

Become a Rehabbing Rebel

HOW TO FIND YOUR

\$40k Flips

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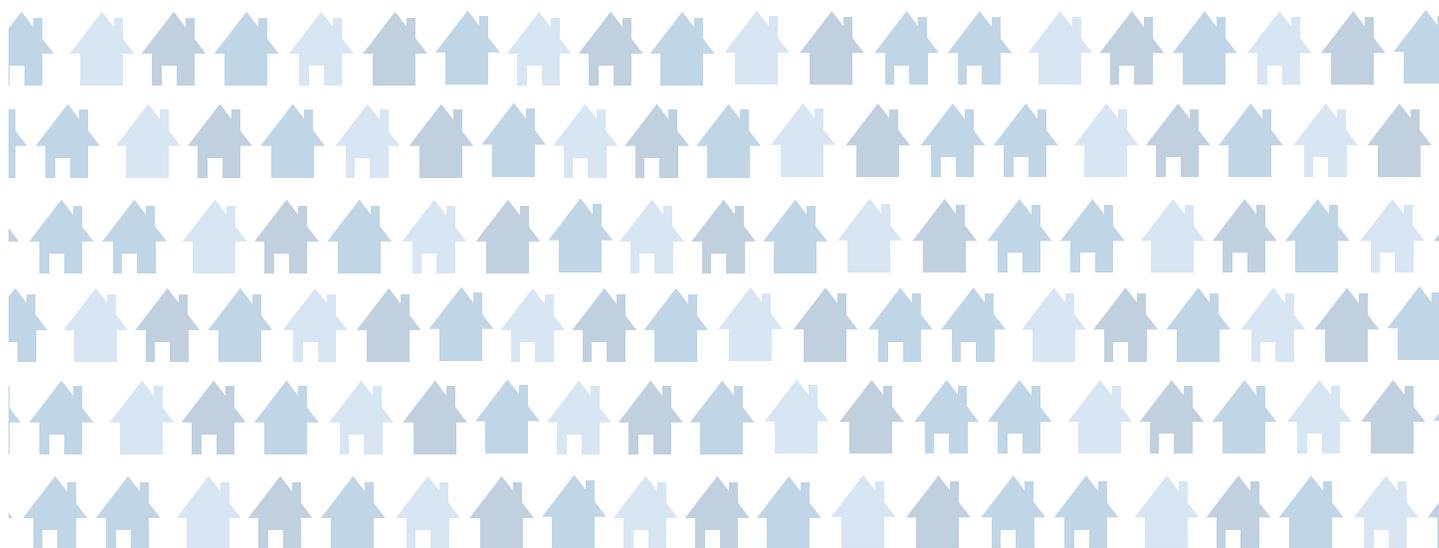


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WHY YOU WANT TO BE A REHABBING REBEL.....

So you're interested in making money with real estate, and quick-turning houses is your "drink of choice." Good for you!

I want to start out showing you, step-by-step, how to find your next great rehab project by telling you a story of a guy I know. Well, he's not just any guy; he's my older brother Mark.

In 2003, Mark graduated from Akron University in Ohio with a teaching degree. He and his wife, Michelle, both love kids and always dreamed of making a difference in their little lives and getting them off to a great start in life. My brother's dream was quickly shattered when he realized that he cared a lot more about the kids than their own parents did.

Mark went from being a college educated teacher to a babysitter in 6 months flat, and his desire to teach faded like a cheap shirt washed in the wrong detergent.

Mark noticed what I was doing in the real estate business. One day he was over my house helping me fix a few boards in my deck. I could sense his frustration in teaching. So I said, "Mark, you can make 3 times the money you're making now without any of these headaches by working for yourself, flipping properties like I do."

In an instant one dream was replaced with another, and Mark was off and running.

Today Mark is a full time rehabber. What he does is fairly simple. He's raised enough money from four private investors to buy, fix and sell four properties at any one time. He buys, fixes and sells about eight properties a year. Each property yields \$40,000 profit, on average, some of which he shares with his private investors.

At the end of each year, he adds it all up and now makes six figures doing what he loves. No boss. No babysitting. No frustration. He works for himself, where he wants, whenever he wants.

How does that sound to you?

You're interested in getting into the property rehabbing business. Well, you are actually interested in the money and freedom the real estate business will give you.

Flipping properties is just a vehicle to get to the money and the free time.

You're starting in the right place. I actively buy, rehab and sell properties throughout Northeast Ohio; it's something that regularly produces huge results for me. When I do rehabs I don't even touch a rehab/renovation project unless we can make \$40,000 dollars or more. However, there are definitely some keys that you need to understand to make sure your profits don't melt away down the drain you're trying to fix.

First let me ask you: What do you want out of real estate? Why are you interested in investing?

For many, real estate represents the best shot at making significant financial gains. Your goal could be to make an extra \$5,000 a month. It could be to replace your current income. Maybe it's to produce outstanding financial results and support other family members who are less fortunate. Whatever those goals are, they can be realized through real estate.

We want to show you why learning how to buy, renovate and re-sell houses gives you the best chance of building a sustainable real estate business that will open other financial prospects for you. Rehabbing properties gives you the skills and insight necessary to move to other opportunities in real estate investing.

Rehabbing is also the one strategy *everyone* thinks of when they first think about real estate investing. It's simple: Find a good deal. Fix it up. Sell it for a profit.

Rehabbing homes teaches you how to:

- Find renovation leads.
- Qualify those leads for profits.
- Secure contracts to buy them.
- Estimate repairs.
- Buy the property.
- Manage contractors.
- Sell the property quickly.
- Cash large checks.

In learning how to successfully rehab a house, you will learn the many facets of the real estate investing business.

I consider it one of the best ways to make money in this business for several reasons:

- **Quick Cash:** You can make fast money and large profits again and again by establishing a system that allows you to efficiently buy, fix and sell real estate. I'll show you how to do exactly that. When I say "Quick Cash" I should qualify that. It will take you 4-7 months on average to buy, renovate and sell one property. I personally feel that when you successfully close a transaction that pays you upwards of \$30,000-\$40,000 in 6 months or less, that's very quick cash. Tell me, do you know of any other venture that can produce those kinds of results 6 months from now?
- **Flexibility:** You build the business you want. Some investors are happy to rehab just a few houses per year while others do a few each month. Rehabbing houses is also something that you can do part time. One of my close friends rehabbed one house a year to subsidize (and double) his full-time teaching salary.
- **Accessibility:** Rehabbing houses works in any market and has the lowest barrier to entry for those interested in learning. You don't need a degree. You don't need your own money. You don't need to have a real state license. Anyone, and I mean **anyone**, can go out and buy a property, fix it

and sell it. ANYONE! Plus, you can finance the cost of the purchase and the repairs from multiple funding sources including hard money, private money, private equity firms and little old ladies with money in their IRAs.

We love doing rehabs for the above reasons and more; but if you're going to make money, you're going to have to understand how to "flip" property. Then you'll want to learn how to systemize the acquisition process.

Why is acquisition so important?

This is crucial, so pay close attention to this...

We "make money" when we buy and we "realize" the profits when we sell. So the acquisition is ultra-important.

THE FLIP VS. THE QUICK TURN

What do you think of when you hear the word “flip?”

With all the bad press of late, chances are your association with the word isn't a good one, and for good reason. A lot of people have used the flip for all sorts of fraudulent purposes. For this reason, we prefer to use the term “quick-turn.”

What we mean by quick-turn is to buy property under value, fix it up and sell for a profit, legally and ethically.

The negative associations with flipping houses come from those individuals who would buy property undervalue, have it falsely appraised high and then sell for a profit, thereby stripping equity out of the house and leaving a blight on the neighborhood. Little to no work would've been done to the house.

While the goal of any investment business is to make money, I've yet to meet a successful rehabber who didn't feel a sense of pride when taking the ugliest house on the street and making it the prettiest, thereby giving something of value back to the neighborhood.

There are two important payoffs in learning how to successfully rehab houses; first, the potential profits that are made, and second, the intrinsic rewards that come from doing something positive beyond your own bank account.

WHAT YOU WILL NOT LEARN

I'm not going to teach you how to fix a sink or paint a kitchen in this report. What I want to teach, specifically, is how to acquire rehab and renovation projects.

I'm not going to teach you how to manage a project successfully or how to sell the house in this report. I'll cover that somewhere else.

Everything in real estate investing involves moving parts. That's why you need a system. At SREC we have a saying, "Don't run on random," meaning, work from plan or a checklist, don't work on projects at random because then you'll get random results.

When looking at a good investment opportunity, I know that I'm going to take a tired old house and make it the shiniest on the block at the cheapest possible re-sale price.

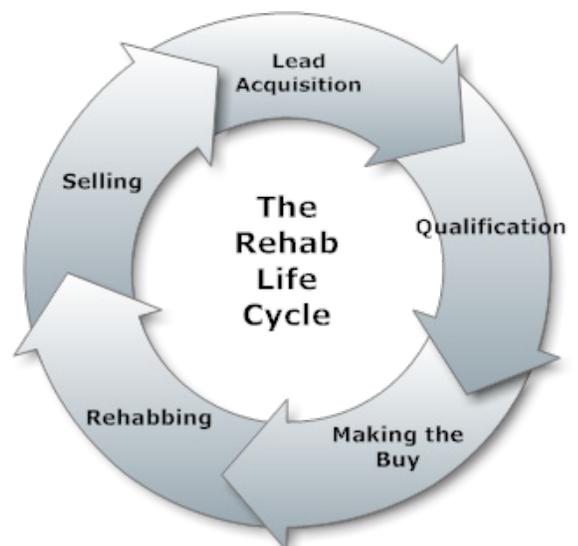
But how am I going to get there? What needs to be done so that I can get paid for the risk and time I've taken to improve the house?

There are five steps that you will need to master:

1. **Lead Acquisition:** How are you going to find leads? What types of marketing will you use? Where will your "sweet spot" be located? In other words, what part of town do you want to find houses with good investment potential?

THIS REPORT FOCUSES ON THIS ONE ULTRA IMPORTANT FACET OF REHABBING.

2. **Qualification:** How will you qualify the lead to know whether to go on the appointment? Once at the house, how will you know what to look for to better understand the investment potential of the subject property?
3. **Making the Buy:** How will you present the offer? What additional information and inspections will you want before signing the contract and opening escrow?
4. **Rehabbing:** How will you accurately estimate the repairs that the house will need in order to sell fast? How will you manage a contractor, or will you attempt to make the repairs on your own?
5. **Selling:** Will you turn this responsibility over to a trusted real estate agent or will you attempt to sell the house yourself?



Actually, suggesting that you perfect each of the above five steps is the ideal, but it's often not realistic to be an expert at all five steps.

While you may excel at lead acquisition and qualifying leads and getting contracts, you might not be so good at estimating costs or managing a team of contractors to make the repairs. Likewise, you might not be well suited to sell the property.

Regardless of what strategy you use to make money as a real estate investor, no one does the renovation completely on their own. You need to have a team of talented professionals that you trust. You'll need to hire and outsource most of the renovations to experts. Few beginning investors have the time, money and skills necessary to start without any help, but odds are that you know people who would love to get into real estate with you. We'll take a look at this as we work through each of the steps.

So let's begin!

LEAD ACQUISITION: LOOKING FOR BURIED TREASURE

I've often thought of real estate investing as looking for buried treasure, except that in this case it's treasure that everyone can see, if they only had the eyes for it.

So how do you develop a house-buying eagle eye?

The first thing you will need to do is to identify your "sweet spot," that is, the part of town where you want to do most of your business. This is also defined as the part of town where you can have the most consistent and repeated success. In this section we will walk you through how we identify our rehabbing sweet spot.

I always suggest that in starting out, you should go on every appointment, regardless of location -- for the simple reason of gaining experience. You want and need to build as much experience qualifying property, meeting sellers and realtors, walking through bank-owned and privately owned properties and inspecting potential buys as often as possible. However, that comes with a warning: After a few months you really do need to identify your sweet spot and stick to it. Time is money, and by chasing leads in unfamiliar parts of town, you'll be decreasing your chances for a successful outcome and may be losing out on opportunities closer to your office.



Your Sweet Spot

In defining your sweet spot, first you need to know what you're looking for:

- A house that needs repairs, looks tired and possibly distressed.
- A house in a part of town that is desirable.
- Good school systems.
- Close to good jobs.
- An area where houses re-sell within 60 days.
- A house that has a motivated seller. This is HUGE. You need someone who is willing to sell the house for less than what it's actually worth.
- Could be a private seller, a bank owned property or a HUD home.

The first thing you want to do is get a map of your region that you can put up in your office.

Take a good look at it.

By limiting where you do business, you will be developing an expertise in that area that will save you time and money. Make sure to identify those areas you think present the greatest potential. Then do some research.

When I look for a sweet spot, this is what I look for:

- Geographically desirable.
- Good schools.
- Affordability.
- Steady sales.
- Pride of ownership.
- Lowest possible “days on market.”
- Close to freeways.
- Close to shopping.
- Price range where just about anyone can afford.



Geographically Desirable

To simplify your life and improve your chances for success, limit your choices to available properties near your work and home when starting out. Rehabbing a house is generally a 3-4 month process, and you'll be spending plenty of time at the property checking on the work being done, if you're not doing the work yourself. The more time you spend in a car, the less you will get done, no matter how efficient you think you are on your mobile phone.

Good Schools

Finding a community that is both affordable and has good schools is the Holy Grail of real estate investing. Communities with good schools have the jobs, the income and the pride to keep their schools accountable for their children. As a result, they tend to be places where people want to live. This directly relates to how quickly you will sell the house, and that correlates to how much money you'll make.

Here's an example.

I own several properties in Parma, Ohio and west Cleveland, Ohio. These are great rental neighborhoods but not great re-sale neighborhoods. This is because many folks who live in west Cleveland and Parma eventually move out when it's time for their kids to go to primary school. The schools in these districts are average at best, so parents move to other school districts around the time when school becomes important.

Since the schools aren't great, these neighborhoods have become more rental neighborhoods and not great retail re-sale neighborhoods. For this reason, we avoid doing rehabs here because we know we will have a tough time selling those properties once the rehab is done.

On the other hand, whenever we find a good deal in Norton, Cuyahoga Falls, Wadsworth, Stow, Fairlawn, Green, Canal Fulton and the immediately surrounding cities, we know we want to buy it. They have above-average schools and the lots are larger than normal in most of those cities.

So the primary reason we are always on the lookout in these cities is we know we can sell the houses when they are fixed up, and that's mainly due to strong school districts.

Affordability

There's a natural tendency to aim big and go for the occasional high-end home. Yes, the expense is greater (it takes more money to buy, hold and repair), but isn't the payoff worthwhile? Well, maybe yes and maybe no. Only a certain percentage of people these days can afford the costs of a high-priced home.

Successful real estate investing has a lot to do with limiting your risks. Your best bet is to find a price range that encompasses the most potential buyers. For instance, in the Greater Cleveland Area that range for me is from \$110,000-\$150,000 while in Los Angeles maybe it's from \$250,000-\$400,000. Again, I'm trying to find the spread attractive to the greatest number of buyers that I want to sell houses to.

Also consider this: If you were stuck with a house that, for whatever reason isn't selling, can you sell it with owner financing or on lease option and will it cash flow? I know that if I have a property that will re-sell for \$110,000-\$150,000, I can sell it on a lease with an option to buy *all day* and it will cash flow, too. So that becomes my second exit plan if I can't sell the property.

Avoid the inner-city. While some people prefer working in rough parts of town, I'd recommend this only if you are experienced and have an experienced team in place ready to contend with all the challenges that they will face on a three month rehab project.

While the inner-city offers cheap prices and large cash flow opportunities, the costs associated with repairs and hold times can easily eat into any potential profit. You have to be real good to make it work. Also, inner city homes often require properties to sell with owner financing or lease options. If you don't intend on keeping the property, move your sweet spot into the suburbs, where properties sell for retail to buyers who can qualify for loans.

Steady Sales

For this you will need to have a good relationship with a real estate agent that can provide access to the Multiple Listing Service (MLS), or you can use a company like RealQuest (www.realquest.com) or Haines Criss-Cross Directory (www.haines.com). You are looking for areas where properties come on the market and are sold regularly. You don't want to invest in an area where properties don't sell or only rent out.

Here's an example: On the east side of Greater Cleveland, there are suburbs we call "The Heights." The areas included are Cleveland Heights, University Heights, Bedford Heights, Maple Heights, Mayfield Heights, Shaker Heights and others. In "The Heights," there are a lot of rental properties. Here's the positive and negative about these areas. I can always locate great buys in these suburbs. I can buy a 2,000 sq. ft., 3 bedroom, 2 bath all-brick Colonial for just \$25,000. I can fix it up to perfect condition for another \$12,000, but it will never sell. For many reasons, houses just take forever to sell in "The Heights." So although I can find great deals, I don't ever buy there because I know I'm probably going to end up renting it instead of selling and realizing \$35,000 in profit.

Lowest Number of Days on the Market

You want to learn the number of houses on the market, the number of sales and number of pending sales for the past year. It will be important to learn the number of Days on Market (DOM) before a house sold. This will tell you, on average, how long properties take to sell. It will help guide your exit strategy so you'll know approximately how long it may take to sell and cash out of the house in which you invested.

Finally, check on the range of prices for houses sold. You want to see comparable properties that have sold within a range – at the high end and the low end. The high end sales will tell you what you might be able to sell the house for after the repairs are made.

Finally, look for areas that are trending up or down. Again, how many sales are being made in this neighborhood? If the number is low, then you know you need to be conservative on any offers for any leads your marketing generates in this area.

Real World Example

Most of the REO/rehabs/renovations I do today are in the I-77/I-21/ I-224 corridor of Summit County in Northeast Ohio. This has proven, again and again, to be a profitable sweet spot for me. The reasons I have chosen this sweet spot are as follows:

1. Days on Market averages 75 – 100 days, which is great for Northeast Ohio.
2. This is a desirable area.
3. There are good schools districts.
4. Most houses re-sell in the \$110,000-\$149,000 price range, which just about anyone can afford.
5. If I get stuck with a house that won't sell, I know I can sell it on lease option in a matter of days.
6. The average person can afford to buy these houses with FHA financing and 3.5% down.
7. It's not near any "rough areas."
8. This area is a short, 20-minute drive from my office.
9. This area is a short 20-minute drive for my brother from his house, with whom I do a lot of rehabs.
10. We know the area well because we have done 35 rehabs just in this one small area.
11. The other homeowners take pride in their property, which retains the value of the whole neighborhood.

Pride of Ownership

You want to buy houses in areas where people like to live and work hard to maintain their own properties. Good schools are a reflection of this, but so is home maintenance.

How attractive is the neighborhood? Do homeowners cut the grass, landscape and mulch, trim trees and shrubs? When profiling neighborhoods, you'll see streets with sections of well-maintained houses followed by sections with houses that seem tired and neglected.

The more amenities that are nearby, the better. A simple tool to use to evaluate the walkability of a neighborhood, and thus its livability, is to go to www.walkscore.com. This site will show you adjoining locations for public transit, groceries, restaurants, schools, libraries, shopping, parks, etc.

Another useful tool for checking out factors that determine a neighborhood's desirability is www.bestplaces.net. You'll learn a specific zip code's crime rate, median income, unemployment, number of leased properties versus owned, and more.

Both of the above tools are particularly helpful when learning a new area.

Over time, your sweet spot will change as you take on larger projects. One of my consulting clients recently started a 10,000 sq. ft. rehab. He fully intends on making \$200,000, but he didn't start there. He worked his way up over time. By focusing on a key area to farm, you'll get to know it and understand what makes property move in that area.

In short, you'll become an expert in what houses sell for in that area and what it will cost to make the repairs that will generate a fast sale.

HOUSE HUNTING

If you're going to rehab properties, first you have to find one, right?

Here's the thing, with so many people upside down, many of the leads your marketing efforts will generate are going to be from people who overpaid when they initially bought their house and now don't have any equity – meaning that the balance of the mortgage hasn't been paid down by the seller to a number that will be low enough to make sense for you. Therefore, these aren't good leads.

The solution is to become an expert at negotiating a short sale on those types of leads, where you offer less than what is owed on the property.

The other option is to engage a buyer's agent to find you short sales that you can make offers on. The best thing about buyer's agents is they work for you, but get paid by the seller so you receive full representation without any expenses. They get paid by the seller when the deal closes. Buyers never have to pay fees to engage a buyer's agent.

Many investors have made incredible profits by pursuing this strategy and using SREC materials, but short sales are complex and can take a long time. The average negotiation in some parts of the U.S. can take anywhere from 6-12 months!

So let's first take a brief look at what traditional rehabbers are doing today, and then explore some additional options.

REOs/HUD Houses

To be successful in rehabbing houses, you need to find property that you can buy on your schedule, rehab and sell. For this purpose, finding houses free and clear of liens is important. This means that it's probably a good idea to stay away from pre-foreclosures until you and your team have enough experience to deal with the challenges of building a rehab business that depends on the bank making a decision.

REOs are a good fit. Just about all of the rehabs I do today are properties that I've bought were bank-owned and listed with a real estate agent. My buyer's agent, along with my brother, in most cases, scours the MLS and various Websites looking for deals. Again, it's great because my buyer's agent works for me but is paid by the seller, whether that's a private seller, a bank or HUD.

REOs and HUD houses are free of any liens and the bank simply wants to sell them for two-thirds of the Sheriff's appraised value during a set auction date. If there are no bidders at auction, the bank will buy the property back. The banks then own the properties free and clear because they've essentially wiped out their own liens.

Often, banks will sell property for less than what they would have accepted for a short sale. This makes REOs a great source for possible buys.

Right now, finding bank-owned properties for sale is the best strategy to get properties that you know you can sell once rehabbed. The problem, which is not a huge problem in all areas but is a huge problem in some areas, is everyone else is looking at them, too. So it makes sense to know some other strategies, too.

REO Agents

It's close to impossible to get a bank asset manager to give you the inside track on their REOs and let you make offers on them before they hit the market. Anyone who tells you otherwise either doesn't know how it works today or is lying to get you to think there's a silver-bullet strategy to getting the inside track with the banks' asset managers.

Let me explain.

There are two types of REO agents: REO listing agents and REO buyer's agents.

REO listing agents are hired by banks and asset managers to liquidate bank-owned and HUD-owned properties. They work for the banks and asset managers. They are basically slaves to the asset managers who are accountable to the banks to sell their assets for the highest price possible.

Do you want to know how I know this? I have REO listing agents who work for my brokerage. I have a broker who is trying to become an REO listing agent. One of my good friends in the real estate industry, Scott Miller, has a business partner named Ed Laine, who is the #1 REO listing agent in the entire state of Washington.

They will all tell you that they really don't care who these homes sell to. They have to do the best job of selling REO assets at the highest price, in the shortest amount of time possible.

They must do whatever the banks and asset managers say.

For agents, there is a tremendous amount of competition to become an REO listing agent. Just ask Vito, who is one of my agents. Once, while attending an REO conference, he was not able to immediately service one of his listings. As a result, the bank reassigned the asset to someone else within 24 hours.

Here's the point: unless you are buying 30 houses a year from the same asset manager, you cannot and will not gain an advantage with an asset manager and be able to make offers on REO listings before anyone else.

It's that simple.

REO listing agents must get the highest price in the shortest amount of time possible.

Here's how it works. They get assigned an asset from an asset manager at a bank. The real estate agent does his or her own BPO and determines the property selling price. They make a recommendation to the asset manager of how much it will sell for and how quickly. Once the real estate agent gets approval from

the asset manager, they put the property on the MLS. Typically, even when they get multiple offers in the first 48 hours, they will leave the property on the market for at least 7 days to make sure all offers are submitted. Then they are in “Multiplies,” and tell all the buyers to come back with “their highest and best offer.” All the buyers must reconsider their offers and return a counter offer at their highest and best offer price. Whoever offers the highest price with the shortest closing and can pay cash with no financing or inspection contingencies gets the house.

If this is the case in just about every REO I’ve bought, why would the asset manager let you in the back door and sell you the house for less than anyone else? They won’t; that’s not their job. Their job is to obtain the highest price with the shortest closing time.

So here’s what you have to do to get in to the REO game. Interview and find an REO buyer’s agent. It should be someone who can scour the MLS every day looking for the latest and best deals to hit the market. When they find something that looks good, they need to call you immediately and you need to go see the property within 24-48 hours of it hitting the market. If you think it’s a good deal, write an offer.

Today your offer must have the following terms:

- You needed to be a cash buyer.
- You need to have a 2 week closing time frame.
- You need to not have an inspection contingency.
- You need to have at least \$1,000 earnest money deposit for them to take you seriously.

I know this because I buy at least one REO every month. I’ve flipped 15 consecutive REOs, with my brother managing the construction. We buy them, fix them and sell them in an average of 6 months.

When we buy them we always use a broker named SETH Kinszle. Seth acts as our buyer’s agent. He helps us get into properties, sets up showings and helps evaluate the resale prices. He’s our preferred REO buyer’s agent. We pay him a 3% commission on every property we buy. Three percent on a \$35,000 purchase may not seem like much, but when we buy 15 properties a year, he is earning \$15,000 or more just from working with us.

Side Note: Once you have purchased 20 REOs, you may be able to establish a relationship with an asset manager who may be able to get you one good deal a year.

REO Tips

Meet as many REO agents in your area as you can, and begin setting the seeds for a relationship. Buyer’s agents can set up a drip campaign for you so you get a daily email with houses you’d like to see that meet your criteria. Then you can look at each property online from home and determine which ones you want to go see in person.

REO buyer’s agents want to do business with experienced investors who won’t waste their time and who know what they are doing. This is one time where if you want to get in with someone, you will have to “fake

it until you make it.” You need to convey that you are an experienced investor and have cash to close. Your money sources must be in place and be ready to move.

I’m not going to teach you how to raise private money in this report. I have other reports that do that. But knows this: You don’t have to use any of your own money or credit. There are \$2 trillion just sitting in savings accounts right now, according to the Federal Reserve. Retirees, investors and savers are scared to be in the market so they are not doing anything with their money. The point is, these people will lend money to you for a 10% return all day because they can do better with you than they can in the market.

On your first deal, you may need to find someone who is willing to look at your operation and offer to split the profits, maybe 75/25 or even 50/50. You need to be willing to share profits especially if someone else is “ponying up the dough.” This will give you a faster start in the business, more experience and ultimately, more credibility on your future deals.

Example

You need to give anyone interested all the details about the property, especially the buy costs and rehab costs. Here’s a hypothetical: You have a prospective house and have found someone interested in backing you with some money. The subject property will cost \$42,000 to purchase and can safely be sold for \$110,000. Share the estimates you have on what it will take to rehab the house back into shape (for this example, \$18,000). Show documentation verifying that your contractors are licensed and bonded, and provide any examples of work that they have done in the past and how long you think the project will take.

110,000 Sale Price
-10,000 Closing Costs
-18,000 Rehab Costs
<u>- 42,000 Purchase Price</u>
\$40,000 Net to Split

After looking at the comparable properties that have sold, you know that conservatively if you sell for \$110,000, you will net \$40,000, which you will split with the person writing the check. That’s a great return for the person backing your business, especially if you stick with the expectation you set for how long the deal will take from start to finish.

That’s how you want to begin building relationships with people that have the money to support your young business, but you don’t want to put yourself in a position where you’re giving up 50% of the profits on every transaction.

Clearly set expectations early for how you would like the relationship to move forward. Make it clear that for the first couple houses you’re willing to do all the work and show your lender the business so that you can prove to him or her that it works. However, from that point, you’ll need to increase your percentage of the take for the health of your business.

All you want is the money and you’ll do the rest, but don’t overlook managing the relationship while work is being done on the house. Consider providing a weekly update detailing the progress made on the house that week. A simple email is fine. Include pictures and a brief description. Private lenders love this. They want to be kept in the loop and to know that their money is safe.

With funding in place, it makes it easier to review REO lists for potential properties you may be interesting in buying, because now you know what you can afford. When you've identified something you're interested in seeing, call the REO agent and set up an appointment to get inside the house.

If the house looks like something you can work with, prepare your offer and submit to the agent (I will show you later how to prepare your offer). It's always a good idea, especially when just beginning, to order a house inspection so that you have a clear idea of what's ahead with the rehab. Likewise, consider including a contingency that will give you some wiggle room should you need to step out of the deal if the inspection comes in with problems or your financing doesn't come through.

Some REO agents work with banks that include contingency clauses right in the contract. If this is the case, then you don't need to add anything. Just submit your offer. Once the bank approves, the property moves through the closing process just like any other residential transaction.

MARKETING (NON-REO TREASURE HUNTING)

We've just taken a look at what I think is the best opportunity for you to buy houses regularly, in a way that you control. Now, let's take a look at some traditional marketing approaches other than REOs, HUD homes and bank-owned properties. They will help you form your identity so when you're presenting your business to sellers, real estate agents, brokers, and private money lenders, you appear credible and authentic.

At some point, every real estate investor has to answer the following question:

“How do I bring in new leads to my business every month and simultaneously keep costs low, especially in the beginning?”

If you haven't asked yourself this question yet, you haven't been in the business long enough.

For the experienced investor, the change in thinking goes from, “How do I do a few deals and quit my day job?” to “How do I get consistent cash flow and close a deal every month for \$30,000?”

Here's the root of the problem . . .

Remember, we learned that every rehab is a 3-4 month process as each case goes from a new lead in the system, to a purchase, to a fix up, to a property on the market to a closed transaction.

Whenever I evaluate a real estate business for a coaching student, I'll examine the months where they didn't get new deals into the system and project out three to four months to anticipate what they can expect in the future. In almost every case, except in the first couple months of a new business, investors stop consistently advertising when they begin get leads in and processing cases, so marketing gets pushed to the back. Then, 3-4 months later, when they aren't closing any deals, they wonder why. We'll look back 3-4 months and notice they didn't do any new lead generation.



The solution is to implement marketing strategies and systemize them so that they are always working for you, even when you're on-site managing a project and work crew.

Getting rehab leads other than REO, HUD and bank owned come from a few sources:

1. You proactively obtain lists of people who you think may want to sell and would be motivated to give you a good deal. This includes lists like probates, inheritances, pre-foreclosures, free and clear lists, code violations and fire damaged properties, and vacant homes.
2. You receive leads from advertising; prospects randomly call you because they saw your marketing. This includes marketing strategies like bandit signs, TV advertising, radio, billboards, online and offline classified ads on things like craigslist, backpage, the Daily Post, and Penny Saver.
3. Referrals from attorneys, mortgage brokers, real estate agents, and financial planners,

I'll elaborate on all these strategies later, but before I do that, you need to know some basics about developing a brand.

Developing a Brand that Works

A brand is either your name or a company name that conveys one salient idea about everyone involved in that particular company.

That's one **main** idea...period.

If you are a Mom and Pop operation or are on your own, your brand is the credibility associated with your name. If you are part of a larger operation, your brand extends beyond your name to the entire entity that you represent.

In both cases, you need to be concerned with a term called *brand equity*.

Brand equity is how you build positive associations with your brand name. Several steps are necessary to do this:

1. How do you present your business through materials? From letterhead to mainstream advertising, what image and message do you convey? This includes your appearance. The more professional you are, the more trust you will garner and the more credibility you will achieve.
2. How solid is your base of knowledge about your industry, and what information do you offer that your competition doesn't?

If you are just getting started in your business, then one of your objectives has to be to become the resident expert on real estate, at least with your family and friends. You have to know more than anyone else you know in order to become the "top of mind" person on the subject of real estate.

3. How can you structure your business (i.e., automate your business) to allow for as many positive associations to be created as possible? In large part, the real estate investing business is a networking business. Yes, you will drive business to your company with marketing initiatives, but after you have established the brand equity of your company, you will find that a large percentage of business will come from referrals.

Whether you are an experienced investor or just starting out, you need to consider what kind of brand awareness you hope to create. What image do you want people to associate with your company?

It makes me laugh when I see someone who's been a real estate investor for a couple years but doesn't have a Website, business card, any flyers or materials or collateral that tells people who they are and what they do. How can anyone really take that person seriously?

A good practice, as I discussed earlier, is to look at what your competition is doing and to do the opposite. In other words, how will you differentiate your business from the others in your market? What will set you apart from the very first moment a prospect learns about your business or sees your company name?

A word of caution: Don't get too clever. Keep your company name and message simple and straightforward. Too often people get clever and in the end cause confusion, which can lose customers or money.

What About Credibility?

When starting a new venture, there's always that question of "credibility." If you've only done a few deals or haven't yet completed your first rehab, how can you achieve credibility?

The answer is twofold:

1. "Fake it until you make it."
2. Be the most knowledgeable person on the subject.

A fundamental problem with many real estate investors is that they don't know who they are as a business. In other words, their promotional materials lack focus or rely on the common clichés in the industry that they've taken from the competition.

Here's your action plan to start off right:

- Create a mission statement. Define the core values and your purpose as a company.
- Develop a one page explanation describing your company that can be used in marketing. Remember, no one cares that you were a boy scout, active in your church, temple or mosque, or belong to PTA. This is about your business: keep it on message.
- Order simple business cards.
- Apply to become a member of the Better Business Bureau and include their logo, if possible.
- Become a member of the local Chamber of Commerce.
- Memorize a one-minute elevator speech that captures the essence of the work you do. Too many investors stammer through impromptu explanations that lack cohesion and focus. Nail down yours – this is the most important item on this list. Here's an example. "I buy distressed real estate, fix it and sell it while paying my investors a healthy, double-digit return on their money."

That was easy right?

Credibility through experience will be earned later; in the meantime you will establish credibility by how you present yourself, how you speak and the company materials you use to convey information about your business.

You will also gain credibility by the honesty you show when confronted with a question to which you don't know the answer. Keep your integrity. If you don't know the answer just say this. "You know, I'm not exactly sure, but I'll research that and get back to you." Then make sure you get back to them with the answer.

Getting Your Message Out

When I started my real estate investment company, I knew from prior experience in other professions that I would need to determine the following:

1. What kind of business did I want to have (in other words, how big? How fast? How much money did I want to make?).
2. What systems would I need to have in place to achieve my objectives?

I turned marketing into my own science project, using the scientific method to observe, ask questions, generate a theory, and then test that theory.

My basic formula was as follows:

- Through trial and error I identified my “sweet spot” – what neighborhoods, zip codes, what kind of houses, and what range of values would resell quickly.
- I made a commitment to be specific about where I wanted to work and seldom deviated to chase long-shot deals in parts of town that were unfamiliar.
- I held firm on costs, avoiding bolder, more expensive forms of advertising like television, radio and billboards that would have flooded my office with unqualified leads from all parts of town.

But I also found that I needed a radical adjustment in my thinking about my role. This is what I realized, and you might find it surprising:

YOU ARE NOT A REAL ESTATE INVESTOR.

YOU ARE A MARKETER.

You must be a good marketer or become one to be successful. The more deals you have to analyze and buy, the more opportunities you have to make money.

The core of my marketing plan to generate leads involved three distinct actions that I would put into motion each week, either directly or through some system I had created to automate the process. They are:



Prospecting (“Dig Leads”/Proactive Lead Generation): Takes place in and outside of the office. While in the office, use the tools that you have available to look for good leads in your target neighborhoods. Check out the Notice of Default (NOD) lists, free and clear lists, probate and other lists. Create a direct mail campaign to those lists and tweak it based on your first run results. Contact owners with property for sale by owner (FSBOs). Drive neighborhoods looking for distressed property. Create a newsletter to send to your network. Contact your local real estate agent to run reports for REOs, HUD houses and fixer-uppers. This alone can generate more houses than you will know what to do with. Next, go online and look at pictures. Have your buyer’s agent run comps to see what the property may resell for. If you get the general idea that you can make \$40,000+ on a property, set an appointment to go see it.

Advertising (Passive Lead Generation: Wait and See method): This is where you spend the money to get your message out to make the phone ring. You may buy some “We buy houses” signs and put them near high traffic areas. But this is my least favorite lead generation tactic. Why?

1. It costs some money.
2. The leads can be haphazard and not exactly what you are looking for.

More on these strategies later.

Networking (Pro-Active Lead Generation): You need to meet as many people in real estate in your area as possible. When you do, you’ll find a few to do business with again and again. Don’t shy away from working with your competition. Often they will be your best resources, especially when you’re learning the business.

Networking leads can come from multiple sources. Here are the very best ones:

1. **Real Estate Agents:** Once you find a motivated real estate agent to work with, have them look for new REOs, HUD houses and private sellers that enter the market each day. Tell the agent exactly the areas (your sweet spot) you want to buy in so they only send you houses in those areas you want. Then have them send you emails with only properties that meet your criteria. If they send you leads that don’t meet your criteria, re-explain exactly what it is you are looking for.
2. **Real Estate Wholesalers:** Many new real estate investors want to be “wholesalers” because they can make \$2,000-\$5,000 quickly. They need another investor to “wholesale” to. That’s YOU! You can be inundated with leads just by networking with other investors. When they get qualified leads in your sweet spot, they call send you the lead. All you need to know is the asking price, how much are the repairs and what their wholesale fee is. If it adds up to a \$35,000+ rehab profit and it’s in your sweet spot, then set a time to go see the property and write an offer if it fits your criteria. Just last week my friend Matt called me up saying he had a rehab lead in Medina, Ohio. His other friend had it under contract for \$15,000. Matt wanted \$2,000 for an assignment fee. The property needed \$15,000 in work and would have resold for \$68,000. So there was a \$30,000 profit. It wasn’t the \$40,000 that I’m looking for so I passed, but you get the idea. I get leads from people like Matt every week who want to wholesale to me.

3. **Short Sale Investors and Agents:** Most properties that go into foreclosure eventually need work. They become vacant or abandoned. When an agent or a short sale investor obtains a property that needs a short sale negotiation, they often rely on investors to buy those houses as an exit strategy. Get to know the short sale investors and agents in your area and they can be a fantastic source of rehab leads.

4. **Probate Attorneys:** Probate attorneys work with heirs of estates. They can refer you to properties that have been inherited and the heirs don't want to keep it. Often when a person passes away there is deferred maintenance with the property. In this case, the heirs often want to sell the house as quickly as possible for whatever amount of money they can get. It's not their house so they just want to get out of it quickly and for a reasonable price. They realize it needs work. I once bought a house in Cleveland for \$15,000 from a man who inherited the house from his mom. I could have rehabbed the property, but instead I wholesaled it for \$40,000 to another investor who was a rehabber. Another example was a house I bought from an heir in Parma, Ohio who was working with a probate attorney. They inherited a house that was free and clear and paid off. I bought it for \$80,000. I invested \$25,000 into it and sold it for \$145,000. After all costs, I took home \$30,000.

5. **Mortgage Brokers (especially those who sell 203(k) loans):** Mortgage broker can be a source of leads because they know investors, sellers and buyers who want to sell real estate. If they know what you do they can refer you deals.

NOTE: FHA created a loan mortgage program called a 203k loan. This is designed for home buyers to use funding insured by FHA to purchase and fix up real estate. 203k loans are only for buyers who are going to occupy the home, so it doesn't work for investors.

Multiple Medium Approach

My marketing plan is called the Multiple Medium Approach, and I mixed and matched the strategies listed below until I found the right combination that worked in our marketplace.

You will need to do the same.

Here are the more inexpensive methods:

Direct Mail: This can cost some money, but it's a strategy that used to be used by everyone. Now I hardly see any investors using it, so the response rates have gone way up in the past 6 months. We still use direct mail in our real estate business today. Use post cards or a series of yellow letters mailed to lists that you pay to use. Expect response to be 1%-10%, depending on the list and the message. There are companies that will do all the direct mail work for you, which is great because they have libraries of letters that work and lists that are dependable.

When it comes to direct mail there are two main components: the list and the letter.

Lists of motivated sellers can be purchased from different list providers.

Here are the lists I like to use:

- Absentee Owner Lists
- Inheritances
- Probates
- Free and Clears Properties

The best places to get these lists are from 'List Source' (www.listsource.com) and from US Leads List (www.usleadlist.com). Plan on buying a list with 500-1,000 names and addresses.

The letters I like to use are called yellow letters. I use a service at www.yellowletter.com. They will completely automate and outsource the letter writing for you. Plus, they have sample letters that have worked in the past for different lists that you would select.

Dear John,

I want to buy your house at [insert address].

Call me if you are interested in selling.

I can close quickly with cash on the date of your choice.

Driving Neighborhoods: As you travel around town, always keep your eyes open for distressed property. Look for tall grass, peeling paint and sagging porches. When you see that characteristic, copy down the address so you can research the house later. Give the address to your buyer's agent and have them research it to see if it's on the MLS and what the sales history is. Add the address to your mailing list, but also consider dropping of a flyer in the front door, or knocking on the door. The goal isn't to get inside immediately, but to start a conversation that will ultimately lead to an invitation for you to inspect the house for a possible offer.

Bandit Signs: You've seen them on telephone poles, and they can generate calls. Just be mindful that some communities have an ordinance against placing such signage in public areas, and any fines may be expensive.

We buy signs from www.ezsigns.net (800-276-3902) and from www.signwarehouse.com (800-699-5512). Our signs say “Sell Your House Fast For Cash Any Condition, Any Situation, Call xxx-xxx-xxxx today” We always use the yellow background with black lettering.

**Sell Your House Fast
For Cash
Any Condition, Any Situation
Call xxx-xxx-xxxx Today**

The signs we buy are 24”w x 18”h, and they cost about \$3/ea., depending on the quantity. You’ll also need to buy the wire stakes, which cost about \$1.50/ea., unless you buy 500 or more.

I would start with putting out 100 signs a week for 8 weeks. Some will get taken up by the local city maintenance crews. You will want to call the city’s building department to see what kinds of rules they have regarding bandit signs. Don’t waste money by putting signs everywhere only to have them taken down by the city, and have the city fine you for violating their rules. Do your due diligence first and call the city and ask them what their policy is.

Internet: This is a whole separate course, but you can use other forms of marketing to direct prospects to your Webpage. Creating the Webpage does involve some minor expense.

For now I’ll give you some of my websites you can check out, but that’s all I’m going to cover in this report; I have other reports you can use to dominate the internet.

www.freeclevelandhomesearch.com
www.clevelandhomeexplorer.com
www.clevelandfixerupper.com
www.clevelandavoidforeclosure.com
www.avoidforeclosurecleveland.com
www.greaterclevelandforeclosure.com

Classified Advertising: Another great way to advertise your company is to place small classified ads online. This used to be a great marketing technique for newspapers and offline magazines. Those methods are very outdated today.

Now the preferred method is to place these ads on free online sites to drive potential sellers into your Websites for a free report or to an 800-number for a free consultation.

Example ads we use look like this:

“Free report shows you 7 ways to stop foreclosure in its tracks”

“Free report shows you how to sell your home NOW for cash, any condition, any situation.”

Now for the more expensive forms of advertising. While they cost significantly more, they will generate more leads and give you instant credibility.

Billboards: Expensive, but a great way to get market exposure and generate leads. Some companies, like Clear Channel, will offer unsold billboards each month at a steep discount.

For billboards and large signs use the same methods we recommend for bandit signs. A direct message with a strong call to action.



Our larger signs and billboards say,

“Sell Your House Fast For Cash Any Condition, Any Situation, Call xxx-xxx-xxxx Today”

For most investors, these forms of advertising don't fit in their budget. I definitely don't recommend using this strategy unless you have the money to test it and the capacity to manage all the phone calls you'll get from the billboards. Every lead is worth something, so you have to answer the phones live when you set up these campaigns. Never ever let the calls go to voice mail. You typically have just one shot at connecting with someone over the phone. Many times a homeowner won't answer your returned call if they have to leave a voice mail.

Cover of White Pages & Yellow Pages: Again, expensive. You are talking about \$5,000 for the year, but getting on the front or back cover of one of these directories means you'll be seen by almost every household in your county. Also, prices may be dropping because so many people are now using the Internet for directory services.

Television: A 30-second spot in your market may not be as expensive as you think because networks are looking to make up for losses in advertising. Again, this is a fantastic way to generate leads.

Spending money on these forms of advertising is great, but only if you have the revenue to support it. You don't want to fall into the trap of creating a business so that it can serve the needs of Clear Channel or another advertising company. Your marketing must benefit you, first and foremost. No one intends to do

this, but many are seduced into thinking that bolder forms of advertising will give them an advantage in the marketplace. It may create more business, but more deals will need to be completed to pay the higher expenses incurred. In addition, leads will come in all forms, many not in pre-foreclosure.

Again, think about what kind of business you want. Do you want to rehab one home a year or one home per month and have several crews to manage at the same time? How you answer that question will influence how much money you spend to bring in leads.

Remember, the number one place to find great deals right now are REOs. You need to find bank-owned properties in your sweet spot and keep an eye on their pricing using a REO buyer's agent.

Outside of REOs, the areas that have generated the best leads for the money are as follows:

- Direct mail using personal letters to homeowners in distress, absentee owners, inheritances, free and clear, and probates. CHEAP!
- Bandits signs in areas that allow it.
- Door knocking and placing door hangers to "the list" in our "sweet spot." Our competition never did this. FREE with sweat equity.
- As our company matured and we had the personnel to handle it, we started marketing our company on larger signs, billboards and TV.
- Obtaining massive amounts of referrals from real estate investors, short sale investors, mortgage brokers, attorneys and even real estate agents. FREE! FREE! FREE!

BUILDING YOUR REFERRAL NETWORK

As a young business, we generated leads through the approaches that were relatively inexpensive: direct mailing, cold calling and door knocking. These took time and money, but they worked.

What we couldn't ignore was that each house we visited that happened to be vacant had a stack of post cards and letters from our competition doing the same thing. Piles and piles of papers. We knew that there had to be a better way. Also, even if we stayed consistent with our marketing, the feast and famine cycle I described earlier made for some tough months.

You need to consider making networking a daily part of your marketing strategy.

Begin with your local Real Estate Investors Association (REIA). Like other investors in our market, we attended REIA meetings, and we networked with many individuals. Each taught us something new about the business and many lead, in some way, to our current success. They are a great place to begin.

The benefits of networking? Simple. Not only did we gain a tremendous number of leads that helped our business grow, but we also developed relationships with great people who ultimately joined our business.

The main purpose of networking is not only to establish multiple sources of leads that are reliable and consistent. The best part is while it may cost a lunch or two up front, in the long term it's cheap. Since most promising businesses die because of a failure to control expenses, obtaining a steady stream of leads through networking will keep your cost per lead much lower than traditional marketing.

Below is a list of potential referral sources:

Attorneys

- Bankruptcy
- Divorce
- Real estate
- General Practice

We will occasionally get referrals from attorneys. They can and do accept referral fees. The strongest potential for good leads lies with bankruptcy and divorce attorneys.

Referrals are infrequent from this group because they are not really in the residential real estate game unless as a hobby. Most real estate attorneys work on commercial real estate. There just aren't many who incorporate residential real estate into their law practices.

Mortgage Brokers

Can be an excellent referral source. Since so many mortgage brokers have put people into houses that they couldn't afford, they often feel some sense of obligation to help distressed homeowners who were once their clients. The first recourse is to an attempt to refinance the home, but with so many homeowners over-leveraged, and with falling house values, refinancing is usually impossible.

Construction Crews

The very nature of their profession creates an environment that allows contractors to fall behind on payments. After all, they can suffer the same feast and famine cycle. If you are working with a contractor, see if that person can act as a "bird dog" for leads with other contractors.

Friends and Family

Keep your GRIP (Gift Referral Incentive Program) flyer and business card handy. Make sure your elevator speech is ready.

Other Investors

Sometimes other investors will buy property that they can't afford to rehab and they're looking for a way out. Also, some experienced investors are effective at building up their inventory but keeping the best projects for themselves. The projects they don't have the time or inclination to do anything with will be properties they will want to sell.

Sellers

When a deal closes and the goodwill of the homeowner is at a peak, always ask for referrals and testimonials. People in foreclosure often know others who are in foreclosure. It happens all the time. Just ask and see who they know.

Realtors

Working with Realtors benefits the investor in two important ways: 1) as a source of leads to problem properties; and 2) as a source for buyers. By building a network of relationships with Realtors, you are also creating the possibility that your pipeline of deals may be filled by enthusiastic individuals who will generate leads and work as a team.

There are three rules to implementing a marketing plan that you need to follow:

1. **Consistency.** Don't send out direct mail and then wait a month or two to do it again. Your goal is to create as many "touches" as possible within a month. Likewise, for any of the strategies listed above, they work best if you give them time to work.
2. **Track your results.** It's important that you identify what forms of marketing are working best.
3. **Monitor and adjust** your approach over time so that you can find the right mix of strategies that will work together to give you the best result.

After working as a real estate investor for several years, you will begin to see that the leads you generate will come from two primary sources: referrals and testimonials. But don't be surprised if the sum of the methods above generates so many leads that you have to scramble to process them all.

To learn how to take the next step, visit www.acceleratedinvestor.com. There you'll learn how to become one of my premiere real estate investing students and watch our business explode, and achieve some things you've dreamed of, thanks to financial freedom. Don't forget to sign up to receive my monthly Accelerated Investor Premiere newsletter.

To your success,

Josh and the SREC TEAM

»»» CASE STUDY: 2093 CONWILL ROAD – STOW, OHIO

This is a rehab property that I purchased with my brother, Mark Cantwell. Mark managed the rehab, doing much of the work himself. This helped keep our costs low, thereby increasing our profits.

1,644 square feet – 3 bedrooms – 2 ½ baths
Full finished basement - .55 acre lot



MLS COMMENTS WHEN LISTED AS AN REO:

Spacious 3 BR Ranch w/ 2 Car Garage. Big, private lot. Huge kitchen. Sunroom. Lots of potential, but will need cash purchase or rehab loan to finance. This is a Fannie Mae HomePath property. Purchase this property for as little as 3% down! This property is approved for HomePath Renovation Mortgage Financing. See Broker remarks for showing instructions.

1. REO listed active on the MLS: 8/27/2010
2. List price: \$68,900 with an REO listing agent
3. Purchase price: \$56,000 on 10/19/2010
4. On the market for 59 days when we closed and bought the house.
5. Listed: 7/7/2011
6. List price: \$133,900
7. Pending sale: 12/6/2011 for 3rd time
8. Closed: 1/5/2012
9. Sold: \$115,500 to an FHA buyer
10. Total rehab costs: \$22,000
11. Sold 3 times!
12. Final profits: \$36,000 - commissions and closing costs
13. Final profit after costs: \$30,000
14. Private lender interest paid: 10% interest paid to 2 private lenders
15. \$65,000 to 1st mortgage lender
16. \$13,000 to 2nd mortgage lender

- Property was staged with couches, pictures and decorations in the kitchen and bathrooms.
- Sold through a real estate agent for a flat fee listing of \$300.
- Marketed on Craigslist, syndicated to other websites

BROKER REMARKS WHEN LISTED AS AN REO: All Agents and Buyers must sign a release waiver due to discoloration, prior to any showings. See other docs. Addendums must accompany all offers. See other docs in Rapattonni, or call office to have faxed. Call John w/ any questions re. Addendum. No investor offers considered for first 15 days on the market.

MLS COMMENTS WHEN IT WAS SOLD AFTER IT WAS REPAIRED: Larger ranch on nice sized private lot in Stow-Munroe Falls Schools! Just one look and you will fall in love. Updates throughout. 3 bedrooms upstairs plus one downstairs. A large 18 x 20 great room with vaulted ceilings and half bath. Beautifully redesigned large kitchen centrally located featuring appliances, tile floor and backsplash, and tons of countertop space. New flooring throughout the house. Large finished basement with full bath plus Florida room with access to the large backyard. Perfect for entertaining, cookouts, and picnics. The front porch and back patio add outdoor living area in the spacious yard. Huge garage with tons of potential. House is neutrally decorated and in move-in condition. Simply unpack and enjoy! Seller flexible.



➤➤➤ CASE STUDY: 4904 S. HAMETOWN ROAD NORTON, OHIO 44203

This is a rehab property that I purchased with my brother, Mark Cantwell. Mark managed the rehab, doing much of the work himself. This helped keep our costs low, thereby increasing our profits.

1,227 square feet – 3 bedrooms – 1 bath

Large basement with shower – 1 acre lot

- Purchased for \$36,000 in September, 2011.
- Purchased with funds from my wife's Sep IRA at Equity Trust.
- Rehabbed for \$23,500.
- Total investment of \$59,500.
- ARV is \$109,900.
- My brother took all the showing appointments and phone calls to explain the improvements.
- Originally listed at \$129,900, with little activity.
- Reduced asking price on Jan. 4, 2012 to \$109,900 and getting one showing per week.
- Staged before relisting.
- Sold for \$110,000 with \$5,000 seller concession = net of \$100,000 after all closing costs.
- Sold through a broker for a \$400 flat listing fee.
- \$40,000 total profit.
- Closing March 12, 2012.
- We had several buyers interested right when we bought the house who wanted to buy it for \$80,000, but no one came forward and wrote a contract.



MLS DESCRIPTION:

- Nice sized ranch in Norton schools!
- Just one look and you will fall in love.
- Updates throughout. 3 nice sized bedrooms.
- A nice, 18x13 living room with large windows. Large kitchen centrally located featuring appliances, tile floor and backsplash, and lots of countertop space. New flooring throughout the house. Large basement with shower.
- Large deck off kitchen with access to the large backyard. Perfect for entertaining, cookouts and picnics. The front porch and side patio add outdoor living area in the spacious yard.
- Attached garage plus a HUGE 3-car detached garage with electric. House is neutrally decorated.
- Unpack and enjoy!
- SELLER FLEXIBLE!

BREAKDOWN OF REHAB COSTS:

- \$3,000 on kitchen
- \$2,000 on windows
- \$6,000 in basement, mold remediation
- \$3,000 on the roof
- \$3,000 on flooring
- \$1,500 on exterior paint and gutters
- \$1,000 on landscaping
- \$1,000 on the bathroom
- \$3,000 on misc. parts and labor

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- Originally listed at \$129,900, with little activity.
- Reduced asking price on Jan. 4, 2012 to \$109,900 and getting one showing per week.
- Staged before relisting.
- Sold for \$110,000 with \$5,000 seller concession = net of \$100,000 after all closing costs.
- Sold through a broker for a \$400 flat listing fee.
- \$40,000 total profit.
- Closing March 12, 2012.
- We had several buyers interested right when we bought the house who wanted to buy it for \$80,000, but no one came forward and wrote a contract.



MLS DESCRIPTION:

- Nice sized ranch in Norton schools!
- Just one look and you will fall in love.
- Updates throughout. 3 nice sized bedrooms.
- A nice, 18x13 living room with large windows. Large kitchen centrally located featuring appliances, tile floor and backsplash, and lots of countertop space. New flooring throughout the house. Large basement with shower.
- Large deck off kitchen with access to the large backyard. Perfect for entertaining, cookouts and picnics. The front porch and side patio add outdoor living area in the spacious yard.
- Attached garage plus a HUGE 3-car detached garage with electric. House is neutrally decorated.
- Unpack and enjoy!
- SELLER FLEXIBLE!

BREAKDOWN OF REHAB COSTS:

- \$3,000 on kitchen
- \$2,000 on windows
- \$6,000 in basement, mold remediation
- \$3,000 on the roof
- \$3,000 on flooring
- \$1,500 on exterior paint and gutters
- \$1,000 on landscaping
- \$1,000 on the bathroom
- \$3,000 on misc. parts and labor