

# Wait!

If you downloaded this sample from a download.com or ZDnet site, be sure to grab your bonus subscription to our **FREE weekly newsletter for real estate investors.**

(A \$239 value, Get it while it's still FREE...)

**CLICK THIS LINK TO SIGN UP** <http://www.realestatewholesaling.com/wait.htm>

We never sell or give your email address to anyone.  
All email addresses are kept confidential.

**Thank You for taking the time to review  
the free sample version of the  
Residential Real Estate Wholesaling eBook.**

**ORDER NOW** <http://www.realestatewholesaling.com>

**BONUS: Order within 5 days of your download date,  
and receive unlimited email support!**

Got a question? Need help with a deal you are working on? Our eBook buyers are entitled to email support  
and all future **updated versions of this**  
**eBook are FREE for registered buyers!**

If you are new to investing, or have very little experience, **you must know this information before you  
buy any property!** Avoid mistakes that will cost you thousands. No hype, no filler, just solid information  
from professional real estate investors who buy and sell full time.

Customer Service - 404 542-9903  
[service@realestatewholesaling.com](mailto:service@realestatewholesaling.com)

<http://www.homeprovidersinc.com>  
Home Providers Inc.  
1670 Defoor Ave.  
Suite 250  
Atlanta, GA 30318

# Residential Real Estate

## Wholesaling Course

4 Simple Steps to Buying  
Low & Selling High

- 
- ☒ *Locate*
  - ☒ *Evaluate*
  - ☒ *Negotiate*
  - ☒ *Close*





# **HOME PROVIDERS, Inc.**

Your One-Stop Shop to Finding, Financing, Fixing and Marketing Homes

## **Residential Real Estate Wholesaling Course**

**Copyright 2004**

**GHP Publishing Company**

This manual and its contents are copyright 2004 GHP Publishing Company, And may not be reproduced without written permission. Please email [service@realestatewholesaling](mailto:service@realestatewholesaling) or call 404 542-9903 for information on redistribution or resellers rights.

## About this E-Book...

Founded by **Peter Vekselman** and **Jeff Warneke** in 1996, Home Providers Inc. has quickly become Atlanta, Georgia's largest, privately owned, residential real estate wholesaler. With anticipated volume in excess of 200 transactions for the year 2004, Home Providers Inc. has achieved a level of success that most real estate entrepreneurs only dream about.

In just a few years, Home Providers Inc. has grown into a multi-million dollar business. It all began with the techniques that are taught in this e-book. Home Providers has become very successful as a result of developing and mastering the concept of buying low and selling high.

Today, customers of HP Inc., can choose from a wide range of properties, locate hard money or conventional financing, and utilize Home Providers own construction company for renovations or new construction. A professional property management team is also available to help make the ownership experience profitable and hassle free.

This course was originally created for a live training class that was taught at the Home Providers offices. Its purpose was to educate property locators or "bird-dogs", whose job is to locate and evaluate the properties that Home Providers purchases.

Many of the students of this course have gone on to build their own real estate investing careers and businesses. Through this digital e-book format, Home Providers is sharing years of professional expertise and making this essential material available to real estate investors worldwide.

# Special Notice

The authors and publishers of this material, have used their best efforts in preparing this information. There is no warranty expressed or implied with regard to the fitness of this material for any particular purpose.

Real Estate Investing is a business that does require special expertise. If the reader is not an experienced investor, competent legal, financial or other advice should be sought from a qualified professional before purchasing any real estate investments.

The publisher and authors shall not be held liable for any damages arising out of the use of this material, including but not limited to special, consequential, incidental, or other damages. The authors do not warrant the performance, effectiveness or applicability of any web sites or links included within this e-book.

Links are for information purposes only, and that information is not guaranteed for accuracy or completeness.

# Foreword -

The business of **real estate wholesaling** is really the foundation of all real estate investment strategies. In classic wholesaling, the idea is to locate a property that can be bought at a very deep discount so that it can be sold quickly for a cash profit. Many wholesale properties are purchased at prices as low as 40 to 50 cents on the dollar, when compared to the market value of the property in top condition.

Whether your intent is to wholesale for fast cash, hold for rental, fix and resell, lease with option, or any other real estate investing strategy, the fact is, learning to buy the way professional real estate investors buy is essential to your success. Developing the ability to search out good deals, evaluate them and write offers can yield payoffs in many different ways.

The wholesaling strategy taught in this course will give you an opportunity to make chunks of cash, potentially as large as \$10,000 or more on one single deal. Home Providers has made as much as \$80,000 cash on a single transaction! But, in order to make this kind of fast cash, you have to know where and how to look. Then when you find such an opportunity, you have to know what to do and how to do it.

No matter what your investing strategy is, it is our belief that this course will help you further your investing interests. The buying formula and approach that Home Providers uses has worked consistently for years. Whether you are buying single family homes or multi unit apartment complexes, you cannot go wrong when you make sure your deal includes a hefty amount of equity to help insure against possible risks, and allow you to pull cash out.



# Table Of Contents

This is a sample of the Real Estate Wholesaling eBook.

This sample contains a small portion of each chapter.

**Basic Wholesaling Overview** - The Flow Of A Wholesale Deal

**Explanation of Terms Used in this E-book**

**Finding Deals & Resources on the World Wide Web & Internet**

**Finding Deals on the Streets** - Signs, Farming, & Flyers

**Finding Deals in the Newspapers** - Legal Notices and Foreclosures

**Property Tax Records and Direct Mail**

**What To Ask A Seller** - The Check List for Leads

**How To Network and Get Deals To Find You** - Going on Auto-pilot

**Peter Vekselman** - My Typical Day When I Started Wholesaling

**Seller Motivation** - Why Do Some Sellers Accept Really Low Offers?

**Buying R E O s from Banks, Lenders and Institutions**

**Calculating After Repair Value**

**Estimating Repairs Quickly & Accurately with No Experience**

**Repair Inspection Worksheet**

**Putting It All Together** - Determine Your Maximum Allowable Offer

**Writing Offers** - Understanding a Purchase and Sale Agreement

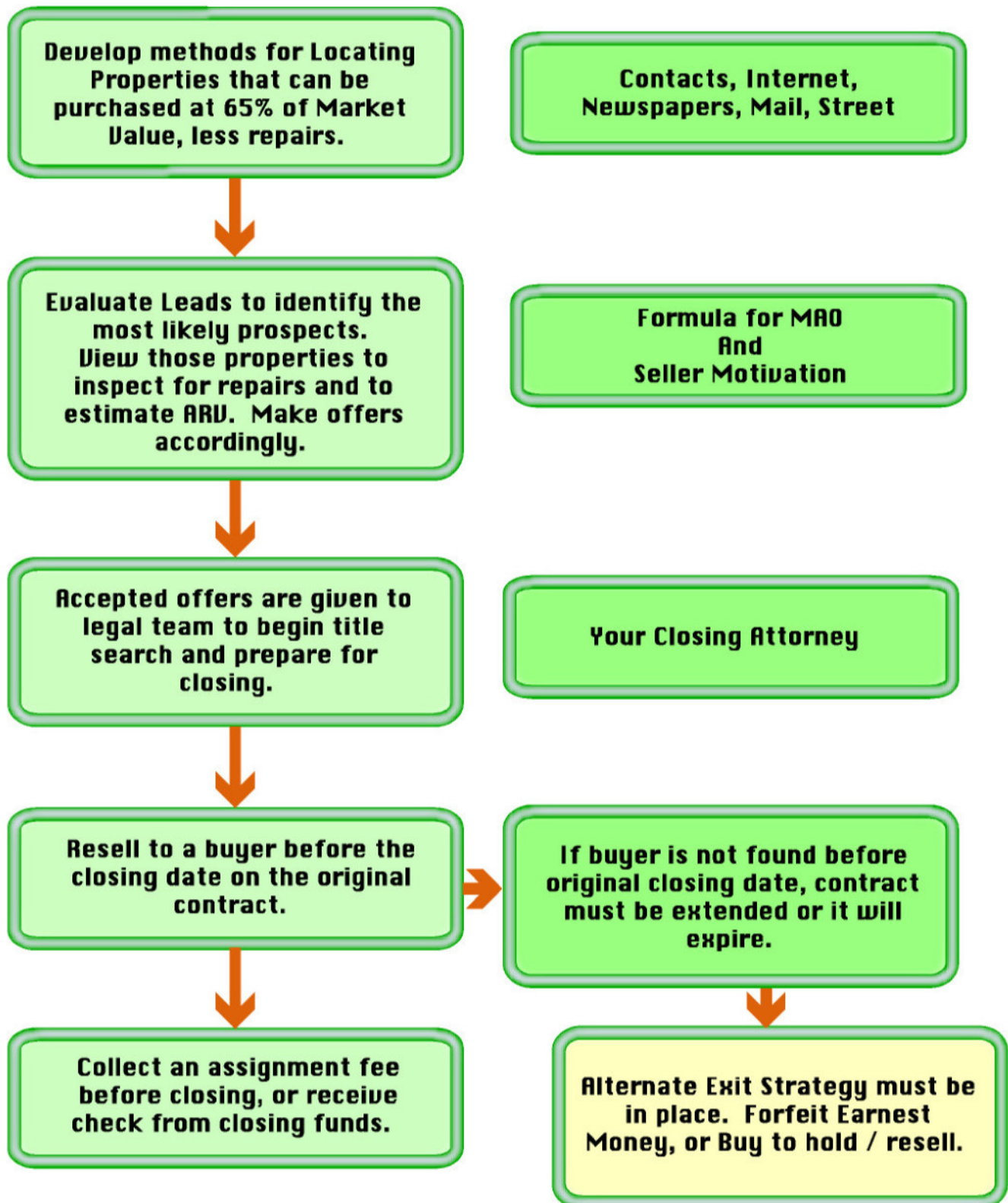
**Getting Your Deal to Close** - Understanding the settlement process

**Find Your First Deal In 30 Days** - The 30 Day Action Plan & Flow Chart

**Appendix** - (full version only) Settlement Statement, Repair Inspection & Estimate Form

Purchase and Sale Contract, and appraisal.

# The Basics of the Real Estate Wholesaling Process



# Real Estate Wholesaling Overview

There are two basic ways to get leads on good deals. You find them, or they find you. The Internet, Newspapers, the street and similar search methods allow you to search for and find leads.

Advertising, such as business cards, signs, decals on your car, flyers, or networking with contacts and developing business relationships will help deals to find you. Whether you look for deals or deals come looking for you, step one is to find leads that represent motivated sellers who are willing to make a deal.

Once you have a lead, you must determine the After Repair Value and the approximate cost of all needed repairs or updates. Once you have those two numbers in hand, you are ready to determine your maximum allowable offer.

After you determine how much you can offer, you write up an offer using the contract paperwork of your preference, and submit your offer to the seller or the agent representing the seller.

If the offer is accepted, the signed contract is submitted to the attorney or title company who will handle the closing, so that a title search, and all necessary closing documents can be prepared.

If you can find a buyer who wants to pay you an assignment fee for your deal before you have to close on it, you can collect your cash fee up front and send the new buyer to closing in your place. (Or your assignment fee can be paid out of closing funds)

If you cannot find a buyer in time, you should be prepared to close the deal yourself. If you cannot close the deal yourself, you risk losing any earnest money you paid to get the property under contract.

Professional wholesalers work on building a list of buyers they can contact when they find a good deal. If you have a buyers list already in hand, you have a much better chance of selling your deal quickly.

In order to build a stable of buyers that you can sell your deals to, you may want to consider building a mailing list of people who are interested in

buying investment property. You can do this by placing an ad in the newspaper or on the Internet, advertising that you locate properties for investors. You will get calls from interested individuals. Get their name and email, fax and or phone number so that you can contact them when you find a deal that they might be interested in.

Once you find a deal, you can notify your buyers list. Many large businesses such as Home Providers maintain lists of thousands of potential buyers who will be contacted each time a property becomes available.



## Explanation of Terms Used In This Course

**ARV** - After Repair Value - The value of a property after all needed repairs or renovations are completed. Generally the same as market value.

**Equity:** The difference between the amount someone owes on a property and its market value. For our purposes, significant equity would be more than 35% of the ARV. The more equity, the more flexibility a seller may have. Equity is where your profits are.

The more equity, the more potential for immediate profit. The less equity you have, the less immediate profit potential. The key word here is immediate. Real Estate wholesaling is the essence of buy low and sell quickly at a cash profit, while leaving your buyer enough equity to be profitable.

**Hard Money:** Loans that are based on the After Repair Value, rather than the contract price. Usually funded by private sources, they are brokered by lenders who specialize in this type of loan. Hard Money Lenders will loan the purchase price as well as the money for repairs. Usually for 90 days up to 1 year terms, at interest rates well above typical market rates. 5 points and 15% interest are common. These loans generally will not exceed 65 to 70% of the total ARV.

**Hard Money Lenders:** Provide special short term funding to allow for purchase and repairs of properties in poor condition. These lenders work a special niche, and are different from typical mortgage lenders.

**Judicial Foreclosure:** Requires a court appearance before a judge who renders a foreclosure decree, which allows the mortgage holder to proceed with the auction of the property. In Georgia, the process is known as **non-judicial** foreclosure, because the buyer signs a security deed at closing, which gives the mortgage holder permission to foreclose if the buyer fails to make the payments as agreed. A judicial hearing is not required.

## Explanation of Terms Used In This Course

**LTV (Loan to Value):** This number is expressed as a ratio. For example, a property has an ARV of \$100,000. If you borrowed \$50,000 to buy the property, that would be a 50% LTV ratio.

**Note:** Typical lenders define LTV as the loan amount relative to the contract purchase price.

**Market Value:** This is the amount a willing seller will accept and the amount a willing buyer will pay for a given property. (This definition assumes no unusual motivation or influence on the part of either the buyer or the seller).

**MAO (Maximum Allowable Offer):** This is the total amount you can offer a seller for a given property. This figure is calculated by using the following formula:

$$\text{ARV} * 65\% \text{ minus repairs minus profit margin} = \text{MAO}$$

**MLS and FMLS:** Multiple Listing Service and First Multiple Listing Service. The agencies used by brokers and real estate sales agents to advertise listed properties for sale to other brokers, sales agents and the public. Prior to the World Wide Web, these listings were kept in books that were published weekly for brokers. The Internet has made this information much more accessible to the public.

**Motivated Seller:** Someone who has an unusual circumstance that may require him/her to sell their property at a great price or terms or both. Debt, foreclosure and major life changes, such as divorce or retirement, are among the most common events that can force sellers to sell quickly.

## Explanation of Terms Used In This Course

When you encounter a prospect with significant motivational issues, and one or more of the following circumstances, your chances of making a deal are much greater:

There is significant equity.  
Property is in poor condition.  
Property is vacant and is therefore costing the owner money.  
The owner lives out of state.

There are variations on this theme, but the bottom line is the more motivated the seller is, the better your chances of getting a wholesale price for the property. The best circumstance for you is when you are in the position of “solving someone’s problem”.

**REO: Real Estate Owned** by banks. Houses that are foreclosed on already, and the lender has taken it back. This is also known as "post-foreclosure".

**Short Sale:** The "pre-foreclosure" stage, before the auction occurs. A short sale is when you get the lender to accept less for the property than is owed on the mortgage. Generally this will happen only when the lender is in the process of foreclosing on the property. The lender becomes motivated to discount the note rather than go through with a foreclosure.

Short sales must be completed before the auction date, or the lender has to agree to stop the foreclosure and extend a new closing date.

**Solid Lead:** Exists when the seller meets one or more of the criteria under

[“Motivational Issues”](#).

**Verbal Contact:** Talking directly to the seller.

# Using the Internet and the World Wide Web

**The World Wide Web:** Definitely the biggest single development of the past 10 years, the world wide web represents a real opportunity to search for leads faster and with less cost than was possible only a few years ago. Internet access is an important tool for today's real estate investor. With in home access to the Internet it is possible to search through thousands of properties that are for sale, at any hour of the day or night.

The MLS and FMLS listings are available online now. Many REO realtors only accept offers via fill in forms submitted on their web sites.

Most newspaper classified ad sections can be accessed online. Below are links to some of the best real estate related sites. Many of them provide access to properties for sale. We have also included in this list, some of our favorite real estate sites from which you can learn and develop your knowledge base.

<http://www.homeprovidersinc.com> - our own web site - we sell properties as well as providing a range of construction, financial and property management services.

<http://www.RealEstateInvestorHelp.com> - a site full of articles and free information. This one also offers a weekly newsletter on real estate you can subscribe to for free. The publisher of this site, Donna Robinson, is a long time Home Providers Business Affiliate.



# Using the Internet and the World Wide Web

<http://www.hsh.com/> - Publishes all kinds of current real estate info, from interest rates, to credit info to calculators. They have a great mortgage calculator you can download for free.

<http://www.mortgages-loans-calculators.com> - an incredible array of online calculators to figure everything from the house payment to investment returns.

<http://www.affordablehousingonline.com/housingauthority.asp?State=GA> - This one has the links to all of the housing authority websites for Georgia. Other states may have similar sites. Provides lots of info for those interested in renting to section 8 tenants.

<http://www.hud.org> - Choose your state and you' re on your way to more information about foreclosures and bidding on HUD houses than you will ever read. You can learn a tremendous amount about real estate on sites like this. The government has been kind enough to include tons of information about foreclosures. You can learn much of what you need to know about them here.

<http://www.totalrealestatesolutions.com/RealEstateForms/index.cfm> - This site contains a free contract for virtually any type of real estate transaction you can think of.

<http://www.mrlandlord.com> - great info for landlords and tenants.

( This chapter is continued in the full version of the eBook)

# Finding Deals On The Street

## Visually Identifying Ideal Properties

- House is in poor condition.
- Vacant
- Overgrown
- Appears abandoned
- Occupied but obviously in need of repairs

Look for vacant lots in good areas that are "build-able". Investors and builders are always on the lookout for deals on vacant lots in good building areas. You can make money on these too.

Furniture out on the lawn indicates recent eviction. Landlords can be motivated sellers when the tenants d o n t pay.

Talk to neighbors of vacant property. Most neighbors want to get rid of unsightly houses near them, so they are usually more than willing to tell you everything they know. They want to see someone fix that ugly house up because it helps their house value too.

It is amazing what the neighbors know. Often neighbors will know how to contact an owner that banks, or creditors c a n t seem to locate. Neighbors will also tend to know more than you can get from property tax records. If a foreclosure has occurred, the bank or other financial institution that now owns the property may or may not show up on the tax records. These records may not be updated for several months after a foreclosure or sale.

You can also take the Owners name, the street address, or the lenders name if you have it, to the courthouse and search the grantor / grantee index either manually or on computers in the deed room. If you have a name off of some old mail or the mailbox, you can search for that name and address. This can make it a lot easier to find the owners information.

(This chapter is continued in the complete version of this eBook)

# Finding Deals In The Newspapers

The classified ads in newspapers are one of the oldest of the lead searching techniques. It is usually the method that beginners take up first. The newspapers are simply a great source for several key categories of interest to anyone who is searching for real estate investment opportunities.

**“For Rent” ads in the newspapers.** – Landlords can be an excellent source of properties. If they have recently had a problem tenant, an eviction proceeding, or had a tenant skip out on the rent, they may be very motivated to sell. Retiring landlords are good sources too. Often they have a number of properties to sell, with significant equity. You may have to call a lot of landlords before you find one who is really motivated to sell quickly and cheaply, but they are there.

**For Sale by Owner Ads**, or FSBOs, are always a popular source.

Other investor ads - many investors advertise their own deals in the papers. If you see an add like this:

Handy Man Special	Fixer Upper
Needs TLC	Repairs \$5K
Call XXX-XXXX	ARV \$125K

There are many variations on this theme, but investor ads tend to include the repair dollars, terms or other financial details. Investor ads may or may not be the kind of deal you are looking for. When you are new, these are good ads to call on just to get some practice in, even if there is not a good deal there.

Remember whenever you are calling on properties, keep the "Check List for Leads" in front of you so that you can gather your information in an orderly fashion. The checklist can be printed out and copied so that you have a sheet for each property you call on. This check list will give you the essential questions you need to ask and help you formulate your offer.

## **Using the Legal Notices**

The legal notices are filed within each county in each state. In Georgia, the legal notices will appear once weekly in the newspaper that is designated as the official legal paper for each county. That is usually the largest or best-known paper in that area. In larger jurisdictions, such as Fulton County, Georgia, where Atlanta is located, there are so many legal notices that they have their own specific publication, known as the Fulton County Daily Report. For your reference, here's the link to the legal notices page:

[http://www.dailyreportonline.com/Public\\_Notice/Legal\\_Notices/classList.asp](http://www.dailyreportonline.com/Public_Notice/Legal_Notices/classList.asp)

But in most counties, the regular local paper will publish these notices. This is true in virtually every state. Some newspapers include the legal notices online, and some do not.

Legal notices include most notably, foreclosures. When searching the foreclosure notices, you are looking for those mortgages that were created as far back as possible. The notice will actually state the date the mortgage was created. The older the loan creation date, the more equity may be available.

## **Foreclosure Notices**

Foreclosure properties come in three phases, pre-foreclosure, when the owner is behind on their payments, and a foreclosure action is near or has already been filed with the court. The auction, where the property is actually sold to the highest bidder, and post-foreclosure, when the property becomes an REO.

(this chapter continued in the full version of the eBook)

To order the full version now: <http://www.realestatewholesaling.com>

## Working with Direct Mail and Property Tax Records

Home Providers Inc.  
1670 Defoor Ave.  
Suite 250  
Atlanta, GA 30318

Dear Property Owner:

I am a real estate investor. According to the tax records, you own some property in the Atlanta, Georgia, metro area. I am interested in purchasing that property.

I will pay CASH.  
I will have NO contingencies.

For a fast, guaranteed offer, or for more information, please

call me at 770-888-xxxx.

Sincerely,

Pete Vekselman

*This is a sample of the letter Home Providers uses to contact prospects by mail. Note that it is simple and does not give too much information. The objective is to generate a response from the seller. The fact that we do not reference the property address is often the reason that they call. Also, we offer enough information to let the seller know that this could be a "no hassle" sale for them.*

In the Atlanta market, our experience has been that mailing letters to sellers works best if you are getting your information for mailing from a source such as the tax records. We do not recommend buying mailing lists from list brokers or direct mailing services, as these lists are very over used and may not have been updated in years. Plus, mailing to addresses at random means that you will have to mail as many as 1000 letters or postcards to get even one response. This can get rather expensive. Some investors argue that only one deal will pay the \$600 cost to put a 1000 piece mailing together, but you may have to mail several thousand pieces before you actually get a deal that closes. We just d o n t like those odds or that up front cost.

Only a few years ago, mass mailings worked pretty well in Atlanta for generating leads. But after the major seminar speakers started selling marketing courses that encouraged every one to use mail to generate leads, it became a "free-for-all", with some sellers getting as many as 7 to 10 letters a week from investors wanting to buy their property. Sellers got wise in a hurry, and started raising prices since they realized that there were lots of potential buyers out there.

In large cities like Atlanta, we only mail to specific addresses that we feel are good prospects. We do not buy addresses and we no longer mail out thousands of letters.

That being said, you have to take into consideration the area in which you will be mailing your letters or postcards.

Many areas have not been overworked the way Atlanta has. Your area may be ideal for generating leads with mail outs. You may have to just try it and see. But, as with any marketing program, the better targeted your piece is, the better your chances of finding a deal.

With the help of property tax data you can quickly locate mailing address information for property owners of vacant or occupied property. Software for property tax data can really come in handy. With it you can find out owner information, property information such as bedrooms and baths, building size, lot size, etc.

(Much more in the complete version - To order now: <http://www.realestatewholesaling.com>

# Once I find a Lead, What do I say?

## How Do I know what to ask the Seller?

On the next page is your "**Check List For Leads**" form. With this form you will be able to ask the right questions of each seller. You can usually gather enough information with this form to determine what your offer should be.

Print this form out and make copies so that you will have one for each lead you talk to...



**HOME PROVIDERS, Inc.**

Your One-Stop Shop to Finding, Financing, Fixing and Marketing Homes

# Check List for Leads

Seller Name:

Property Address:

Phone: \_\_\_\_\_ Asking Price: \$

County: \_\_\_\_\_

How soon would you like to close

Why are you selling? Bedrooms \_\_\_\_\_ baths \_\_\_\_\_

\_\_\_\_\_ Brick or frame?

Age of roof: \_\_\_\_\_ Central Heat and Air? \_\_\_\_\_

Is it occupied now? Y / N \_\_\_\_\_ If yes, what is monthly rent? \$ \_\_\_\_\_

Is there a lease? Y / N \_\_\_\_\_

**Can you give me some idea of the dollar cost of all needed repairs?**  
(sellers are usually low with their estimates)

**Loan balance: 1st:\$ \_\_\_\_\_ 2nd:\$ \_\_\_\_\_**

**Monthly payments 1st:\$ \_\_\_\_\_ 2nd:\$ \_\_\_\_\_**

**Yearly Taxes: \$ \_\_\_\_\_ Are taxes and payments current? Y / N**

**Is the house listed with a real estate agent? Y / N If so, Agent name: \_\_\_\_\_ and phone: \_\_\_\_\_**

**Is the house currently involved in a legal proceeding such as bankruptcy or judgement? Y / N**

**Are there any liens against the property? Y / N If**

**I want to come see the house, how do I get in?**

## Wholesale Deal Worksheet:

**ARV \$**

**Multiply ARV by 65 % =**

**\$**

**\$ \_\_\_\_\_ minus repairs**

**\$ \_\_\_\_\_ minus Profit (10K)**

**\$ \_\_\_\_\_ MAO**



# Working with Contacts - Personal and Professional

Building your network of contacts is the single most important thing you can do. That's because contacts can bring deals directly to you, thereby saving you lots of time, effort and marketing money. It is the only method that can eventually make it possible for you to find deals you did not have to look for. Get someone else to find them for you.

Every one you meet is a potential "bird dog" as they are known in the business. Your kids, your wife, your co-workers, your relatives, anyone you come in contact with could potentially know someone who needs to sell a house fast. Don't forget about your family and friends. Get some business cards printed up and give them out to reinforce the message.

Your most important network group will likely be professionals. This includes real estate sales agents, brokers, asset managers, appraisers, surveyors, and anyone else who works within the thousands of jobs and skills associated with real estate.

As you get to know and build a large network, you should find ways to help each other. The best of working relationships is built on one simple principle, "Serve others if you want them to serve you." It's the golden rule. When it comes to business, it really does work. When you contact these folks or meet them, ask them "**how can we work together**". "Mr. Realtor, I am a buyer, I need properties, and you sell properties, so how can we work together?"

Over time people will grow to respect and admire your knowledge and honesty. This will make others want to work with you. It will be much easier to win friends and influence people.

In the next section, we will discuss working with specific professional groups...

(Get the complete version for much more on working with contacts)

To Order Now: <http://www.realestatewholesaling.com>

# Motivational Issues and Sellers

Motivation is usually a key part of any real estate purchase that is considered to be a "good deal".

Generally, sellers who do not have to hurry to sell their property are much less likely to accept a below market price, or agree to terms such as seller financing.

On the other hand, a couple that is getting a divorce, and has been ordered by a judge to sell their house, is much more likely to agree to prices or terms that will help them complete the sale. And bear in mind that this is a problem solving business. A seller who needs to sell a property quickly for whatever reason, has a problem. You are helping them solve that problem when you find a way to make the deal work for both parties.

Some sellers are not motivated by their circumstances, but will be flexible because they can or want to. Whether motivation is forced by major lifestyle changes, or simply by choice, seller motivation, or lack of it, will be the key to your "offers-to-deal" ratio. On average, you should get about 1 deal for every 10 offers, if you are talking to motivated sellers who need to sell. It could be 50 offers to one deal if you are talking to too many unmotivated sellers.

Below are some of the most common reasons for seller motivation among private individuals.

- Marriage
- Divorce
- Bankruptcy
- Loss of  
Employment
- Job Transfer
- Health Problems
- Liquidating assets due to aging
- Inherited a property
- Legal Judgements
  
- Death of a spouse

- Built or bought another house, need to sell the old one.
- Behind on payments, foreclosure is a threat or has been filed.
- Payments are too high
- Problems with tenants
- Owner lives out of state

The most reliable way to be sure you are talking to motivated sellers is to structure your marketing so that sellers can find and contact you when they need to sell.

Sellers who are calling you first are much more likely to have a problem that needs to be solved. Whether you use signs, ads, and decals on your car, the yellow pages, or TV commercials, make sure sellers who are looking for a buyer can find you!

## Motivation in the Public Record

Since some of the above issues are subject to the legal process they become part of the public record. In Georgia, Deeds, mortgages and other real estate related records are kept in the office of the Clerk of Superior Court. In other states, you may be looking for the County Appraisers Office. Either way, you want the office where deeds are recorded and stored. (i.e. the deed room)

Some investors check probate records regularly to locate owners who have inherited houses. Property that has been inherited often has lots of equity, or may be owned free and clear. And in many cases, the person who is inheriting this property has a house that they already live in, so they just want to sell and convert their inheritance to cash. These can be among your most flexible sellers, as there is so much equity to work with.

(Lots more about motivation in the complete version of this eBook)

## How To Determine The After Repair Value

There are three appraisal methods used to determine the After Repair Value, (aka Market Value) of a Property:

1. **Reproduction Cost:** What would it cost to build it today?  
Historical buildings, schools, fire stations, etc., are most commonly appraised in this way.
2. **Capitalization of Income:** This is theWhat would I make on my investment if I paid all cash?method.

This appraisal method works on the formula  
of net income / price = Capitalization rate.  
This method works best for larger, multi-unit income properties.

3. **Comparable Market Analysis:** This method is commonly used by real estate agents to determine the listing price for a property and is also commonly used by appraisers of residential real estate. (an appraisers approach will be much more detailed than a sales agent)  
We are going to focus on the simpler method used by agents.

L e t s take this opportunity to point out that appraising real property is as much an art as it is a science. Five different appraisers will come up with Five different values for a given property in most cases, though those figures should be reasonably close to each other.

Comparable Market Analysis is based on the assumption that houses in the same area, that are similar in size and features would have the same approximate market value. On the next page we will view an example of a basic CMA. (Much more about market analysis in the full version)

## " The Formula Worksheet "

**ARV X 65% - repairs - profit margin = MAO**

**After Repair Value \$100,000 X 65%**

**\$65,000**

**- Repairs - \$10,000**

**- Profit - \$10,000**

**Equals MAO = \$45,000**

Your MAO is your highest and best offer for purposes of wholesaling, or any time you want to assure enough equity in the deal to generate a solid profit.

This is the "buy " formula that Home Providers uses to determine our **Maximum Allowable Offer**. Note the 65% multiplier – Taking 35% off the top helps to insure an adequate profit margin for our buyer, which enables us to sell these properties for quick cash. If you pay too much and fail to leave your buyer a good margin, your properties will not sell, or you will have to cut your profit margin in order to get it sold quickly. This formula also helps insure a healthy cash flow if your intention is to hold for rental

# Home Providers Repair Inspection Form

## Estimating Repair Costs

This process is not as hard as it might seem to one who has little or no experience with it. The Home Providers repair estimating system is designed to be reasonably accurate, while also being simple and easy to understand.

The forms on the following pages illustrate an actual Home Providers Inspection Form, with "per unit costs" already shown. Note that your area may have higher or lower costs per unit. It is a good idea to spend a couple of hours at your local Lowes or Home Depot store, pricing items so that you can develop your own per unit item costs. We have included a blank version of the inspection form so that you can insert your own cost information.

This way your cost information will always be handy and you can perform your calculations quickly and easily.

As you will see from the forms included here, it is a simple check list format.

As you walk through the house and check off "yes" or "no" to each item, then determine the quantity you will need. For example, if you are going to need new light fixtures in each bedroom. Count the total number of fixtures that will be needed and enter this as your quantity.

Your per unit cost, multiplied by your quantity, is your estimate for that particular item. After you have completed your inspection and totaled each item, add them up. This is your repair estimate. If you are unsure of your costs and think you might be a little low, just add 10% extra to the total as a contingency item.

Virtually every common item is included on the repair form. But, this does not mean that every possible thing is here. Different houses have different problems and conditions. Virtually every home inspection, especially involving older homes in poor condition will have potential problems that may not be visible to ordinary inspection.

In order to have a complete, thorough inspection, you may wish to hire an ASHI Certified Home Inspector. These guys will go through the house with a fine toothed comb. After an inspection that may last for a number of hours, They will provide you with an extensive report that covers all systems, structural, and functional issues with the property. They can point out virtually every single problem you might encounter with a property.

But, they cannot tell you how much it will cost to repair the problem. That is not their job.

A solid combination for those who feel unqualified to do their own repair estimating is to utilize a home inspector, and combine his report with your own personal inspection using the Home Providers Form.

You can also call a good contractor and have them give you an estimate. Make sure you include all essential details. Contractor estimates are only as good as the contractors understanding of what you want to have done.

When you go out to perform your own repair inspection, Here are some items you will want to have handy:

- Tape Measure (manual or electronic)
-

# Home Providers Repair Inspection Form

- **Flash Light** (most houses will not have electricity on. You will need extra light to view basements, attics, closets and interior rooms.)
- **Camera with flash** (digital if you have it, or disposable, it is handy to record the condition for future reference. Photos make it easier to consult with contractors and inspectors.)

You may find it handy to carry other items too. But the three items listed above are needed most often.

One last note: Labor to install any items on the repair list is usually an additional charge. **D o n t** forget to include the labor costs. Obviously, it will cost more to hire a professional, than it will if you can do that work yourself. Be careful of the idea that you can save more money by doing all of the work yourself. Holding costs can really mount up over time, so it may be cheaper to hire the labor to complete the job in 30 days, instead of you taking 3 months on your own. Most "newbies" find that they take so long to do the work themselves that it is cheaper to pay to get the work done quickly and professionally.

(Much more about repair estimating including our special inspection and estimate form already formatted for your use, in the complete version of this eBook)

**To Order the complete version now:** <http://www.realestatewholesaling.com>

# Writing an Offer - Dealing With Contracts

Once you have found a property, evaluated that property, determined your ARV and the repair estimate, and calculated your MAO, using the formula, it is time to put the offer in writing. Offers to purchase real estate must be made in writing. You can make a verbal offer to a seller, and the seller might say "yes", but until you put it in writing and get both parties sign it, there is no binding agreement.

In classic real estate wholesaling, the objective is to "flip" the property before you have to close on it, by getting the property under contract in your name, and then transferring that contract from your name to that of the person you are assigning the deal to.

Generally, this person will pay you an assignment fee at the time you assign the deal to them. This is done using a simple assignment of agreement, which is included in the appendix, along with the blank contract.

You may assign a contract to another party only if the language in the contract allows you to do so. The Home Providers contract provided with this course contains a small clause that allows the contract to be assigned. Pay attention to the contract form if you are required by a seller to use their standard form for your offer. It may not allow assignments to third parties or may require the sellers permission to do so.

Depending on the type of seller you are working with, you may or may not have the option to assign the contract.

Not all sellers will allow assignments. Average Joe homeowner may not be aware of any issues with assigning contracts, and may have nothing to say about it and may not even be aware that you intend to assign your contract. Generally, the typical private seller is most likely not to care about a contract assignment.

Professional sellers, such as real estate brokers, agents, and REO owners, such as banks, may not accept offers that allow assignments. Offers with assignment clauses are difficult to get accepted by professionals because they have reason to believe you will try to "flip" the contract to another buyer, rather than closing on it yourself. This tells them that there is a good chance the deal will not go through if you cannot find a buyer to assign to. Therefore, they are very reluctant to allow this in most cases.



If you need to start out with no cash and no credit, the risk free route is to find the deal, bring it to an investor or buyer who has the funding available to close, and put the offer in that buyers name from the outset. This way you avoid the need to assign the agreement to another party. "

There are many investors out there as well as investment companies like Home Providers who pay people good money to locate deals that generate a profit. This is a great way for you to get started with no cash and no credit. You can learn from them without worrying about assignment clauses, without using your own cash for earnest money and avoid the hassles of trying to flip properties before the closing date.

Before turning your deal over to anyone else, you should have a written agreement with this person or company that specifies how you are to be paid for your services. Most investors only pay commissions on a deal that closes and is completed. Many investment companies pay when they resell the property at a profit. Some pay only for the lead itself. There are many ways to work out payment arrangements. Just make sure you understand how this will work.

Any reputable investor or company should be willing to explain how and when you will be paid in writing; if they w o n t then d o n t do business with them.

Located on the pages that follow is a blank copy of the contract that we use at Home Providers for both buying and selling property. Following the contract itself is an explanation of it. Our lawyer said to remind you that we are not rendering any legal advice. We are only providing this copy of our contract as an example. It works for us, but it may need something added before it will work for you. You should seek competent legal advice before signing or implementing any contract.

In the appendix is an example of this same contract form filled out with an offer. You can print blank copies of the contract included here if you wish.

(Blank purchase and sale agreement with line by line instructions included with complete version)

To Order the complete version now: <http://www.realestatewholesaling.com>

# Getting Your Deal to the Closing Table

One of the most unpredictable parts of the process of buying real property is the closing. New investor or experienced pro, the deal always comes down to getting it closed. In Georgia, it is called simply "closing". In other states, it may be referred to as "settlement" or "closing of escrow". The "closing" is the meeting at which the buyer pays for the property, and the seller delivers the deed to the buyer. All matters pertaining to the agreement and the financing are concluded.

If there are matters that remain unresolved, they may cause the closing to be postponed or cancelled altogether.

Who is involved...

The closing is conducted by a neutral third party, which in Georgia is known as a closing attorney. In other states it may be a title company that handles this process.

When a closing takes place, the seller and buyer usually meet at the closing attorneys office or the title company at a date and time that is prearranged as part of the agreement.

It is customary in Georgia for the buyer to choose the closing attorney. Sometimes, especially with investment properties in older neighborhoods, there may be special circumstances, such as title issues, that will make it necessary to use a particular attorney who is familiar with title or other issues.

In general the choice of closing attorney is a negotiable item. Usually the lender will choose a closing attorney from its approved list of attorneys.

The Attorney in charge of the closing does not represent the buyer or seller. They are a neutral third party. They are representing the interests of the lender, in that they are making sure the buyer provides all funds and signed paperwork requested by the lender in order to satisfy the loan requirements.

If the buyer fails to satisfy any provision of the loan terms, it is the closing attorneys job to address that issue before the transaction can be concluded. The attorney or title agent will stop the closing until the matter can be resolved.

(Much more about closing the deal in the complete version of this eBook)

## **30-Day Action Plan For Real Estate Investors**

<http://www.realestateinvestorhelp.com>

### **What to do when you get up tomorrow...**

You must make offers in order to buy property. Your ultimate objective is to develop a system that allows you to make as many offers per week as is necessary to reach your personal goals.

To fund these offers, you are going to need one of the following. It does not matter which one:

**Partners with cash or credit;  
A buyer who will buy the deal;  
Your own cash or credit;  
You work for a major investor who pays you  
for deals; Seller Financing;  
Or any combination of the above.**

The fear of making offers comes from being uncertain about how to follow through. So, financing should be dealt with first. If you have no partners, buyers or funding of your own, then start by working for a major investor who pays for good deals. In Atlanta, GA you can work with Home Providers Inc. We have many sources and contacts that buy deals in the local metro Atlanta area.

Home Providers provides access to computers, phone, fax, and property tax records for our independent contractor associates. We pay a percentage of the profits on each deal you locate. You need only find the lead. We can handle inspecting the property, writing the offer and we pay the earnest money to the seller. There are no fees or costs for our associates. We need good people who can find good leads. Email Peter Vekselman at [peter@hproviders.com](mailto:peter@hproviders.com) for information on becoming a Home Providers associate.

If you are located elsewhere, look for " We Buy Houses" signs or billboards or newspaper ads. These signs and ads are placed by investors who are also searching for deals. Simply contact them and ask if they are interested in buying deals from you.

Even if you can get your own funding, you may want to consider developing a list of potential buyers you can flip to quickly, when you find a deal that you want to sell rather than keep for yourself. Either way, funding the deal is your first order of business...

The complete 30 Day Action Plan is in the full version of the eBook.

This concludes the free Sample version of the Residential Real Estate Wholesaling eBook.

To order your copy now -- <http://www.realestatewholesaling.com>

If you have questions, you may email our customer service department at [service@realestatewholesaling.com](mailto:service@realestatewholesaling.com)

See the next page for important information...

**Thank You for taking the time to review  
the free sample version of the  
Residential Real Estate Wholesaling  
eBook.**

**ORDER NOW** <http://www.realestatewholesaling.com>

**BONUS: Order within 5 days of your download date,  
and receive unlimited email support!**

Got a question? Need help with a deal you are working on? Our eBook buyers are entitled to email support and all future **updated versions of this eBook are FREE for registered buyers!**

If you are new to investing, or have very little experience, **you must know this information before you buy any property!** Avoid mistakes that will cost you thousands. No hype, no filler, just solid information from professional real estate investors who buy and sell full time.

Customer Service - 404 542-9903  
[service@realestatewholesaling.com](mailto:service@realestatewholesaling.com)

<http://www.homeprovidersinc.com>  
Home Providers Inc.  
1670 Defoor Ave.  
Suite 250  
Atlanta, GA 30318

# Wait!

If you downloaded this sample from a download.com or ZDnet site, be sure to grab your bonus subscription to our **FREE weekly newsletter for real estate investors.**

(A \$239 value, Get it while it' s still FREE..)

**CLICK THIS LINK TO SIGN UP**

<http://www.realestatewholesaling.com/wait.htm>

We never sell or give your email address to anyone.  
All email addresses are kept confidential.