

Real Estate Profits 101

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Foreword

Making money in real estate is forever a topic for those who would like to invest. This includes many of the different types of real estate investments. Land, apartment buildings, houses, commercial buildings are all part of a real estate investment.

The following concepts you're about to read are tried and true and proven. This book is all you'll need to complete a successful assignment of contract and get a big pay day you might have only heard about.

It will bring out your level best potential and to foster the limitless possibilities of attainable success.

Irrespective of your background or education, the techniques inside are easy, powerful and efficient. In brief, the info in this book came from real investors utilizing these strategies in real life for those who work their way up to a real estate investing ace.

Real Estate Profits 101

Insider Secrets On Making Money With Property You Don't Even Own!

Chapter 1:

Comprehending Real Estate Investing Words

Synopsis

What are the investing terms that you will need to understand?

1st Things First

Assignment of contract: Assignment of contract is more generally called “wholesaling” in realty circles. Consider how other huge companies wholesale products to bring in earnings. For example, Walmart wholesales products by buying them in big amounts. They're able to buy products well beneath current market value due to their over-the-top purchasing influence. Walmart then swings around and sells those products to their end purchaser at retail prices. Walmart is capable of generating a net profit by collecting on the difference between what the merchandise sells for and what they buy it for.

There are actually only three chief steps in this procedure.

1. Talk terms for a discount on the product.
2. Sell that product for retail costs.
3. Accomplish this in an effective time frame to minimize stock.

Wholesaling real property has a few laws of similarity and a few differences. In wholesaling real property, you're likewise negotiating a price reduction on the product and you're also selling that product (the property) for retail costs. The chief deviations are that you're not carrying any stock and you're not negotiating your price reduction by buying big amounts.

Equity: You might or might not already be acquainted with the term. Equity is the deviation in the value of a property less what is owing on the property. A seller owes seventy five thousand on a first mortgage and twenty five thousand on a second mortgage for a home that's appraised at about one hundred thirty thousand. How much equity is in the house? $\text{Equity} = \text{Value} - \text{owing Debts} = \$130,000 - \$75,000 - \$25,000 = \text{Example } \$30,000$ of equity in the house.

How is equity amassed? For anybody who owns a house, they might commonly amass equity in any of the accompanying ways.

- 1) Down payment.
- 2) Paying down their mortgage over time.
- 3) Property value goes up.
- 4) Home betterments or repairs.

Why Does Equity count? It's exceedingly uncommon for property to sell for significantly more than the market price. Real property has a largely standardized worth within its local market anyplace around the world. If the house next door to you sells for \$100,000 it's exceedingly improbable for that house to sell for \$200,000 without any alterations in the market or the property itself. There is a measure of originaive ways to get paid big amounts of money in real property. All the same, they all center on this easy and most importantly fundamental precept. You negotiate for equity and then you sell your equity.

Alternately, in some other originaive investment strategies you negotiate a low monthly payment and then sell your monthly payment for market price.

So what precisely is wholesaling real property? Wholesaling real property is talking terms about a discount on a piece of property with an escapable contract and then at the same time selling that piece of property for closer to market price to another investor. As you're at the same time selling the property, it's ultimately the end purchaser who will furnish the needed capital and credit required to close the deal. Moreover, as the contract is escapable, you are able to withdraw from your purchase contract if you can't locate a qualified end purchaser who will buy your equity. You'll only be buying a property that you've already sold for a net profit.

Chapter 2:

Keep Your Expectations In Check

Synopsis

You have to make certain that you remain grounded and have realistic expectations.

Stay Real

It shouldn't surprise you that real property has produced more millionaires than any other type of business. There are dozens of infomercials that teach about "no money down" real property investing. Is there truly such a thing as "no money down" real property investing? Can individuals truly make a fortune without any skill or experience in real estate?

In brief, yes but it counts a lot on you. I mean, how may I really frankly make a promise about you without knowing your skill set, drive and aspiration? What I'll show you is the strategies shown to work to produce a high income living. What you do with those strategies is your option.

Believe it or not, this material is what most individuals learn in other guru's \$5000 beginner's real property investing seminars.

So can a bucket-load of money be made in real property? The fact is if you're willing to work it then yeah it may be done. Where the haywire thinking comes in is when individuals think it's a "get rich quick" strategy. Truly, a lot of revenue can be made fast but it takes intelligently directed moves utilizing tested strategies. I'd be lying if I stated it didn't take work. No money down real property investing is more of a "get rich [fairly] slowly" type of theme. It may work fast if you apply the correct strategies

and techniques. You're likewise going to need to maximize your efficiency to accomplish it in a short time period but it isn't inconceivable. If you believe you're going to do very little and make a fortune with no work, this isn't for you. I just don't prefer to leave you with hollow expectations of what may actually be done in real life. If you project to do nothing to get loaded, I'd advocate the lottery. Otherwise, acquire repeatable systems that may be automated over time to yield consistent earnings that make you a good living.

All the same, having said all that, there's a way it may be done and the great news is that I'm going to show you how. After all, it is no chance event that studies repeatedly resolve that over 9 in 10 millionaires may directly attribute their riches to real property.

Assignment of contract is the most uncomplicated way for a newbie to get moving in investing. Because it doesn't take any capital to invest with, even crafty real property vets often still utilize this technique. I know a couple of vet investors who are doing all right for themselves and they entirely utilize this strategy to yield their wealth. If you are able to purchase without cash, hey why would you quit right?

How come everybody doesn't do this? Because so many gurus have allowed for false promises and testimonials.

You need real expectations of what is called for on your part in the real world. The strategies truly work if you're diligent in your efforts. Let's consider question number 1 that I always hear. After individuals see the logic behind the strategies they inescapably enquire "why doesn't everybody do this then?" If you're like most individuals you're going to believe the same thing at some point if you haven't already. Most individuals doubt themselves and are too afraid to try. They'll even tell you that it won't work for you. Many individuals even mentally block themselves from bringing in big amounts of money as they see themselves as poor in their minds and consequently they've a hard time acting out actions that lead to big sums of wealth. They may even psych themselves out to the point where they're totally fearful of acting. If that's not the case, they anticipate it to be truly simple just because they know a couple of strategies.

Frequently, they don't have any clear goals or direction from the strategies to guarantee they'll be a winner. But the greatest reason though, is forever and has always been the concern of rejection. They can't shake the thought that the other individual may say no so they'll carry on to lead a life based on what other people tell them to do.

The fact is that if you thought of it, you already recognized that. It's a pitiful truth that most individuals spend more time planning their holiday than they spend working at taking charge of their own financial position. There's no

rejection in real property. In real estate, you'll forever be contacting individuals who have a prior interest in selling their house to you so are never "turned away" like that. "Rejection" in realty sounds something like, "Oh well we're not looking to do anything like that now" from the seller. You'd respond something like, "alright thanks and good luck and feel free to call me should your conditions change." Still though, Know the fear of rejection will still command many individuals.

This is among the most crucial life lessons I may give you. Acquiring sound investment advice is to always be heedful who you take advice from. The individuals in the past who have talked you out of great ideas most often are the ones who recognized the least about them. It's regrettable because they're frequently your friends or parents. They've great advice on many matters but not always on thoughts that pertain to yielding wealth. If you need investment advice, discover a good investor. Investment advice should only come from a successful investor. If a successful investor tells you not to do something then you ought to listen. Otherwise learn to tune out the batches who understand nothing about what you do. In brief, never take advice on something complicated from somebody who isn't knowledgeable in that arena.

The simple nature of doing something different will make you not understood by most individuals, even several whom you deeply care about. As long as you're "different" or at

any rate doing something different, humans will have to ridicule you. It's easier for them to draw you down to being "normal" than accepting to themselves why they've never gone for what they truly desired and more significantly, why they themselves have never done anything to be affluent. Don't fret though, if that's been your mindset to this point in your life, remember that you're always free to change it and pick a fresh path.



Synopsis

So why on Earth do you believe anyone in the real world would sell you their hard earned equity? There are really quite a number of reasons.

How Come

The most elementary but likewise the most crucial lesson in real property is to invest in great deals. The greatest obstacle to making revenue in real property will always be in discovering great deals. If you discover a worthwhile deal, getting revenue for it is not really as much of an obstruction as you believe given a bit of knowledge.

Whether you're broke, whether you've the worst possible credit or whether you've unlimited capital and good credit it's true that capital isn't the greatest obstacle. In assigning contracts, your credit and riches are irrelevant anyways. So what precisely is a good deal? I'll give you a few basic criteria but this might vary somewhat depending upon your local market.

Unless you've got some background knowledge on how to work the manufactured home market, don't arrange a deal for any less than \$30,000 worth of value built into it. More significant than comprehending what makes a great deal is to comprehend what is called a "motivated seller." Around 1% of real prospective sales will meet your qualifications as a motivated seller (while admittedly in this down market there are a lot more but this isn't typical). That means when you go looking to try and talk terms for deals, you are able to be told "no" as many as ninety-nine times in a hundred.

Can you manage this much “rejection” in real property? If that’s not an issue and you realize that one deal may make you more than the average individual makes in a year, you should be ok with a great deal of nos. Can you be told “no” ninety-nine times and still trust “yes” lives? So what precisely is a motivated seller? Plainly the title suggests that they’re motivated enough to prefer to sell their property. But, their level of motivation is bigger than that.

Very often the seller’s causes for needing to sell at once are foreclosure related or some sort of default of payments but that’s not the only reason. You're going to locate individuals before foreclosure in what is called pre-foreclosure. Learn the process for foreclosure in your state or province (you are able to type “foreclosure process” + your state/province into Google). It varies depending upon where you live.

Additional reasons individuals often must sell their home are because it's vacant, it's in harsh shape, they've an impending divorce, they've legal troubles, they've an out of town move required for a new job, additional debts require a fast cash out and a horde of other reasons.

Frequently these individuals are crying out for somebody to bail them out of the huge payments of home ownership.

Your job is to help discover a way out of their current conditions. You have to find individuals who don't just want to but sell must sell. As a matter of fact, the more motivated

a seller is the greater you'll simultaneously help them and earn a bigger profit for yourself. To be altogether blunt, a motivated seller is practically begging for a way out of their house because without you they're seriously screwed.

Chapter 4:

Get Your Buyer First

Synopsis

Before you discover a good deal - understand what to do with it.

Have It Lined Up

While you probably don't see how this all goes together just yet, in order to allot a contract, you'll require an investor already queued up. Stay with this and you'll discover how it all pieces together just fine. Bearing investors at your finger tips means some up front work is called for. If you get the deal first then seek the investor later, risks are that it will be too late. Begin looking at once. Pick your own brain to discover what else you are able to come up with. There's always more means than just what's shown here. If you muster up your own originative way before anybody else does, than you'll have no rivalry and get a huge leg up on everybody else so don't block off your brain just yet.

Here are some ideas on how to get them.

A good way to begin getting investors now so that you'll know what to do with your property is to advertise that you've a home for sale that's a "must sell - listed \$50,000 under market price" or "good deal for investors - 10s of \$1000s in earnings". In the detail part of your ad, admit that you're considering only cash offers without any conditions.

Individuals will contact you like mad. You are able to respond to them that regrettably they just missed that certain property and the unit they're referring to has already been sold. But, you're expecting another like type of deal

coming up in the following week or two. Ask them if they'd like to be apprised about the future deal. Naturally, no one says no to that. You'll directly separate out who may pay money for your deal and who can't with your initial ad. Promote constantly and work up a database of cash buyers that you are able to resell your deals to. Deals will be simple to move with the correct database of cash buyers. Without the correct database, your choices will be really limited. With your first contact with a fresh investor, determine what their price range is and what type of properties they seek.

Talk to people. I commonly spend about 60 seconds asking another individual about themselves. Spend those 60 seconds to learn about the other individual. Learn to hear what they're not saying also through their body language, posture and demeanor. Forget about you and open your view while you ask them. Spend a moment just being authentically interested in somebody else. Include with your line of inquiry "so what do you do?" Finally they'll reciprocate the question to which you reply "That's funny you should ask..." and tell your story. By doing this strategy, you'll really get the individual to find out about your business on their own terms or so they think. You'll keep the other individual talking but you'll be the one leading the conversation through your open ended questions.

Talk to real estate brokers. I'm not just discussing 1 or 2. If you talk to one or two individuals then you're just not serious about bringing in a high net income. You should call

a few 100 realtors to discover which investors they're working with. Tell them you've a private sale marked down \$1000s under market price that must move fast. You'll gladly pay them \$1000 as a referral fee plus their charge if they can find you an all hard cash buyer without it having to hit the MLS. Leave your contact information. When the realtors call back utilize the same technique. Tell them that the deal has already been sold but you'd like to work with them on later deals. Again, you're anticipating another one in approximately one to two weeks. As with life, most individuals don't equally pull their weight. Many agents won't help you as a whole and a couple of good ones will more than compensate for what the other ones don't. For every ten agents you call, 1 will do more for you than the other nine mixed.

It's crucial to understand that these are not the only formulas possible to build up a buyer's list. Don't be afraid to be truthful with your investors and merely tell them that you don't have the deal but you'd like to work with them on something in the near future that fits their specs.

Chapter 5:

Finding The Seller

Synopsis

Being a pro deal finder is no simple business but it's not the most grueling thing you'll ever do either. It's, however, about the most financially rewarding business on the planet. When you do discover a good deal, you'll be rewarded for your services.

The Seller

There's always a good deal out there so it's crucial to keep looking. If less than 1% of properties will meet our standards (again the current economy will be much better for you), be fixed to handle a lot of reversals. It's just part of the game. You'll be grateful it's this tough or everybody would do it. If it were just that simple, you'd have too much rivalry to even get involved with it. Discovering a motivated seller is a lot like discovering a cash buyer. You do things to draw them with strong marketing precepts. You don't expend hours chasing your tail going after them. I'll say it again, these are only some of the ideas we use to discover sellers. Pick your own brain to discover some fresh ways and you'll tap into a promotion stream that no one else is utilizing.

You want to determine just who's motivated and who isn't as quickly possible. If you visit every seller to discover their motivation level you'll wind up having no time on your hands and bigger yet, you probably won't do any deals. To weed out your unmotivated seller from the motivated seller, merely ask a qualifying question. Utilize a phrase like, "So it looks like a nice place, why are you selling it?" This will finally give you the answer to the question you really would like to know.

Your business card needs to only state a couple of crucial things including "We Buy Houses Cash.... Fast" or some

variance of this, and in smaller print "We pay \$500 for info about homes we buy." Lastly, your contact info should obviously be included. It works as individuals will contact you when they're hard-pressed. Much like how fridge magnets work, they won't call till the fridge is broke. Business cards frequently render a lead even over a year later. When you meet persons who might not be interested investors, they still might turn out to be an interested seller or they might know an interested seller at some point down the road. That's why from a business perspective it's crucial to ask others what they do first so that you are able to qualify them first. On your business cards, you're offering to give cash for info. Not only are you going to pay for leads to deals you close, you're really going to dole out \$1000 not \$500. Learn to under-promise and over-deliver.

If you make \$30,000 to do a deal, parceling out \$2000 of that to the individuals who put you in contact with the necessary individuals to finish the transaction is a just trade off. When those referrals look to receive \$500 and they get more, you'll make certain to be brought up in conversation elsewhere which only brings you more leads. They'll tell so many individuals in the next week you'll make sure to get another deal from it later.

If you're planning on becoming rich at the expense of other people or by being cheap, then you're not yet an achiever. Share the riches on your way up. It'll only serve to draw in more deals which benefits who? Remember, learn how to

distribute your business cards without being braggy. A minute to learn about another and their needs costs you oh so little to have somebody who will actually utilize your business card.

For a couple of hundred dollars you are able to get hundreds of signs made up. For a few bucks, you can get home made cardboard signs. Both of them work. It might just depend upon your area for what types of signs will get torn down. Keep them in comparatively busy areas. Expect to have a few pulled down. It's always about numbers instead of the individual result of one. Your signs should carry simple info just like your business cards. All you'll need is a simple "We buy houses cash.... Fast" or rather a variation of that and your contact number and email. Even better and cheaper, tape bristol board signs to poles at big intersections. You only need your slogan and your number. Make certain you get only the most motivated of sellers. Seek motivation words like "must sell" or "reduced" but it is not the only requirement.

If you spend about 5 to 10 hours per week calling FSBO listings, you'll generate dozens of motivated sellers weekly. It works and so few investors utilize it. Merely call and ask the seller for more info on the property. When he or she finishes, ask him why he or she's selling the property. You'd be surprised how many individuals will still fear and avoid doing this absolutely free income generating activity. You are able to find a wealth of individuals that are looking to

find you and could truly use your help by calling FSBO ads. If you are able to only use one technique, call FSBO ads. Give them a short time period to tell you about the home and then ask them why they're selling their home. Include something targeted like, "Are you going to be foreclosed on soon if you don't do something fast?"

Chapter 6:

What To Do With The Seller

Synopsis

If you've now discovered a motivated seller or what you believe to be one, how can you tell if you've really got one?

?

Use an easy question to determine their level of motivation. I choose to use, "It looks like a nice place, why are you selling it" or "And what are you going to do if it doesn't sell promptly?" Some individuals will state they'll wait till they get the correct offer or they just won't sell.

It's well within their right to do so but their motivation level isn't elevated enough for you to profit. Those calls will be from the unmotivated sellers. At that point, I tell them I know a good real estate broker and recommend somebody who's helped me find or sell deals in the past.

Not only do agents get repaid for bringing deals with referral fees and listings, but likewise I get them additional sales. It's a good way to mutually benefit one another.

For the unmotivated sellers, merely let them know that if their situation changes for whatever reason and they must sell, you'll still be seeking properties. Often a month of threatening bank notices or a lost job may change a lot and the unmotivated may become the motivated.

When your motivated seller says something like "I'm screwed if I don't sell" in not so many words, you've discovered what you're seeking. Ask them how long they'd need for a closing date if you were to purchase from them? This gives you an approximation of how long you have to

work with. You'd be surprised how welcome your telephone call is for a seller who needs drastic action fast even when you're about to profit significantly from them. You don't have to lie to them about the fact that you anticipate to profit from their home. They'll appreciate the honesty. In a lot of cases, the alternative for them is foreclosure and bankruptcy which you'll help them prevent. Finally, a motivated seller doesn't necessarily equate to earnings in a deal. You need to quickly discover how much equity is in a deal. You are able to do this like so.

You need to ask 3 questions:

What sort of shape is the house in?

How much is owed?

What's the lowest amount they'll sell for?

Get the info on the house as best you can get it. You'll need the home details likewise but the qualifying questions will help you truly determine quickly whether or not you're going to profit from the deal. Kindly remind them that if you're going to help them, you need the truth about their circumstances. As somebody who has been foreclosed on, I remind them that there's nothing to be humiliated about.

Now it's time for the math. You need to know approximately how much is owed on the house but you'll need to verify that through a title search. You know how much the owner wants for the sale of that property. You also know how much that property is worth to the rest of the world.

Finally... don't just take somebody's word for it over the phone, go physically examine it yourself to verify the repair condition as well as the square footage, number of bedrooms, etc that you've been told it has. Chances are that a dire person won't lie or betray you on this but with hundreds of thousands of dollars at stake in the process; you're going to have to go check for sure.

Chapter 7:

The Contract

Synopsis

It's time for the contract.

Be Cautious

It's great that you now have sellers and have a network of investors to sell it to. At this point however, if you can't go thru with the deal you simply tell another investor about the deal, at best you are able to expect a small referral fee.

In negotiating you always want the other individual to name their terms first. As a matter of fact, most successful negotiating simply results in meeting the other person's terms. You would be surprised how this simple stuff works. Say you had a motivated seller who had a property valued approximately \$100,000. If you came in slickly offered \$90,000 for it they often feel like you're offering what is best for you and may feel taken by you. This isn't a win-win situation. If you ask that same individual how much they want, they may tell you \$75,000 after some calculation. When you write a check for the full \$75,000 they actually feel more fulfilled even though they're getting \$15,000 less.

Occasionally it will be a lot less than you needed to pay for it and you'll make big returns while leaving the other individual happy too. Besides, the really motivated sellers will almost always respond with "just give me what I owe" when you negotiate a buy price. If they say anything other than that, ask the seller "is that truly the best that you can do?"

If the seller needs 75000 offer them their amount plus enough to have first and last to move in to new rental property. This should be something like \$77,000-79,000 instead. You'll make a lot more friends this way than price haggling will ever get you. Let them tell you the deal and then merely fulfill that where it's a match for you too.

Its time to negotiate the buy. You'll make what is known as a void-able contract. Literally, it's a contract you are able to begin now and back away from later without it costing you anything. Something magical comes in when you get your offer accepted. Lawfully, the seller can't accept any other purchase offer as long as yours is in place. You'll control the property without really yet owning it. All you'll need to complete this is the standard real estate purchase contract in your state or province with a few key clauses added.

You're only going thru with your deal if the investor goes through with theirs. At this point, you may realize that any and all risks perceived in this type of real property are imagined. You're only buying something that's already sold someone else. The only thing you are able to lose is any money you've put into advertising and if you used free classified sites, you didn't even lose that. You can't possibly get stuck with the full purchase price of a home you can't afford because you're going to void your contract before that happens.

Check with your own state on how to draw up the contract and record it.

Chapter 8:

Time To Cash In

Synopsis

Time to get paid.

The Money

Legally the only place you own this property is in the law office or a title company. This will be what is called a "double close." Just a little warning for you - Most real estate brokers and even lawyers have never heard of this and they might even tell you it's illegal. They merely don't deal with enough originaive investors like you. That statement is unequivocally false!

Whether the lawyer or the title company handles the closing depends upon where you live so head down to the investor club to discover which you'll need in your area. Get an exact company who handles this often this so you won't have to look around.

When you close you get paid and as people get to know you, you are able to ask for your assignment before the property even closes depending upon just how large it is.

Don't forget to pay your referrals like you said you would. Even if your deal only brought forth \$5000, giving up \$2000 will bring you at least twice the number of deals with this maneuver.

Don't be cheap. Share the riches on your way up and it'll only serve to draw in more to you. Do this with integrity at

every step. Meet your seller's needs, your investor's needs, your referral's needs and your needs will be more than satisfied.

Even greater still, you didn't need to prove you had credit or any more capital than \$10. You're more than just a referral man too because you really negotiated your own deal. You get paid for your power to negotiate.

You're creating a win win. Your seller will profit by not having their credit ruined. Your investor will profit by generating a profit. They will benefit by in most cases, avoiding a foreclosure. And you? Well you'll get paid also.

Wrapping Up

Real estate gurus make their riches off of the 1 in 100 deals sometimes. These types of deals often make more for investors than most individuals earn in a year or even a whole lifetime for larger commercial properties. You are able to do this as often as a few times per month if you're willing to work at using proven techniques and strong marketing principles.

