals



CONSIDER FOR A MOMENT...

What's one thing every person needs?

- ◆ Housing is “inelastic”
- ◆ You provide housing to people who provide housing
- ◆ WHY investors buy and HOW they buy changes, but they always buy





Not every “buyer” is YOUR buyer

A GREAT BUYER HAS:

- ◆ **Cash**
- ◆ Experience
- ◆ the right attitude about YOUR profit
- ◆ Willingness to follow YOUR rules



WHAT A GREAT BUYER LOOKS LIKE:
WHY YOU WANT YOUR BUYER TO HAVE **CASH**

WHY YOUR BUYER NEEDS CASH:

1. Time
2. Properties that don't qualify for loans
3. **It's nearly impossible in today's lending market to get an assigned deal financed.**

ACCEPTABLE SOURCES OF FUNDING

Cash from the buyer's own accounts

Cash from the buyer's self-directed retirement plan

Cash from a partner or private lender

A loan from a hard money lender with policies that allow it to finance through assignments

A line of credit from any lender



WHAT A GREAT BUYER LOOKS LIKE

Why You Want Your Buyer to Have **Experience**

WHY YOUR BUYER NEEDS EXPERIENCE

- ◆ Quick buying decisions
- ◆ No dithering
- ◆ Access to money
- ◆ They take on their own responsibilities

Other Requirements

- ◇ No profit police, please!
- ◇ Willingness to follow your rules and policies.



Buyer Types

WHO YOUR BUYERS ARE

- ◆ NOT “end users!”
- ◆ Not all the same in their preferences, their target profits, their exit strategies, etc
- ◆ Fall into ‘types’ based on exit strategies and psychographics.

Retailers

- ◆ Pickiest about area, size, layout...
- ◆ Type 3 & 4 areas only
- ◆ Highest repair costs
- ◆ Best buyers for expensive properties that need lots of work
- ◆ Use hard money, private money, partners

White Collar Landlords

- ◇ NOT full time investors
- ◇ Buy rentals for retirement, tax breaks
- ◇ Type 2+ and 3 areas
- ◇ Hire others to manage houses
- ◇ Buy with cash, hard money, private money, but often refi

Blue-Collar Landlords (DIYers)

- ◆ Buy the cheapest houses
- ◆ Do a lot of their own work (and thus have lowest repair costs)
- ◆ type 1.5-2 areas
- ◆ ONLY buyers for deals that don't make mathematical sense

About the “Big Dawgs”

- ◆ Full time, high volume retailers are NOT your best buyer
- ◆ Have their own “machines”
- ◆ May have systems in place that make it tough to follow your rules
- ◆ Are more likely to try to call the shots



WHY YOUR BUYERS BUY FROM YOU

You are Not a Beggar.

- ◇ You provide them buyers great deals that make them lots of money with very little hassle.
- ◇ If buyers don't want to work with you, who cares?



HOW TO BUILD YOUR BUYER'S LIST

About Your Buyers' List...

- ◆ It's a detailed list of buyers and their wants/needs
- ◆ It's a 1-by-1 effort to put together
- ◆ You don't need a huge list to be a very successful wholesaler

Ways to Build Your List

- ◆ Attend real estate association meetings—and actually talk to people.
- ◆ Advertise to association members.
- ◆ Get a table at real estate-related trade shows
- ◆ Pay attention to the buyers who are advertising to YOU.
- ◆ Grab info from every buyer you come into contact with

Buyer's Market? Get Aggressive.

- ◆ Hold classes
- ◆ Get lists of cash buyers

3 Things NOT TO DO

1. Don't fake deals
2. Don't advertise other people's deals
3. Don't imply that you find or birddog deals FOR buyers



What You Want to Know About Buyers

WHAT IS YOUR BUYER'S LIST?

- ◆ Your buyer's list is the tool that is going to allow you to turn your great deals into cash.
- ◆ Your buyer's list is more than a list of names of people who are interested in "good deals."
- ◆ The more you know about your buyers, the better you'll be able to match deal to customer.

WHAT YOU WANT ON YOUR BUYER'S LIST

- ◆ Every way in which you can possibly reach them
- ◆ What type of properties the buyer is interested in
- ◆ What kinds of work the buyer is willing to do
- ◆ Areas where they do and do not want to purchase properties



WHAT YOU WANT ON YOUR BUYER'S LIST

- ◆ Their preferred AFTER-REPAIRED price range.
- ◆ How they calculate a “good deal.”
- ◆ What their exit strategies are.
- ◆ How much cash or access to cash they have.
- ◆ Any other important facts that you might need to know.



THE CARE & MAINTENANCE OF YOUR BUYER'S LIST

THE CARE & MAINTENANCE OF YOUR BUYER'S LIST

- ◆ Have a conversation with everyone who applies to be on your buyer's list
- ◆ Keep in contact with each buyer
- ◆ Hold an annual party for everyone on your list
- ◆ Think about giving away prizes

THE CARE & MAINTENANCE OF YOUR BUYER'S LIST

Make sure your buyer understands:

- ◆ That you will be selling him the right to buy a property you have under contract.
- ◆ That your assignment fee is paid at the time of assignment, not at or after the closing



BUYER'S LIST APPLICATIONS

Buyer's List Application

Name _____

Phone (day) _____

Mailing Address _____

(eve) _____ (fax) _____ (cell) _____

What kind of property are you interested in? (check ALL that apply)

Single family

Two family

Three family

Four family

4-8 family

8-12 family

12 or larger

Other _____

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

What kind of work are you willing to do? (Check all that apply)

- Structural (foundations, serious joist and beam repair)
- Mechanical (heating, cooling, electrical, plumbing, roofing, gutters, cement work)
- Cosmetic (paint, carpet, kitchens, baths, floor covering)

Please list any areas where you would NOT consider purchasing a property:

Please list any areas that you want to **LIMIT YOURSELF** to:

What is your minimum and maximum desired AFTER REPAIRED VALUE for properties?

\$ _____ - \$ _____.

How do you calculate what you will pay for a property? (i.e. x% of after repaired value less repairs, or you must make a minimum of \$x after repairs are made, or it will cash flow \$x per month after all expenses etc.) _____.

What are your EXIT STRATEGIES? (i.e. wholesale, fix and flip, lease/option, rent)

What is the most you could pay for a property if you had to close in 10 days or less?

What else should we know about your plans, your situation, or yourself?

Fax this application to XXX-XXXX

Youbuyhouses.com Buyer's List Form (long form)

Youbuyhouses.com is a wholesaler of investment properties. We work exclusively with buyers in our database, offering deals to individuals based on their preferred areas, property types, and ability to close. If you would like to be added to our database, please take a few minutes to fill out this application. All of the information here is strictly confidential and will not be distributed to anyone outside of our office without your permission.

PLEASE FILL OUT COMPLETELY

(We cannot add you to our buyer's list unless EVERY SINGLE LINE IS FILLED OUT. Really)

Name _____ Phone (day) _____
Mailing Address _____ (eve) _____
_____ (fax) _____
_____ (cell) _____
E-Mail Address _____

What kind of property are you interested in?? (check ALL that apply)

Single family Three family 4-8 family 12 or larger
Two family Four family 8-12 family Other _____

What kind of work are you willing to do? (Check all that apply)

- Structural (foundations, serious joist and beam repair)
- Mechanical (heating, cooling, electrical, plumbing, roofing, gutters, cement work)
- Cosmetic (paint, carpet, kitchens, baths, floor covering)

In which neighborhoods are you interested in buying properties? (Check ALL that apply)

<input type="checkbox"/> Addyston	<input type="checkbox"/> Corryville	<input type="checkbox"/> Ft. Thomas	<input type="checkbox"/> Newport, KY
<input type="checkbox"/> Alexandria, KY	<input type="checkbox"/> Covedale	<input type="checkbox"/> Golf Manor	<input type="checkbox"/> Newtown
<input type="checkbox"/> Amelia	<input type="checkbox"/> Covington, KY	<input type="checkbox"/> Goshen	<input type="checkbox"/> Northside
<input type="checkbox"/> Anderson Township	<input type="checkbox"/> Cumminsville	<input type="checkbox"/> Hamilton	<input type="checkbox"/> Norwood
<input type="checkbox"/> Arlington Heights	<input type="checkbox"/> Deer Park	<input type="checkbox"/> Hartwell	<input type="checkbox"/> Oakley
<input type="checkbox"/> Avondale	<input type="checkbox"/> Delhi	<input type="checkbox"/> Hyde Park	<input type="checkbox"/> Pleasant Ridge

- | | | | |
|--|---|--|---|
| <input type="checkbox"/> Avondale | <input type="checkbox"/> Delhi | <input type="checkbox"/> Hyde Park | <input type="checkbox"/> Pleasant Ridge |
| <input type="checkbox"/> Batavia | <input type="checkbox"/> Downtown | <input type="checkbox"/> Kennedy Heights | <input type="checkbox"/> Price Hill |
| <input type="checkbox"/> Bellevue, KY | <input type="checkbox"/> East End | <input type="checkbox"/> Kenwood | <input type="checkbox"/> Reading |
| <input type="checkbox"/> Bethel | <input type="checkbox"/> Elmwood Place | <input type="checkbox"/> Lincoln Heights | <input type="checkbox"/> Roselawn |
| <input type="checkbox"/> Blue Ash | <input type="checkbox"/> Elsmere, KY | <input type="checkbox"/> Lockland | <input type="checkbox"/> Saylor Park |
| <input type="checkbox"/> Bond Hill | <input type="checkbox"/> Erlanger, KY | <input type="checkbox"/> Loveland | <input type="checkbox"/> Sedamsville |
| <input type="checkbox"/> Bridgetown | <input type="checkbox"/> Evanston | <input type="checkbox"/> Ludlow, KY | <input type="checkbox"/> Sharonville |
| <input type="checkbox"/> Camp Washington | <input type="checkbox"/> Evendale | <input type="checkbox"/> Madison Place | <input type="checkbox"/> Silverton |
| <input type="checkbox"/> Carthage | <input type="checkbox"/> Fairfax | <input type="checkbox"/> Madisonville | <input type="checkbox"/> Walnut Hills |
| <input type="checkbox"/> Cherry Grove | <input type="checkbox"/> Fairfield | <input type="checkbox"/> Milford | <input type="checkbox"/> West Chester |
| <input type="checkbox"/> Cheviot | <input type="checkbox"/> Fairmount, North | <input type="checkbox"/> Moscow | <input type="checkbox"/> Westwood |
| <input type="checkbox"/> Cleves | <input type="checkbox"/> Fairmount, South | <input type="checkbox"/> Mt. Airy | <input type="checkbox"/> Winton Place |
| <input type="checkbox"/> Clifton | <input type="checkbox"/> Felicity | <input type="checkbox"/> Mt. Auburn | <input type="checkbox"/> Williamsburg |
| <input type="checkbox"/> College Hill | <input type="checkbox"/> Finneytown | <input type="checkbox"/> Mt. Caramel | <input type="checkbox"/> Withamsville |
| <input type="checkbox"/> College Hill, North | <input type="checkbox"/> Florence, KY | <input type="checkbox"/> Mt. Healthy | Other |
| <input type="checkbox"/> Colerain | <input type="checkbox"/> Forest Park | <input type="checkbox"/> Mt. Washington | |
| <input type="checkbox"/> Columbia/Tusculum | <input type="checkbox"/> Ft. Mitchell | <input type="checkbox"/> New Richmond | |

What is your minimum and maximum desired AFTER REPAIRED VALUE for properties? (Not what you want to PAY, but what you want the properties to be WORTH)

\$ _____ - \$ _____

How do you calculate what you will pay for a property? (i.e. x% of after repaired value less repairs, or you must make a minimum \$x after repairs are made, or it will cash flow \$x per month after all expenses etc.) _____

What are your EXIT STRATEGIES? (Check all that apply)

- Wholesale Fix and Sell
 Rent Lease/Option
 Sell with owner financing Other

If we brought you the perfect deal, how much CASH could you come up with to close in 10 days or less? \$ _____

Are you pre-qualified for a mortgage loan? Yes No

If yes, are have you actually closed a loan with this lender? Yes No

If Yes, how much can you borrow in 3 weeks or less? \$ _____

How many properties have you purchased in the LAST 12 months? _____

How many properties do you plan to buy in the NEXT 12 months? _____

What else should we know about your plans, your situation, or yourself?

Fax to ***** or mail to P.O. Box 58279, Cincinnati, Ohio 45258

Or fill out online at youbuyhouses.com

Fax to ***** or mail to P.O. Box 58279, Cincinnati, Ohio 45258
Or fill out online at youbuyhouses.com
Call 471-5008 for more information

We Have 3 Rules In Our Wholesaling Business:

1. We will never offer a deal that we wouldn't buy ourselves;
2. We will never fudge the facts to make a deal;
3. We will never sell you a deal that's not good for YOU, based on your experience, resources, and exit strategies

We give 10% of our wholesale profits to charity!

This is not a solicitation to represent buyers. YouBuyHouses.com is a website owned by Vena Jones-Cox, a licensed agent who acts as a principle in these transactions. Never make any investment without consulting your own legal, accounting, or other professional.



How to Sell a Deal

HOW TO SELL A DEAL

- ◆ Building a buyer's list is different than selling a deal
- ◆ As soon as you have a deal under contract, you should start on a series of activities with the goal selling it as quickly as possible.

HOW TO SELL A DEAL

- ◆ One of the “facts and circumstances” that some State Divisions of Real Estate point to when claiming that wholesalers assigning contracts are doing so “For Another” is the wording of marketing for such deals.
- ◆ In particular, they point to wholesalers who advertise that they have “a house for sale” when in fact what they have is a purchase contract available for assignment.
- ◆ DISCLOSE that what you have is a contract for assignment!

HOW TO SELL A DEAL

- ◆ **Step 1: Get clear, detailed photos or a video of the interior and exterior of the property**
- ◆ **Step 2: Create an email, or series of emails, to your buyer's list with a compelling subject line—send to entire list**
- ◆ **Step 3: Pick out all the people who have SPECIFIED that they want this type of property in this kind of neighborhood in this kind of condition—call and text these**

HOW TO SELL A DEAL

- ◇ Also post the deal to your website, Craigslist, Zillow etx
 - ◇ Don't **post the exact street address**
 - ◇ Make sure you express the BENEFITS of buying the deal for an investor: equity, cash flow, ease of rehab, desirability to a tenant or buyer
 - ◇ And disclose....

Good Ad, Bad Ad

Bad Ad:

- ◆ 123 Easy Street, \$123,000
- ◆ 3 bedroom 2 bath brick home for sale, worth \$150,000-\$200,000, cash only.

Good Ad:

Landlord, here's your next cashflowing rental!

Looking for a rental with lots of equity and high cash flow? Of course you are!

This 3 bed 1.5 bath is an easy rehab—just needs a bath update, paint, flooring, and a new furnace.

When you're done, it will be worth \$175,000—and rent for \$2,000 a month.

Yeah, it's underpriced, which is why we're looking for cash offers from serious buyers ONLY.

I'm assigning my interest in a purchase agreement

HOW TO SELL A DEAL

- ◆ Bandit signs
- ◆ Group websites
- ◆ Social media?



PREPARING THE DEAL FOR THE BUYER

PREPARING THE DEAL FOR THE BUYER

- ◆ Part of your job as a wholesaler is to create deals that are so good and so easy for your buyer that they're basically "no-brainers."
- ◆ The time you take in preparing some basic information for your buyer will go a long way in accomplishing this goal.

PREPARING THE DEAL FOR THE BUYER

- ◆ A title search showing that the title will be clear at closing.
- ◆ A detailed list of the comparable properties you used to determine value
- ◆ A list of the repairs you think the property needs, with your estimate of costs.
- ◆ Due diligence on non-title issues
- ◆ Copies of documents from the seller required by the government or for the closing.
- ◆ A purchase agreement for assignment and assignment agreement, and a “big boy disclosure.”

Add to Your Homework

- ◆ Add 5 buyers to your buyer's list