

WINDFALL PROFITS

WHOLESALING HOUSES

IN A SOFT MARKET

Money-Making Strategies

REVEALED!



K. Roberts

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Real Estate Wholesaling ...Claim Your Windfall Profits

Have you noticed that the first sign that the latest recession is coming to an end is the dramatic rise in home sales? That's right. Before any jobs are created, before personal income increases, before the stock market climbs, real estate sales is the best indicator that things are turning around. It shouldn't really come as a surprise. Smart investing in real estate has always been the best way to make money, and always will be. And now, with home prices at historic lows and many banks looking to unload unwanted repossessed properties, the surest, quickest and most practical way to invest in real estate is through what is called "**Real Estate Wholesaling**".

Let me explain. A lot of people confuse real estate wholesaling with "house flipping". The difference is that when someone buys a house with the intention of "flipping" it, it means that they intend to hold onto the property and make a few repairs or upgrades to the property and then sell it at a profit. House flipping got a lot of bad press because people who had bought property intending to flip them held on to their real estate too long and got stuck with them when the economy starting failing.

Real estate wholesaling, on the other hand is when you act as the middle man between a motivated seller, looking to unload their property ahead of imminent foreclosure or divorce perhaps, and a motivated buyer looking to take over the payments on a property they expect to quickly rise in value. You make money by charging a fair amount, a sort of "finder's fee", on every sale. You move the property quickly, often transferring the real estate from motivated seller to motivated buyer at closing.

It's a great way to make money because you don't need a lot of money to get started and you don't need a real estate or contractor's license. Of course, there a few things you should consider before setting out on what could be a very lucrative career.

- **Make a Plan – This is your business, not your part-time hobby**

Benjamin Franklin said, “*Failing to plan is planning to fail*” and this is especially true in the real estate wholesaling business. And I say business because that is what it is, a money making venture where you expect to receive financial rewards for the time and effort you apply. It might start out as something you do in your part-time, but that doesn’t mean it always will be. So you must start by setting goals and establishing objectives to reach those goals. Things might change as your experience grows and you learn new methods to locate, buy and quickly sell properties for a profit, but having a good plan from the outset will keep you focused on the short-term.

- **Allow Wholesaling to become your life**

If you really want to make money in real estate, and, in particular, wholesaling properties, you have to make it your life. The best athletes train hard, the best musicians practice relentlessly and the most successful real estate investors always work to get better. This means reading books, newsletters and websites; listening to tapes and CDs; and watching DVDs that can help you transition from your 9 to 5 job confidently. Become obsessed, especially at the outset, with learning everything you can about how to wholesale real estate properties and mastering the business.

- **Find your market**

Do a little research and select a group of neighborhoods or part of town that you know offers the best potential for making a good profit and work it, work it, work it. Talk to business owners and bank managers, if possible. Visit the areas at different times of the day and chat with postal workers and police. Make a note of the most popular realtor agency listings in the neighborhoods and stop by their offices. Make sure the area doesn’t require a lot of your time to get to or home

from because your time can be used more productively in other ways than sitting in traffic.

- **Find motivated sellers**

The one thing above all that can set you apart from all the other people out there looking to make some extra money by warehousing properties is the ability to locate undervalued property and negotiate a great price with the owner. This takes a little leg work and often the development of research skills if you really want to look for deals that other people in the business overlook. Motivated sellers are out there, though, and once you know how to find them you will be well on your way to seeing your income grow.

- **Find motivated buyers**

The second component to completing any deal in real estate wholesaling is creating a list or file of people who want to buy undervalued real estate and take over the payments until they can sell the property at a higher price or use it as rental property to create an income stream. These are often builders, contractors or people who are already renting property throughout your chosen area. Get to know their buying habits, the type of property they like to “flip” or rent out. The stronger your list, the easier your task in wholesaling your real estate deals.

Wholesaling is a great way for people without a lot of cash flow to begin taking advantage of the tremendous profits to be made in real estate. If you think real estate wholesaling is for you, take the time to develop the plan and learn as much about the business as you can before starting out. To get more info on finding the BEST deals check out [90 Days To Cash](#) Wholesaling Houses.

The Freedom of Wholesaling

Few opportunities present a faster and easier attained path to wealth than real estate wholesaling. You don't need money to get started. You don't need a formalized education. You don't even need a license. All you need is a willingness to learn all you can about the practice of real estate wholesaling and the confidence to apply what you learn in the real world. I like what I do, and I'm good at it, but I'll also be the first to admit you don't have to be a rocket scientist to be successful. However, if you crave the financial freedom you can gain by working a little bit harder than the next fellow (or gal) and refuse to accept your status quo, then real estate wholesaling may be your ticket to a better life.

In essence, there are two paths to making money through real estate wholesaling: acting as a "Finder" of profitable properties and/or becoming the "Assignor/Dealer" of the property you find.

The Finder

The Finder works as a "bird dog," finding potential deals among the many existing properties available in every town and city. By canvassing areas where undervalued property exists, the Finder locates real estate that presents the greatest potential for profit, compiles a listing of those properties and then sells the information to other investors for a pre-arranged fee. For someone just starting out, this can be an excellent way to begin learning the business while creating a lucrative revenue source. Finders don't need cash or a lot of knowledge and experience to look for distressed properties, only the time to scout around and do the necessary research (which I provide more information on later in this book).

The fee a Finder earns for each property purchased by investors varies according to the price of the property how much profit potential it shows. You can easily earn five

hundred to a thousand dollars every time another investor uses your information to purchase a property.

The Assignor / Dealer

Like the Finder, the Assignor/Dealer locates deals for other investors, but takes the extra step of signing a contract for purchase of the property before transferring (or assigning) the property to investor ownership. This is sometimes referred to as “flipping” a property. It is the next logical step for anyone who starts out as a Finder and offers much greater potential for income. All that is required is an enhanced understanding of how real estate can be transferred and some cash (though usually not much) in order to purchase the property yourself.

Of course, since you put up earnest money to secure the deal, you assume more risk than the Finder does. However, by controlling the property with a purchase contract, your profit can be much higher. The truly marvelous aspect of being an Assignor/Dealer is that you actually have two options for making that profit: you can close on the property and turn it over for sale immediately or you just sell the contract to another investor (more on this later).

You can flip as many deals as you can find. It’s not a matter of money; it’s a matter of finding the deals. If you look on a full-time basis, you can make well over fifteen thousand dollars a month without ever repairing a property or having to mess with a tenant.

On *a part-time basis*, you could easily make an extra three to five thousand dollars a month flipping a property or two. Now you are a true entrepreneur. You can work as much or as little as you wish as your own boss and with no overhead.

This is genuine freedom!

The Investor's Role

The Real Estate Investor is the individual that buys undervalued properties with the goal of either rehabbing the property for future sale or holding onto the property for rental income. Regardless of how they plan to use the property, understanding the role of the investor and developing a portfolio of dependable, eager investors is the basis to generating quick and consistent income from the properties you find or flip.

The Investor is the individual (or consortium) that puts up the most money, bears the greatest risk and stands to make the largest profit on each deal. Part of the risk incurred stems from the time needed to rehabilitate the property and offer it for sale or rent while dealing with carrying costs on the purchase, repair and miscellaneous expenses such as taxes and utilities. They need to have the financial assets to stay afloat should the property not sell or rent as quickly as planned.

The secret to becoming a successful Finder or Assignor/Dealer lies in knowing the Investors in your area and knowing what kind of property they like to buy and how they use it. For instance, if you work with an Investor who primarily deals in fixer-uppers that are rehabbed and sold, you may look for undervalued or neglected properties in nice neighborhoods that require simple upgrades to bring a generous return on investment. If, on the other hand, you know an investor who likes to generate income from rental properties, you may devote your energies to finding undervalued properties near areas where people tend to rent, rather than buy, such as colleges (students) or hospitals (nurses).

One of the best features of real estate wholesaling is that you can work as a Finder, an Assignor/Dealer and an Investor at the same time. You have already committed to locating undervalued property in areas where you know there is tremendous potential for profit. You have already developed a list of eager, motivated investors and you are generating income from your efforts that you can actually invest in properties for resale

or rental should you see fit to do so. It's really up to you how quickly you want to realize the rewards from your efforts.

That is one of the joys of retail wholesaling – the flexibility it affords you as you gain greater understanding of the way real estate transactions are conducted: part-time or full-time; Finder, Assignor/Dealer or Investor or all three. It's all up to you. In what other type of business can you say that?

Earn While You Learn

As we wrote about in the previous chapters, real estate wholesaling offers freedom and flexibility not found in other businesses. Perhaps the most appealing aspect of the business, however, is that you can start earning money today, with just a little understanding of the way things work. And you can continue to earn greater and greater income each day as you learn more and more through your efforts. You don't have to wait until you receive a degree or a license to get started. It doesn't require hours of study before you make your first deal. This doesn't mean you shouldn't be taking courses, studying and trying to learn everything you can about the real estate wholesaling business. The more you learn before you get into the business greatly increases the likelihood that you will be successful sooner. It just means that you can get in your car today and locate real estate that is undervalued and find a way to make a profit on it.

If you're just beginning, I suggest you start out as a Finder before moving on to other real estate ventures. This gets you off the bench and into the game without requiring any great financial outlay on your part. It's a great way to build your confidence and knowledge (but still need to make some extra cash). As a Finder, you'll learn to recognize properties that offer the greatest potential for profit. As a Finder, you'll establish a portfolio of reliable, eager investors. As a Finder you can start developing a team (more on this later) to help you maximize your time and effort. Most importantly, as a Finder you can begin creating cash flow so that you can create new opportunities for growth in the business.

Begin as a Finder. Learn and Earn. If you're happy with the money you make as a Finder, and then dedicate yourself to being the best Finder in your area. Gain the trust of your collection of investors and you'll be rewarded for your efforts.

Of course, once you've developed confidence and experience as a Finder, you can always move on to becoming an Assignor/Dealer. The work requires a little more understanding about how to make a deal and perhaps a little greater financial investment, but you've laid the groundwork for this next step by the time and effort you've put in as a Finder.

Finally, begin investing your own money in the properties you find. Or not, it's up to you.

Earn While You Learn. It's such a great concept. And even better is that the more you learn, the more you can earn. Once you begin to see the potential for profit to be gained from real estate wholesaling, the more you'll want to put the time in to move upward through the world of real estate investment. You can devote as much time to it as you want. It's your call. No bosses to answer to. No salary pay scales to work your way up through. Isn't this the life you've dreamed of?

If you find that you need more help with this or would like to follow our blog updates and download more free real estate investing resources, visit this site often,

[90 Days To Cash.](#)



How It Works – an Example in Wholesaling

Up to now, I've told given you a little background on the key people involved in real estate wholesaling and described how the business can provide you with freedom and flexibility in your life, as well as how real estate wholesaling offers the opportunity to begin earning money right from the start by locating undervalued property and finding motivated buyers to purchase that property.

Now, I'd like to just take a moment to describe to you how the real estate wholesaling business operates. At each important juncture I will point out where the roles of Finder and Assignor/Dealer described in earlier chapters end and the next begins.

Let's say you find a house that is run down and vacant. It doesn't even have a for sale sign in the yard. One thing you can depend on, though: whatever you offer the owner is more than he or she is getting on this house right now. You do a little research and find what other property in the neighborhood has sold for recently and determine that this particular property would not currently demand a similar price, but with a little work could easily be worth as much, if not more.

If you are working as a "Finder", you would now turn to your list of motivated investors that you have compiled. You determine that this house is perfect for one of your investors who likes to rehab and resell property. You alert that investor, and if a sale is completed, you receive a finder's fee for your efforts.

However, if you are an Assignor/Dealer, your work is just beginning. With a little detective work, you find the owner and negotiate a "risk free" contract to purchase the property. The price you negotiate would be better (i.e., lower) than 60% of the value the house will have after repairs are made. You offer a very low earnest money deposit (\$10.00 - \$100.00).

The great thing about this particular property is that the owner was not actively selling the house, so a minimum earnest money deposit should not create an argument, and because the house was just sitting and presenting no economic value to the owner, the price you offer can be low.

As soon as you get the signed purchase contract, you contact the same investor mentioned earlier and, instead of merely alerting him to the availability of the property and walking away with your finder's fee, now you offer to sell the house for \$10,000 more than your contracted amount. That would still put it at around 60-65% of value, which will still be very attractive to the investor.

The investor agrees to the deal and you transfer your right to buy the property at the contract amount to the investor. You complete a one page "Assignment of Contract" form (see Appendix) and get \$1000 in earnest money from the investor. A few days later the transaction closes at a title company or an attorney's office and you get a check for \$9,000 (\$10,000 minus \$1,000 earnest money) PLUS your \$10.00+ earnest money you used to secure the property.

The seller receives the agreed upon selling price you negotiated with him or her. The investor purchases the property at the price you negotiated with him or her. And you have generated a tidy profit of \$10,000 for basically a few hours of work.

Five Keys to Success

As you can see from the example of a real estate wholesaling deal provided in the previous chapter, if everything goes smoothly, which it does more times than not, for little more than the investment in time and perhaps a small outlaying of cash for an earnest money deposit, the potential for profit is tremendous.

However, as my mother used to say “If it was that easy, everyone would do it.” And that’s true. To be truly successful at mastering the real estate wholesaling business, you must understand and master the five keys to success in every real estate deal. These keys to success are: prescreening prospects; determining market value; estimating repairs; making offers and counter offers; and selling.

Prescreening Prospects

Whether you decide to become a Finder or an Assignor/Dealer, every real estate deal with any potential for profit depends on being able to locate properties that fit your criteria as to being worth your time and energy. Remember from the previous page that you are looking for properties that can be purchased at a value of 60% below what the property will bring once repairs and improvements are made. Don’t beat yourself up in you make some miscalculations in the early going. That’s all part of the learning process. It’s easy to fall in love with a property that, at first glance, seems the perfect candidate for a flip, only to find out that it would be impossible to see a return of more than 35% or 40% on any investment. Once you do learn this valuable skill, however, the ball starts rolling.

Determining Market Value

Once you've found a property that you think can be had for 60% of its potential value, the next step is to determine just how much of a return is possible for the investment. This requires doing some research to find out how much other properties within an established radius have sold for or been appraised at in recent months. This is when it helps to have a real estate agent you can trust who knows the area well and perhaps even sold some properties in the neighborhood where your property is located. Once you determine just what price the property may bring, the return on investment potential grows clearer.

Estimating Repairs

Perhaps the most inexact factor in determining the true value of a property is estimating just how much it will cost to rehab and make improvements in the property so that it can bring a maximum return on investment. As in the case of knowing a real estate agent you can trust to help appraise the potential market value of the property, so it can also be a great benefit to know a contractor that can provide you with reliable estimates to fix the property up. Once you have this number, and factor it into the properties current and market value, you can make the decision as to whether or not this property offers the potential you desire.

Making Offers and Counter Offers

There's that great Kenny Rogers song The Gambler that has the line "You've got to know when to hold 'em, know when to fold 'em, know when to walk away, know when to run." This is often the most frustrating and heartbreaking aspect of conducting business

in real estate wholesaling. However, if you have done the necessary work up to this point, namely determining the actual worth of the property and what your return on investment should be, it is easy to proceed through this phase of the transaction. Negotiation is all part of the real estate business and the trick is all in the “knowing” – what the property is worth as is, what the property can sell for, how much it will take to get it there, and, most importantly, how much you really want to make on any deal. You’ll find out quickly in this business that it’s not about making a killing every time out, but rather making a profit in every deal. Understand that and this key to success can actually be the most enjoyable (next to cashing that check after closing) part of the business.

Selling

Mastering the art of the sale is actually the easiest key to success to acquire. There often isn’t really that much to negotiate over because if the buyer has done their homework they know what other properties in the area are worth and you know what this property is worth and it’s all a matter of coming to an agreement on the matter. One factor that can make the sale go much smoother is having a history with the investor, one in which you have developed a level of trust and professionalism between yourself and the investor.



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Finding, Analyzing and Flipping Wholesale Deals is
a **simple but strategic** system that *anyone* can
accomplish with the right tools.

The Focus is on Fast Cash- Quick Profits

There is a lot of money to be made dealing in real estate. Just look at some of the wealthiest men and women in the world and a large majority made their fortunes either by investing or owning real estate.

There are also a myriad of ways to make that money, and it's easy, once you enter the real estate world, to lose focus and begin chasing the next "sure thing". If I can give you just one piece of advice that I want you to take away from this E-book and any of the courses you may elect to take from me, it is this: **Always keep your focus on generating revenue, not getting bogged down in the details.**

The best use of your time and the most money to be made in real estate is made by making deals. Period. There are lots of other components to completing a real estate transaction and you know what? There are lots of people who you can hire to do them.

One of the greatest inventors and most brilliant men of our time, Thomas Edison, didn't know the capital of the state in which he lived. When asked how this could be, Edison replied, "I can ask anyone who works for me to tell me. What's that got to do with my business." That's the way you should approach real estate wholesaling. Do you what you know can make you the most money with the best use of your time.

If that means you spend most of your time working as a Finder, so be it. There's good money to be made in this pursuit and if you have limited time due to family or work obligations, it just might be quickest way for you to build a little financial security.

If that means taking less money on every deal you make because you hire competent legal support, than take less money of every deal. Especially if by freeing your time up from dotting every legal "i" and crossing every legal "t" it means you can make more deals, than you'll actually end up making bigger profits in the long run.

Now just because you may delegate some facets of your business, doesn't mean you should stop caring about them. It's important to stay on top of things. It's important to have a complete understanding of the ins and outs of every real estate transaction. Be aware, just don't be consumed. Make the deal. Make the profits.

Building Your Team

A few pages back, in the chapter dedicated to the 5 Keys to Success, I mentioned how finding a real estate agent you can trust makes determining the market value of a property easier and that knowing a reliable contractor can help estimate repair and home improvement costs more accurate. This is all part of a process which I have found, and recommend, will help your business grow smoother and quicker, namely, building a team of professionals you can rely on.

In his best-selling book and highly inspirational book, *Think and Grow Rich*, Napoleon Hill calls this facet of creating wealth as developing the “master mind”. By that he means that the one of the quickest ways to create wealth is to create a network of like-minded individuals with particular talents, skills or training that, when combined, provides benefits far in excess of their singular abilities. Get your FREE Copy [Here](#).

This is so very true in terms of real estate wholesaling. Who should be on your team? Well, let's run through the steps in a typical real estate wholesale deal as presented in Chapter 5. First off, a property must be located. Who is the best resource, besides yourself, who might know where undervalued properties may exist and be for sale? Who might be able to help you find out property appraisals for neighborhoods where undervalued property may exist? You already know because I've told you - a real estate agent.

Next, you've found the property, know its current value and market value but need to know what it will take to get the property fixed up. Again, I've already told you who can help you – a trusted contractor. So now you have two people on your team. What's left?

If you've been paying attention, you know the answer to that question. A good real estate attorney can save you the time and bother of making sure all legal requirements in every transaction are met and there won't be any hidden surprises that can squelch a deal at the last moment because a key document wasn't filed or signed. That's three. Any more?

Actually, it's all up to you. The more you learn, and the more deals you do, the more you will see where your business can benefit from adding a new team member, a new component of the "master mind" that will add value to your business.

Calculating Purchase and Profit Amounts

One of the most difficult aspects of real estate wholesaling is calculating the probable purchase and profit amounts for a property you have identified as possibly being undervalued. I have established the following steps as the most effective means of determining if it is worth pursuing. Once you have been in the business for a while you may arrive at your own best method, but in all my years in the business and working with and educating people new to the business, I have found that taking the following steps and using the following formulas provide a fairly accurate picture of what rewards a property will bring.

Determine A.R.V.

A.R.V. stands for **After Repair Value**. I have touched on this issue in previous chapters, but I can't repeat it enough: It is extremely important to determine what the subject property is worth after you or someone has rehabbed it and it is ready to sell. Only by determining A.R.V. can you accurately project profit margins and enter negotiations knowing how flexible you can be in price. There are three preferred methods for establishing A.R.V.:

- Obtain and review listing sheets from real estate agencies of properties that are similar to yours and have sold within the last 3 months within a half-mile radius
- Have a trusted real estate agent (preferably one on your team – see previous chapter) perform a comparative market analysis for you
- Have a trusted appraiser (perhaps a team member) give you a value based on the square foot price of similar homes in the neighborhood

It is vital that you perform your due diligence on determining your A.R.V. because repair costs and the amount of your purchase and sell amount will be based on this number.

1. Determine Rehab/Repair Costs

There are a couple of ways to arrive at the cost to rehab the subject property.

- Ask the contract (on your team) to go by and give the property a quick “guestimate” of repair costs based on experience.
- Arrive at your own “guestimate”. It’s been my experience that cosmetic rehabs on the west coast are approximately \$10,000 to \$15,000 and that major rehabs tend to be in the \$20,000 to \$40,000 range. As you do more and more deals, and continue to evaluate properties, this number will be easier to determine.

2. Calculate Purchase Price and Profit Amounts

The Purchase Price is the amount we expect to the property to be sold once it has been rehabbed. This price is arrived at by multiplying the A.R.V. by 65% minus the cost of repairs. (The A.R.V. is multiplied by 65% because 35% is the lowest difference we will accept between what we will pay for the undervalued property and the final purchase price). Then we add what would be the minimum profit we would accept for this deal (I usually enter \$15,000). We have now arrived at the Maximum Acceptable Offer (MAO).

ARE YOU READY?

The Players

As we've discussed, in order to generate quick profits in real estate wholesaling it helps to have an established portfolio of motivated investors that you can turn to and trust when you have located an undervalued property that you would like to flip or earn a finder's fee for. As a rule, investors come in three varieties.

Rehab and Retail Investors

Rehab and Retail Investors are looking to find undervalued property and make a deal as quickly as possible on their investment. The major difference is that Rehab and Retail Investors want to make as much as possible off the difference between the purchase price they pay and the cost they sell the property to a buyer for and are looking for distressed properties that could need quite a bit of work. This means they are willing to invest money in making necessary improvements to the property, pay title fees and other costs, and hold onto the property until they find a buyer willing to give them the price they are asking. Generally speaking, these investors have a contractor background and have a history of working in the trades. They either do the work themselves or subcontract the work out to others.

Buy to Rent or Hold Investors

Buy to Rent or Hold Investors tend to favor properties that require as little rehab as possible. Unlike the rehab and retail investors, they are willing to pay a little more for a property if they can quickly turn around and sell it to another buyer or if it has income potential as a rental property. If you want to begin adding Buy to Rent or Hold Investors

into your portfolio, it is best to research who in your area already holds rental properties and determine if they are currently looking to add to their holdings.

Wholesale Investors

By now you know all about Wholesale Investors. These are Investors who locate undervalued properties and quickly flip them for profits by selling or assigning the property rights to the above-mentioned investors. Wholesale Investors generally work very closely with Rehab and Retail Investors and Buy to Rent or Hold Investors because these are in essence their “client base” who they depend on to be motivated to purchase undervalued property. As we’ve mentioned several times throughout this book, Wholesale Investors can make substantial profits on deals without having to lay out much of their own money in the process and generally see a very rapid return on any investment they do make.

Developing a Wholesale Buy Then Sell Machine – Structuring Your Business

As with many businesses, when it comes to real estate wholesaling, diversity provides the greatest source of income. By this I mean that by structuring your business so that you do not rely too heavily on one type of investor, you can always find a market for any type of property you locate. Through experience, I have found that a 50%-40%-10% ratio of investors works best, and that depending on where you live the make-up of each percentage group could differ. The following has worked for me.

(50% OF MARKET) 4 REHAB AND RETAIL INVESTORS

These are usually the easiest investors to find because it is the way that most passive investors tend to operate in real estate. As a rule, each investor usually does three or four deals per year with an expected profit of about \$15,000.00. As I mentioned before, these investors tend to come from the contracting trades and often do much of the rehab work themselves. If you have 4 active rehab and retail investors in your system, this could mean you have the potential for twelve sales per year times.

(40% OF MARKET) 6 BUY, RENT, AND HOLD INVESTORS

This is the other side of the passive investor coin. These investors, as a rule, look to buy positive cash flow rentals. If active in their investment plan, they tend to buy about two properties per year. If you have 6 active buy, rent, and hold investors in your system, you have 12 sales per year times. You can often track these investors down by calling around to property management companies and finding out who their clients are.

(10% OF MARKET) 1 ACTIVE WHOLESALER INVESTOR

Wholesalers drive the business of buying and selling. Some of the best wholesalers flip one property per week. In our case, we need the wholesaler who does two per month. Your job is act as a Finder and to supply this wholesale investor with inventory. If you do, you can reasonably expect 24 sales per year. Remember, the only difference between you and other active wholesalers is that they already have the above network built.

If you follow the above business model, you have the potential to earn \$144,000 per year.

“Could you live on that?”

Closing without Cash

If you decide to make a living (a good living) through real estate wholesaling, you will quickly learn that there are essentially two ways to fulfill a purchase contract and close on a deal with no money out of pocket: the No Money Out of Pocket Flip and the Double Closing.

No Money Out of Pocket Flips

The method is through “Assignments”. As a beginning investor or seasoned pro, assignments are the simplest way to flip a deal with no money out of your own pocket. When using an assignment, you actually never own the property, but rather assign your contractual right to purchase the property to someone else for a fee, which can range from \$10,000 to \$30,000 or more depending on the property. The person you assign the contract to then fulfills your original contract and closes the deal with the seller. This is a great way to get started wholesaling properties because it requires none of your own capital and happens quickly.

The Double Closing

When you have a great deal, a Double or Simultaneous Closing offers the greatest potential for a large profit without having to put any money down. In this case, you have two contracts: One between you and the Seller; and a second contract between you and your New Buyer. In essence you act as the middleman between the seller and the buyer, with neither knowing the identity or sometimes even the existence of the other party. This is a great strategy because your new buyer does not know how much money you are making on the deal.

Structuring double closings can be tricky. First, we suggest you enter into the contract with the buyer once you have found the property. We do so because what makes this

so beneficial to you as the middleman is that you are using the buyer's funds to purchase the property. Then, you enter into a contract and complete the sale with the seller, at which time you have the seller deed the property over to the new owner. Remember, we always like the new Buyer to come first since it is their money closing the deal.

Begin With the End in Mind

A little understanding about the way real estate property investors obtain the funds they use to purchase properties can help you position yourself for success when it comes to setting purchase prices on undervalued property you find and wish to flip. Generally, the money that investors use to purchase property comes from two sources: Private Funds and, what I call, Hard Money or money that investors receive from banks and other lenders.

Although there are instances where deals are financed almost entirely through Private Funds, it is much more common for both Buy to Rent and Hold and Rehab and Retail Investors to rely on some level of Hard Money funding. This is true even in the case of investors who hope to sell the property quickly. The more you can do to improve the position of the investor in the eyes of the Hard Money lender, the easier it will be for the investor to obtain funding and, thus, invest in the property you have found.

Understand that these days most Hard Money lender are comfortable lending approximately 70% of the A.R.V. to the investor for a property. What that means to you as the real estate wholesaler is that you have to find properties for which the investor can cover both the undervalued purchase price and any and all rehab costs with a loan from a Hard Money lender.

This is especially crucial in a slow market, such as we are experiencing now. The more “Hard Money Ready” properties you can bring to investors, the greater your chances of turning a quick profit and moving on to the next deal. One of the reasons I have been able to not merely get by, but prosper in the current economic climate is because I have learned this lesson. I learned it by not just studying the real estate market but also by tracking lending patterns of Hard Money lenders throughout my career.

I have found that the deals that moved fastest for me were quite often deals where I began with the end in mind, with the needs of the investor first and foremost. I know I will get my money, but only if the investor can get his or hers.

Too often, beginners in real estate wholesaling focus only on how they will prosper, how quickly they can flip a property. They neglect the customer service that goes into making any business successful. In this case, it's a matter of beginning with the end in mind.

The Road To Success is Lined with Wholesale Deals

If you were to apply the information you've read in this book, you can literally make thousands of dollars within 30 to 60 days from now. All you have to do is put this information into action. Now that you've read this book, all it takes is for you to implement the steps outlined here to begin to build a profit pulling wholesale business immediately.

That's right. Despite all the gloom and doom talk you hear everywhere you go today about the state of the economy, real estate offers the quickest ways to start earning extra money to help you make all your dreams come true. How do you measure success? A place at the beach, a new car, maybe sending your kids to a good school or maybe it's just knowing that you have found a way to free yourself from the usual worries that plague most Americans.

Real estate wholesaling is a proven business model that you can do in your spare time or devote entire days to. I've made it work for myself, and I've helped so many others make it work for them. If you apply what I've given you in these pages, then I know I given you what you need to make it work for you. That's what I call success.

Now think for a minute... if I've provided this much information to you in a book, imagine what our step-by-step e-course tutorial can do for you. You've learned so much already, more than a lot of people who have been in the business for years. And you can learn even more because I've only scratched the surface in describing the ways that you can make a fortune in real estate wholesaling. There's so much I can tell you that can help you get the advantage in any negotiation, so much more about the things you can look for in a property that can tell you right off the bat if it's a money maker.

It's no secret that the surest path to success lies in having a mentor to guide you along the way. The Mentor Network is the answer so many have turned to and used to change their lives and prosper through real estate wholesaling. I hope now that you have learned a little bit, you'll want to learn a whole lot more. Take a moment to visit my Blog by clicking [here](#) to find out how easy it is to get paid in 90 Days or less.

Hope to see you on the blog!

To Your Windfall Profits,

Karen Roberts

<http://www.thementornetwork.net>

APPENDIX 1

OFFER TO PURCHASE REAL ESTATE

BE IT KNOWN, the undersigned, _____ (Buyer), offers to purchase
from _____ (Owner), real
estate known as, _____ City/Town of _____
_____ County of _____, State of _____, said property more

Particularly described as:

The purchase price offered is \$ _____

Nonrefundable deposit herewith paid \$ _____

=====

Balance at closing \$ _____

Total purchase price \$ _____

This offer is conditional upon the following terms:

1. This offer is subject to the Buyer obtaining a real estate mortgage for no less than _____
Payable over _____ years with interest not to exceed _____ % at
customary terms with a firm commitment thereto _____
_____ days from date hereof.

2. This offer is further subject to Buyer obtaining a satisfactory home inspection report and termite/pest report within _____ days from date hereof.
3. Owner shall pay broker _____ a commission of \$ _____ upon closing.
4. Said property is to be sold free and clear of all encumbrances, by good and marketable title, with full possession to said property available to Buyer at date of closing.
5. The parties agree to execute a standard purchase agreement and sales agreement according to the terms of this agreement within _____ days of acceptance of this offer.
6. The closing shall occur on or before _____, at buyer's title company or attorney's office, unless such other time and place shall be agreed upon.
7. Other terms: subject to buyer's walkthrough and approval of walkthrough, in writing, within 14 days of acceptance. Buyer and seller to pay normal closing costs. Seller to provide buyer access to the property upon acceptance of contract.
8. This offer shall remain open until _____ o'clock, _____ and if not accepted by said time shall be deemed rescinded and deposits shall be refunded.

Signed this _____ day of _____

APPENDIX 2

ASSIGNMENT OF CONTRACT

Date: _____

Owner

Name: _____

Address: _____

Phone: _____

New Buyer

Name: _____

Address: _____

Phone: _____

Original Buyer

Name: _____

Address: _____

Phone: _____

Contract Date: _____

Property Address: _____

By this assignment of contract, and in consideration of an earnest money deposit of \$ _____

_____ (Original Buyer) hereby exercises his unqualified right to assign all their rights, obligations and responsibilities in the above-noted contract dated _____, with _____ (Seller/Owner) to a new buyer. The new buyer of this property hereby agrees to fulfill all of the same conditions and terms of the above-referenced contract, including but not limited to all settlement requirements as originally stated.

The total consideration for this assignment is \$ _____, to be paid at _____

_____ (Title Company/Attorney's Office)

ORIGINAL BUYER(s)

Date

NEW BUYER(s)

Date

APPENDIX 3

CONTRACT TO SELL REAL ESTATE

BE IT KNOWN, the undersigned, _____ (Buyer), offers to purchase from _____ (Owner), real estate known as, _____ City/Town of _____ County of _____, State of _____, said property more

Particularly described as:

The purchase price offered is \$ _____

Nonrefundable deposit herewith paid \$ _____

=====

Balance at closing \$ _____

Total purchase price \$ _____

This offer is conditional upon the following terms:

1. This offer is subject to the Buyer obtaining a real estate mortgage for no less than _____ Payable over _____ years with interest not to exceed _____ % at customary terms with a firm commitment thereto _____ days from date hereof.

Owner Date

Subscribed and sworn before me this _____ day of _____
_____, 20 ____

_____ My commission expires _____

Notary Public, State of _____