

IMPORTANT

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Q: Wouldn't you like to get the best properties before the public has access to them?

What type of homes do renters want? The most common answer is the same type that buyers want. For whatever reasons, these people are not buyers. They must rent or want to rent, and rental demand keeps rising to prove it. One problem rental property investors have is in locating and negotiating for rent ready homes, often because they're competing against retail buyers.

Do Default Notice Research

You can use county property records to search for properties on which Notices of Default have been filed. In many areas, you can do this online. Check with your local property records or tax office to see how you can find out about these notices. They are the first notice to a homeowner that foreclosure is coming their way because they're late on their mortgage payments.

This is a stressful period for the homeowner, but it's an opportunity for them and the investor. If the numbers work for the amount owed, property value, and equity, you can help them out by buying the home so that they avoid the stigma of a foreclosure. Keep in mind that at the time this notice is filed, unless the property has been listed for sale, there is no advertising out there identifying these homes.

Online Research for Pre-foreclosures

Head on over to Realtytrac.com for comprehensive listings of approaching home auctions, pre-foreclosures, and foreclosures.

<input type="checkbox"/>	 	 BANK AUCTION 1112 Parkway St Baytown, TX 77520	3 Beds 2 Baths 1,252 sqft	\$40,000 (Est. Opening Bid) Auction Date: Bid Now 
--------------------------	--	--	--	---

According to the site detail for this example property listing, it could be purchased for \$55,200, and its market value is approx. \$90,000. Depending on condition and neighborhood, this could be a great rental cash flow opportunity. You can search the site by state and then by the county for properties.

A little legwork and online research can give you an edge in finding properties. There are other online sites that you find in a pre-foreclosure search, and it's worth your time to try several to catch as many opportunities as possible. Then act quickly.

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****DETAILS & RESOURCES****

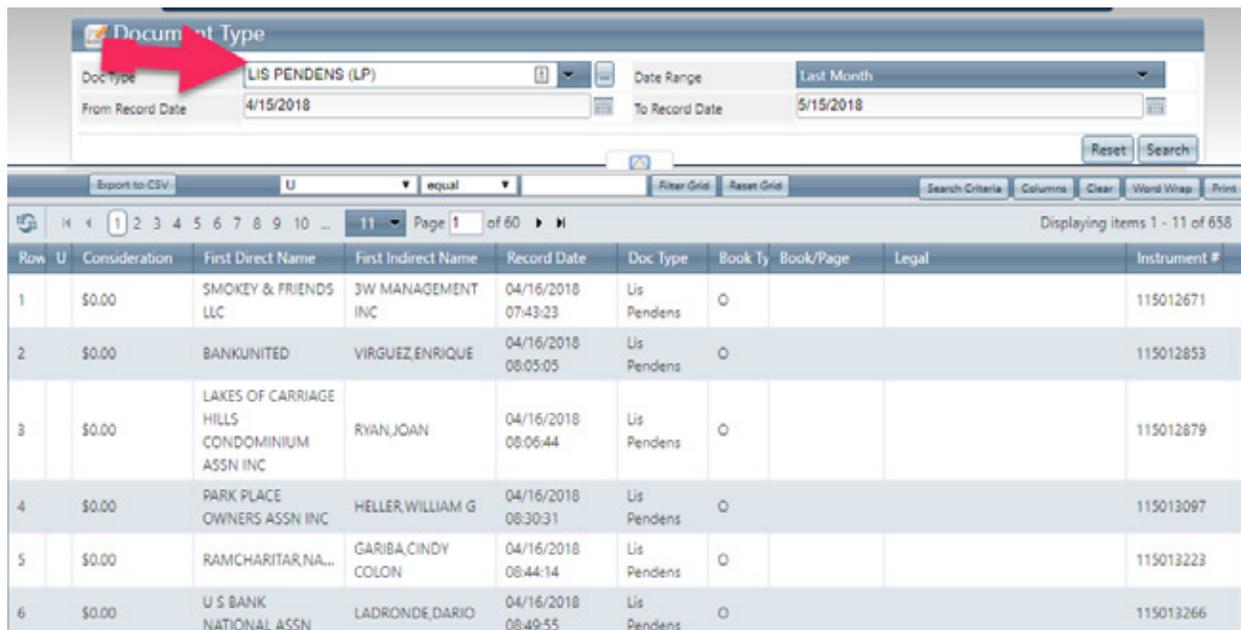
Judicial or Non-judicial State?

There are two basic types of foreclosure processes, and the state where the property is located generally determines which is used. From Auction.com: When mortgage borrowers fail to make their monthly house payments, their property will eventually enter foreclosure. This is a process that allows lenders such as banks or financial institutions to recover the balance of defaulted loans by selling or repossessing the properties.

The process varies from [state to state](#), but generally takes one of two paths: judicial foreclosure or nonjudicial foreclosure. In a judicial foreclosure state, the lender has to file a lawsuit in court in order to foreclose. In a nonjudicial foreclosure state, the lender can foreclose without going through the court system. Either way, the final step in the foreclosure process is a foreclosure sale.

A quick rule of thumb is that in judicial states, home loans are secured by a mortgage, whereas in nonjudicial states, home loans are typically secured by a deed of trust.

In non-judicial states, the homeowner normally receives a Notice of Default when they reach the specified late period for mortgage payments. In judicial states, it is often called a Lis Pendens. Since they're basically the same thing, our example here will be for online record searches in Broward County, FL, a judicial state. We're searching for recent lis pendens filings.



The screenshot shows a search interface for document types. A red arrow points to the 'Doc Type' dropdown menu, which is set to 'LIS PENDENS (LP)'. The search criteria include 'Date Range' set to 'Last Month', 'From Record Date' set to '4/15/2018', and 'To Record Date' set to '5/15/2018'. Below the search criteria is a table with 11 columns: Row, U, Consideration, First Direct Name, First Indirect Name, Record Date, Doc Type, Book Ty, Book/Page, Legal, and Instrument #. The table displays 6 rows of results, all with a 'Doc Type' of 'Lis Pendens' and a 'Record Date' of '04/16/2018'.

Row	U	Consideration	First Direct Name	First Indirect Name	Record Date	Doc Type	Book Ty	Book/Page	Legal	Instrument #
1		\$0.00	SMOKEY & FRIENDS LLC	3W MANAGEMENT INC	04/16/2018 07:43:23	Lis Pendens	O			115012671
2		\$0.00	BANKUNITED	VIRGUEZ, ENRIQUE	04/16/2018 08:05:05	Lis Pendens	O			115012853
3		\$0.00	LAKES OF CARRIAGE HILLS CONDOMINIUM ASSN INC	RYAN, JOAN	04/16/2018 08:06:44	Lis Pendens	O			115012879
4		\$0.00	PARK PLACE OWNERS ASSN INC	HELLER, WILLIAM G	04/16/2018 08:30:31	Lis Pendens	O			115013097
5		\$0.00	RAMCHARITAR, NA...	GARIBA, CINDY COLON	04/16/2018 08:44:14	Lis Pendens	O			115013223
6		\$0.00	U S BANK NATIONAL ASSN	LADRONDE, DARIO	04/16/2018 08:49:55	Lis Pendens	O			115013266

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This is a screenshot of the documents search function for Broward County Court filings. It is free to use to locate records, and this search was for the previous two-week period for Lis Pendens filings.

The screenshot shows the Broward County Official Records website. On the left is a search filter sidebar with fields for Book Type (Official Records), Book/Page, and Instrument # (115013634). The main content area shows search results for instrument 115013634, including the record date (4/16/2018 10:52:16 AM), book type (Official Records), and instrument number (115013634). Below this, it lists the number of pages (2), document type (LP - Lis Pendens), plaintiff (DEUTSCHE BANK NATIONAL TRUST COMPANY), defendant (WILLIAM, BRIAN; WILLIAM, LISA), and case number (CACE-18-008306). The right side of the page shows a document preview for instrument 115013634, page 2 of 2. A red box highlights a legal notice section that reads: "1. YOU ARE HEREBY NOTIFIED of the institution of this action by the Plaintiff against you seeking to foreclose a note and mortgage encumbering the following described real property in Broward County, Florida, in Official Records Book 43098, Page 1166. LOT 11, BLOCK B, OF NORTH SPRINGS COURT, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 143, PAGE 45, OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA. -A/K/A 4632 NW 100TH TERRACE , CORAL SPRINGS, FL 33076". A red arrow points to this highlighted section.

Clicking one of those filing records, you can see the actual scan of the document. In the box is the legal description, and the AKA is Also Known As and the address.

Locate the Mortgage

You then use the website or court records to locate the mortgage (deed of trust in non-judicial states) to see what was borrowed, to begin with and when. This can give you an idea of what's left on the mortgage, though it's not necessary to know that at this point.

You'll want to do a drive-by of the property to see if it's something you or an investor buyer would want so you can do more research, or even contact the owners. The tax records will give you their current address where the tax bills are mailed. What you've done here, and if you do it every week or two, is a quick procedural search to find new default notices filed with the county so you can see if you want to devote more time to research for the property. Keep in mind that many people will find a way to catch up on payments when they receive a notice, or they'll work something out with the lender to modify the loan, so this process is more of an alert than anything else.

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Think of it as at a minimum a chance to get your property research and valuation done earlier than most of the competition. Then, even if you wait for the actual auction, you will already have done your due diligence and can bid with that knowledge. If you wait for the foreclosure listing, the same thing applies. You'll have already decided what the property is worth to you.

Once the foreclosure comes on the market, you can do a quick inspection of the property and make an immediate offer while your competition is just getting started on their research.

RealtyTrac Research

FORECLOSURES	PRE-FORECLOSURES	AUCTIONS	BANK OWNED	FOR SALE	SOLD
 Discover the hottest foreclosure opportunities in your area. Learn more					
<input type="checkbox"/>	<input type="button" value="DOWNLOAD"/>	Sort by: Entered Date (newest first) ▼		10 Per Page ▼	
<input type="checkbox"/>		<p>PRE-FORECLOSURE</p> <p>612 SW 76th Ter North Lauderdale, FL 33068</p>	1,519 sqft	<p>\$240,000 (Estimated Value)</p> <p>Entered On: 5/11/2018</p> <p>Equity/LTV: \$8,000/97%</p>	
<input type="checkbox"/>		<p>PRE-FORECLOSURE</p> <p>2141 NW 26th Ave Fort Lauderdale, FL 33311</p>	3 Beds 2 Baths 1,262 sqft	<p>\$179,000 (Estimated Value)</p> <p>Entered On: 5/11/2018</p> <p>Equity/LTV: \$31,601/82%</p>	
<input type="checkbox"/>		<p>PRE-FORECLOSURE</p> <p>9380 NW 13th St Plantation, FL 33322</p>	2,167 sqft	<p>\$423,000 (Estimated Value)</p> <p>Entered On: 5/11/2018</p> <p>Equity/LTV: \$183,000/57%</p>	
<input type="checkbox"/>		<p>PRE-FORECLOSURE</p> <p>2511 NW 39th Ter Apt 203 Lauderdale Lakes, FL 33311</p>	1 Bed 1 Bath 640 sqft	<p>\$79,000 (Estimated Value)</p> <p>Entered On: 5/11/2018</p> <p>Equity/LTV: -\$25,900/133%</p>	



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Under the pre-foreclosure tab at RealtyTrac and a Broward County, FL search, here are a few of the properties. Notice at the arrows, that the site gives an approximate LTV, loan to value amount. The lower this number, the higher the anticipated equity. Notice also the HOT indicator on one of these. Let's take a look at the details.



2141 NW 26TH AVE
 Fort Lauderdale, FL 33311
 Single Family Residence
 3 Beds, 2 Baths, 1,262 sqft
[Get Your Free Credit Report](#)

PRE-FORECLOSURE (LIS) ⓘ
\$179,000 (Estimated Value)
 Est. Profit: \$31,601 ⓘ
 Est. Mortgage: \$813/mo
[Check interest rates](#)

[GET MORE INFO](#) [SAVE](#) [PRINT](#) [MORE ▾](#)

[Learn more about mortgages from U.S. Bank](#)

Report Highlights		
ⓘ	Foreclosure Status:	Pre-foreclosure as of 5/4/2018 Details ▾
ⓘ	Listing Status:	Pre-market
ⓘ	Loan Details:	1 for \$147,399 Details ▾
HOT	Equity/LTV:	\$31,601/82.35% Details ▾
ⓘ	Occupancy Status:	Owner occupied Details ▾
ⓘ	Property Tax (2017):	\$1,099 (1.26 %) Details ▾
ⓘ	Local Schools:	Below Average (D+) Details ▾
ⓘ	Criminal Sex Offenders:	35 found within 1 mile Details ▾
✓	Drug Labs:	0 found within 1 mile Details ▾
ⓘ	Environmental Risks:	22 found within 1 mile Details ▾

Now we see a lot more detail about the property, including that it is owner-occupied, so hopefully rent-ready as well. The schools aren't very good; we would have to look at the demographic for the likely renter to see if that's a

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problem. At the arrow is the estimated profit if you could get the property for what is owed on the mortgage and sell it for market value. Here's what you see when you click that little circle with the i in it.

\$ \$31,601 Potential Profit!

Buy this property for \$147,399 (the bank's break-even price) and you will have \$31,601 of instant equity.

\$179,000	- \$147,399	= \$31,601
ESTIMATED VALUE	OUTSTANDING LOAN AMOUNT	EQUITY

This is a nice profit if you can pull it off, but the potential rental value is probably most important, whether you're flipping or buying for your own rental portfolio. This one may not be that good. The one under it in the original list, if you have the cash, may be a better investment for long term rental.



PRE-FORECLOSURE
9380 NW 13th St
Plantation, FL 33322

2,167 sqft

\$423,000 (Estimated Value)
Entered On: 5/11/2018
Equity/LTV: \$183,000/57%



This one has an even better LTV, so you'd be locking in some nice equity profit at the closing table. If it also is one that can rent well, it could be better than buying two homes at half the price each.

Let's take a look at the details and expected profit.

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9380 NW 13TH ST
 Plantation, FL 33322
 Single Family Residence
 -- Beds, -- Baths, 2,167 sqft
[Get Your Free Credit Report](#)

PRE-FORECLOSURE (LIS) ⓘ
\$423,000 (Estimated Value)
 Est. Profit: \$183,000 ⓘ
 Est. Mortgage: \$1,921/mo
[Check interest rates](#)

[GET MORE INFO](#) [SAVE](#) [PRINT](#) [MORE ▾](#)

[Learn more about mortgages from U.S. Bank](#)

Report Highlights		
ⓘ	Foreclosure Status:	Pre-foreclosure as of 5/4/2018 Details ▾
ⓘ	Listing Status:	Pre-market
ⓘ	Loan Details:	2 for \$240,000 Details ▾
ⓘ	Equity/LTV:	\$183,000/56.74% Details ▾
ⓘ	Occupancy Status:	Owner occupied Details ▾
ⓘ	Property Tax (2017):	\$4,122 (1.72 %) Details ▾
⚠	Local Schools:	Above average (B-) Details ▾
⚠	Crime Rate:	Moderate (B) Details ▾
❗	Criminal Sex Offenders:	4 found within 1 mile Details ▾
✅	Drug Labs:	0 found within 1 mile Details ▾

We see better schools, and it is owner-occupied. In the details, we can also see that there are two loans against the property, and click on the Details link we can see the details of those loans as well as a lot more about the property. As for the loans:

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Open Loans

2 LOANS	\$240,000 TOTAL LOAN AMOUNT
-------------------	---------------------------------------

The total amount of the loans on a home can help determine the homeowner's equity. This is very useful when making an offer.

Position	Amount	Date	Est. Interest Rate	Type	Originator
1	\$215,000	05/09/2005	0%	NA	
2	\$25,000	05/21/2007	0%	HELOC	

There's a lot more to see about the home in the Details section, including:

Property Details

This single family residence is located at 9380 NW 13th St, Plantation, FL 33322. It has approximately 2,167 sq ft of living space. This property is currently in pre-foreclosure with an estimated market value of \$423,000.

- Single Family Residence
- Home Size: 2,167 sqft
- Lot Size: 12,571 sqft
- Built in: 1978
- Parcel Number: 494132060410
- RealtyTrac Property ID: 90779308
- County: Broward
- Subdivision: JACARANDA LAKES SEC 2 95-39 B
- Census: 2
- Tract: 60504
- Lot: 18
- Zoning: RS-3G
- Legal: JACARANDA LAKES SEC 2 95-39 B LOT 18 BLK 7

\$
\$183,000
Potential Profit!
X

Buy this property for \$240,000 (the bank's break-even price) and you will have \$183,000 of instant equity.

\$423,000
-
\$240,000
=
\$183,000

ESTIMATED VALUE
OUTSTANDING LOAN AMOUNT
EQUITY

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FORECLOSURES PRE-FORECLOSURES **AUCTIONS** BANK OWNED FOR SALE SOLD

INCLUDE Trustee Sales Bank Auctions

HOT Discover the hottest foreclosure opportunities in your area. [Learn more](#)

DOWNLOAD Sort by: Featured 10 Per Page

BANK AUCTIONS **BANK AUCTION** 3 Beds **\$164,000** (Est. Opening Bid)
 2 Baths Auction Date: Bid Now
 1,718 sqft

BANK AUCTIONS **BANK AUCTION** 3 Beds **\$134,000** (Est. Opening Bid)
 2 Baths Auction Date: Bid Now
 1,480 sqft

BANK AUCTIONS **BANK AUCTION** 2 Beds **\$142,000** (Est. Opening Bid)
 3 Baths Auction Date: Bid Now
 1,205 sqft

Checking the auctions tab on the site, there are plenty of listing choices. However, let's concentrate on the one in the green box.



00 : 23 : 31 : 12
DAY : HOUR : MIN : SEC

\$165,000 (View All Bids)
Current Highest Bid

Reserve Met: No (i) Financing Considered: (i)

Note: The seller may choose to negotiate with bidders even if reserve isn't met.

Next Bid

-\$166,000 +

Place Bid

[Learn about dynamic bidding](#)

Property ID: 000380394232 MLS ID: 410482080

Views: 2074

Features

- 3 Beds
- Condo/Apartment
- Subdivision: NOVA HILLS NORTH CONDO
- 2 Full Baths
- Built in 1977
- 1 Floor
- Size: 1,480 Sq. Ft.
- County: BROWARD

Swimming Pool Air Conditioning Tennis Court
 Heating

Property Fees

Buyer's Premium: Greater of 8.0% of bid amount, or \$1,000

BUYER Pays at Close (i)

Earnest Money: Lesser of 3.0% of bid amount, or \$15,000

BUYER Pays at Bid Approval (i)

Bids must be submitted through this site. Email and fax bids will not be considered.

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On the details page, we can find out a lot more about the property, and we can see the current bid at the top right and the time left to bid. Also on the details page, we see that the estimated current market value is \$223,000. And there is even a rents estimate based on 60 comparable listings within a 1-mile radius:

Rental Estimate		
Low Rent \$955/mo	Median Rent \$1,800/mo	High Rent \$2,029/mo
Avg. Sqft. 1,746	Avg. \$/Sqft. \$1.1	

There is a ton of information on the site, and you can do your due diligence by visiting the property as well. This one is a condo, so lists a swimming pool as one of the amenities. It could be a great rental property.

Other Sites – Other Opportunities

You’ve seen from the examples that a great deal of the legwork was done at a computer, not at the courthouse, though if you’re going to bid seriously, you may want to check the county site for other liens. Even buying this one at \$170,000 for a winning bid, that’s \$53,000 in equity at the closing table, and it looks like a great rental opportunity.

There are other sites besides RealtyTrac. You can’t do too much online research, so check out everything you can.

1. [Search The Nations Largest | Free Foreclosure Listing Site | usahud.com](http://www.usahud.com)

[Ad www.usahud.com/](http://www.usahud.com)

We offer HUD **Homes**, Bank **Foreclosures**, Conventional **Listings**, Come Search Today! Free Search. Below Market Prices. Refinance Your Mortgage. Prequalify For Govt Loans. Credit Repair.

Search Results

[Foreclosure Listings - Foreclosures for Sale & Bank Owned Homes](http://www.foreclosurelistings.com)

<https://www.foreclosurelistings.com/>

Nationwide **listings of foreclosures**, preforeclosures, bank **foreclosures and** government **foreclosures**. We update our **listings daily with new homes**. SAVE NOW!

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Q: How do you purchase real estate at all-time low prices before they are bid up by hundreds of investors?

The key to catching deals earlier than the competition is often just knowing where to look and keeping an active eye on new listings that pop up. Some of the best deals out there come from government agencies and from the entities that guarantee loans. Some of these sites have a huge volume of homes for sale, while others have limited numbers, but the opportunity to pick up a great bargain is worth watching these sites. Some will also let you register for notices of new listings.

HUD.gov – The Department of Housing and Urban Development has a site at <http://hudhomestore.com> dedicated to selling mostly foreclosed and pre-foreclosure homes.

Fannie Mae – Fannie Mae is one of the top two guarantors of loans, so there are a large number of their foreclosures for sale at <http://Homepath.com>.

Freddie Mac – Freddie Mac is the other major home loan guarantor, and they sell homes across the country at <http://HomeSteps.com>.

FDIC – At <https://www.fdic.gov/buying/owned/> the Federal Deposit Insurance Corporation sells homes in the agency's possession through foreclosure or seizure. There aren't many, but one example in FL is a 4316 sq ft, 5 BR 4 BA home for sale for \$199,900.

IRS.gov – At https://www.treasury.gov/auctions/irs/cat_Real7.htm, the IRS sells homes seized for failure to pay taxes. There are generally no minimum bids on most of these government sites, though there will be starting bids, and they can reject any bids they want.

USDA.gov – It is a well-kept secret that the USDA guarantees loans across the country, and not just in rural areas. At <https://properties.sc.egov.usda.gov/resales/> they sell their foreclosures.

US Customs – This division of the Treasury Department sells seized properties at <https://www.treasury.gov/auctions/treasury/rp/>.

US Marshals Service – Though most of the listings here are vehicles and airplanes, there are houses listed from time to time at https://www.usmarshals.gov/assets/sales.htm#real_estate.

Watch these sites to get the jump on the competition for bargain real estate prices.

DETAILS & RESOURCES

HUD Foreclosures

Search Properties Recent Listings (5) Recent Searches (4)

*State: TX County: Harris City: Zip Code: Street: Price From: - To: Bedrooms: Any Bathrooms: Any

Buyer Type: All Status: All Property Case #: Search Clear

Advanced Search

*Required field, except if Property Case # or Zip Code is entered

Search Results for HUD Homes in Harris County, TX

8 listings found List Gallery Save Search Email Search View Map Export to Display: 10

Property Case	Address	Price	Status	Bed	Bath	Listing Period	Bid Open Date	Details
491-357008	401 Gail Cir Marshall, TX, 75672 Harrison County	\$68,800	↓	3	1.10	Extended	05/16/2018	View Street Map it Email Info Save
493-727414	14802 Jewel Meadow Dr Houston, TX, 77053 Harris County	\$131,400		3	2.10	Extended	05/16/2018	View Street Map it Email Info Save
493-744406	2211 Foley Rd Crosby, TX, 77532 Harris County	\$135,000	↓	4	3.00	Extended	05/16/2018	View Street Map it Email Info Save

This search at the HUD site is in Harris County, TX, Houston, TX area. Taking the first on the list, here are the details:

Property Info Amenities Addendums Maps Agent Info

Property Information

Address: 401 Gail Cir
Marshall, TX, 75672
Harrison County

Bed/Bath: 3/1.10

Total Rooms: 6

Square Feet: 1786

Year: 1955

Housing Type: Single Family Home

Number of Stories: 1

HOA Fees: \$0.00

Revitalization Area: No

Lot Size: 16371.00 sq ft

Listing Information

List Date: 05/08/2018

Listing Period: Extended

Period Deadline: 9/19/2018 11:59:59 PM CT

List Price: \$68,800.00

FHA Financing: IE (Insured Escrow) *

203K Eligible: Yes *

*Subject to an FHA appraisal
Buyer selects Closing Agent/Firm.

You'll have to do more research on these listings, as HUD isn't going to give you an estimate of value. This home could be a good buy for a rental, but you'll need to do the rental and value due diligence. You will find great deals here from time to time.

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Fannie Mae Foreclosures

HomePath.com
by Fannie Mae

HOMEBUYERS REAL ESTATE PROFESSIONALS INVESTORS

harris county tx Price Min Max Any Beds Any Baths Prop

Address	Location	Type	Status	Price	Beds	Baths
23023 Cany...	Spring, TX	Single Family	Just Listed	\$105,000	3	2
10006 West...	Houston, ...	Single Family	Just Listed	\$319,900	3	2
18011 Falco...	Humble, TX	Single Family	Active	\$194,500	3	3

As with the HUD site, you will have to do your own value research, but you do get a rental estimate in the detail section for each listing. From the top listing at \$105,000:

County Detail Links

County Appraiser Site : [Click Here](#) County Site : [Click Here](#)
 Tax Appraiser Site : [Click Here](#)

Rent Info

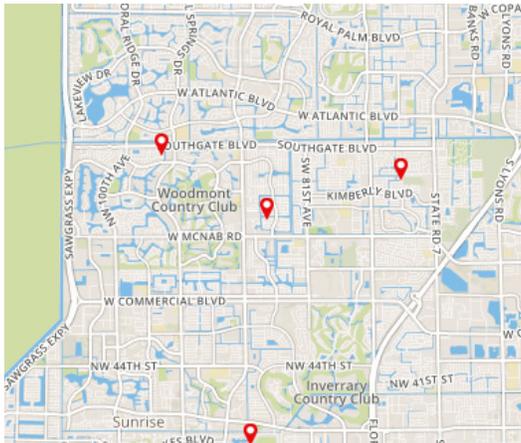
Low Rent	Median Rent	High Rent
\$1,150/mo	\$1,295/mo	\$1,450/mo
Avg. Sqft. 1,760	Avg. \$/Sqft/ \$0.76	See more

This could be a good buy after more research. Notice that you get links to the tax assessor site so you can at least see the tax valuation, though that rarely equates to true market value; usually lower.

The list price of \$105,000 is just that, a list price. You can make an offer at any time, and do it online at this site.

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Freddie Mac Foreclosures



	<p>8113 Nw 91st Ave Tamarac, FL 33321</p> <p>2 beds, 1 bath, 1073 sq. ft. Single-Family</p>	<p>\$179,900</p> <p>Map it</p>
	<p>7116 Nw 73rd St Tamarac, FL 33321</p> <p>2 beds, 1 bath, 864 sq. ft. Single-Family</p>	<p>\$119,900</p> <p>Map it</p>

This is the search results area on the Freddie Mac site, and the results for residential properties in Broward County, FL. Taking the \$119,000 listing:

7116 Nw 73rd St **\$119,900**
Tamarac, FL 33321 Status: **Active**
 2 Beds 1 Bath 864 sq. ft. Single-Family First Look: **No**
 Property ID: 1200532

Photos (6) [Street View](#) [Map View](#)



The detail page tells you a lot about the property, usually enough to decide if you want to do more research. Again, the list price is open for bids. There wasn't a rent estimate, so that is research you'll need to do. However, if you can find this home on RealtyTrac, you can get that information there.

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Single Family Housing

Louisiana 11 Properties

ALLEN County

	Address	Bed/Bath	Govt Bid
	1204 Benard Street Kinder, LA 70648	3/1.5	\$19,000.00
	View Property Details		Foreclosure Sale

CATAHOULA County

	Address	Bed/Bath	Govt Bid
	1202 Cora Drive Jonesville, LA 71343	3/1	\$29,000.00
	View Property Details		Foreclosure Sale

EAST CARROLL County

	Address	Bed/Bath	Govt Bid
	1323 Schneider Lane Lake Providence, LA 71254	3/2	\$41,000.00
	View Property Details		Foreclosure Sale

The USDA doesn't guarantee nearly as many loans as the other big agencies, but they do often do direct loans as well, and not all in rural areas. This is the result of a search on the state of Louisiana, just 11 results. However, the bottom listing could be a good rental investment.

Single Family Housing

LOUISIANA - EAST CARROLL COUNTY Property ID 36675314



1323 Schneider Lane
Lake Providence, LA 71254
[View USDA/Rural Development Servicing Office Location](#)

Property Details

Style:	Ranch-Frame
Beds:	3
Baths:	2
Nbr Rooms:	5
Living Area:	1360 sq ft
Basement:	Slab
Garage:	N/A
Foundation:	Slab
Age:	50
Heating:	Forced Air
Cooling:	Central Air
Water:	Community
Sewage:	Sewer
Lot Size:	15924

This is the detail for the listing, not a lot of information, so your due diligence on these properties will be more work.

However, you're probably going to have little or no competition, so you could pick up some really nice deals at bargain basement prices at this site.

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[IRS.gov](https://www.irs.gov)

Date: 6/20/2018
Time: 12:00 PM

Bidder Registration Time: 11:30 AM

Sale Location: *Property Location - 4201 Brookview Dr. SE, Atlanta, GA 30339*

Title Offered: Only the right, title and interest of the Taxpayer in and to the property will be offered for sale. If requested, the Internal Revenue Service will furnish information about possible encumbrances, which may be useful in determining the value of the interest being sold.

Description of Property: Single Family Residence - 3 bedroom, 2 bathroom, 3,465 sq ft (2,175 sq ft living area with 870 sq ft basement and 420 sq ft garage), built in 1968

Property May Be Inspected at: Drive-By Only

Legal Description: Parcel No. 17-0838-0-017-0
Single Family Residence situated on 1.09 acre more commonly known as 4201 Brookview Dr. SE, Atlanta, GA 30339

Minimum Bid: \$45,000.00



Street View of House
Top of the Page



Sloping Backyard From a Patio Next to Sunroom
Top of the Page



Sunroom Off of Back of House
Top of the Page



These are some of the photos. There isn't a lot of detail in the listings, but the IRS does tell you in some cases that there are no other liens, and in other cases, you'll be told whether you should check on your own for possible liens.

This home is listed as in an upscale neighborhood in Atlanta, GA, and the photos seem to present it well. At \$45,000 for a minimum bid, it could be a steal of a deal, especially if you're into fix & flip.

It is on one acre, but you can't go into the property, so there are condition risks you'll be taking. However, in looking at the total of more than 3,400 square feet including the basement, this could be a monster of a fix & flip profit project.

You could also fix it up and have a great rental home with huge cash flow

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FDIC.gov, Federal Deposit Insurance Corporation

Property Listings

Found 13 properties

Export List To Excel

Sort By... SFR W/...

	Single Family \$96,000 54 Dunn Ln Pennsville, NJ 08070 SFR 4 BED 2 BATH 1734 SQ FT
	Single Family \$99,000 5733 Willow Terr Dr Bethel Park, PA 15102 5 BED 1.1 BATH
	Single Family \$110,000 2006 SW 13th St Oklahoma City, OK 73108 SFR with squatters

This is another site with low listing volume, but it also can deliver awesome potential, especially when your competition is probably not checking it. Taking the third listing marked as Pre-Market in Oklahoma City, OK:

Property Details

2006 SW 13th St
Oklahoma City, OK 73108
County: Oklahoma

Property Information
Single Family Residence (1-4)
Status: Pre Market
Improvement Size (sq. ft.): 0
Land Size (acre or sq. ft.): 0
Latitude/Longitude: 35.45153300,-97.55064000

Description
SFR with squatters

\$110,000
FDIC Asset #4241000001

Get Notifications
Receive email alerts when changes occur to the property

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This is another site where you'll have to do a lot of your own research, but again, it isn't one many of your investor competitors will be following.

Property Listings

Found 13 properties



Export List to Excel

Sort By...

	Single Family \$13,750 593C Baxter Rd Se Calhoun, GA 30701 3 BED 1 BATH SFR
	Single Family \$31,900 108 N Spruce Street Patoka, IL 62875 4 BED/ 2 BATH 2,072 SF MOBILE ...

As this screenshot shows, these properties do sell, and these two look like fixer-uppers, but at these prices, there's a lot of room for repairs.

Some of these are mobile homes, and they may be deals for retail buyers looking for an inexpensive home. There is no way to know what may turn up at this site. It requires keeping tabs.

Email Updates

Thank you for your interest in the FDIC's subscription service. This system lets you sign up for many different alerts, including news releases, Financial Institution Letters, statistical publications and others. To sign up for the FDIC alerts, or to access your current user profile, please enter your e-mail address below. If this is your first time accessing the system, you will be asked to set a few e-mail options before viewing a list of subjects to subscribe.

Subscription Type

Email Address *

Your contact information is used to deliver requested updates or to access your subscriber preferences.

There is a place to sign up for email updates from the site, but it doesn't make it clear if new listings will be part of the service.

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[US Customs at Treasury.gov](https://www.treasury.gov)

RESIDENTIAL DUPLEX: 3302 Chestnut Avenue, Newport News, Virginia 23607
AUCTION DATE: Tuesday, May 22, 2018

1,601 ± sq. ft. vacant residential duplex. Both units have 3 bedrooms, 1 bath, and deck
The property is located in the City of Newport News. Sale # 18-66-155.

For complete details on this property click on the photo or [CLICK HERE](#)



TOWNHOUSE: 7066 Brookview Creek, Riverdale, Georgia 30274
ONLINE AUCTION DATE: Wednesday, May 23, 2018

1,465 ± sq. ft. townhouse with 4 bedrooms, 3 baths, laundry, fireplace, patio and driveway.
Property will be sold with the tenant in place. Sale # 18-66-849.

For complete details on this property click on the photo or [CLICK HERE](#)



SINGLE FAMILY HOME: 745 Calle 7 Urb Vista Verde, Aguadilla, Puerto Rico 00603
ONLINE AUCTION DATE: Thursday, May 24, 2018

873 ± sq. ft. home with 2 bedrooms, 2 baths, utility rooms, patio, and 1-car garage.
The property includes an unfinished structure and fencing. Sale # 18-66-181.

For complete details on this property click on the photo or [CLICK HERE](#)



These are homes seized by US Customs, and though there aren't a lot of them, there can be some really good deals here if one is in your investment market area. Taking the one in the box, there are some interesting information items in this listing.

- \$5,000 minimum starting bid
- 1,465 sq ft, 4 bedrooms, 3 bath
- Riverdale, GA location
- Tenant in place with \$850/month rental income

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TOWNHOUSE

7066 Brookview Creek, Riverdale, Georgia 30274

ONLINE AUCTION

Online Auction Starts: Wednesday, May 23, 2018 at 10:00 a.m. ET

Online Auction Ends: Wednesday, May 23, 2018 at 2:00 p.m. ET

Register to Bid: Follow the 3-step registration process below

Open House Dates: Sunday, May 13 and 20, 1:00-4:00 p.m.

Deposit: \$5,000 cashier's check payable to CWS Marketing Group, Inc.

Download the **Bid Deposit Form** and mail with your deposit to qualify to bid.

Starting Bid: \$5,000

Cashier's checks made payable to bidder's name CANNOT be accepted



Utilities: Electricity, Gas, Water, Sewer

Parcel No: 130171BB059

2016 County Taxes: \$926.85 ±

Zoning: RM/Single Family Residential

Living Space: 1,465 ± sq. ft.

County: Clayton

Year Built: 2004

HOA Dues: \$58.00 a month

Sale Number: 18-66-849

TOWNHOUSE Per the stated Terms of Sale, this property is sold AS IS WHERE IS WITH ALL FAULTS. 1,465 ± sq. ft. end-unit townhouse with 4 bedrooms, 3 baths, kitchen with breakfast area, living room with fireplace, 2nd floor laundry, patio with attached storage shed, and 1-car driveway. It is located in the Brookview Village community and the HOA dues are \$58 a month. **Note:** The property will be sold with a tenant in place with a rental income of \$850 a month. **Click here to download the lease for this property.**

There is a 3-step registration process to bid on this property:

1. Create an account with **CWS** and validate with credit card info (only required once).
 2. Visit auctions.cwsmarketing.com and click on "Register to bid" next to auction.
 3. Download the **Bid Deposit Form** and mail with your deposit check.
- Form and check due no later than 5pm the last business day before the auction.**

Click here to download the flyer for this property nd.

To view or print the PDF content on this page, download the free Adobe® Acrobat® Reader®
You are leaving the U.S. Department of the Treasury public web site.

There is a link to the lease.

of Tenant.

2. **Lease Terms:** The Lease shall be for a term of 12 months; commencing on June 4th 2017, and ending on June 4th 2018 at 11:59 P.M. The Lease shall automatically renew and continue after the end of the Lease Term for a term of one year and shall renew annually from year to year until either party gives written notice to terminate the Lease, postmarked not less than 30 days prior to the automatic renewal date, which shall be the same annual date as the ending date of the Lease Term above. The rent may be increased at this time.

3. **Security Deposit:** Tenant has delivered in the amount of \$ 1,700.00 to Home Owner in certified funds or money order to Home Owner, upon the signing and execution of this Lease as the Security Deposit hereunder in **refundable**, receipt of which shall be acknowledged by Landlord or Landlord's attorney in writing.

4. **Rent:** Tenant shall pay rent, without demand or offset, in the amount of \$ 850.00 per month on the 1st of each and every month throughout the term of this Lease; payable to Landlord, **Synergy Properties, P . O . BOX 960181, Riverdale, GA 30296.**

This auction was being held in May 2018, so the lease is about to run out, possibly giving the new owner an opportunity to increase the rent.

The good news is that you can work your way back from the rent, run some price and expense scenarios, and you can determine what your top bid could be for an acceptable investment.

Or, assuming that there hasn't been any notice of intent to move, you could keep this tenant in place. There are options here and an immediate income. This isn't the kind of deal you stumble upon often.

It is off the beat sites like these that can deliver some of the best deals you'll find, and they can do it with less competition as well.

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Q: How do you generate additional cash flow month after month?

This question is best answered with a comparison of building wealth in a stock market account versus rental real estate. Whether you have this much in a retirement account right now or you need to build for a first down payment, assume an account balance of around \$60,000.

You have this in a retirement IRA or 401k, and you're adding \$200/month, the extra cash you have each month to invest. At 6% compounded annually, you'd have just over \$200,000 in this account in 15 years. If you are in retirement, this will contribute around \$833/month pre-tax to your living income.

Buy a Rental Home

Instead, take half of your current balance plus a little in closing costs and buy a \$150,000 rental home with \$30,000 for the down payment. In many markets, you'll be able to rent the home out for around \$1,200/month. You've financed \$120,000, being conservative and using 5% for the mortgage rate, your payment, with \$200/month for insurance, taxes, and repairs would be around \$844/month.

$\$1,200 - \$844 = \$356$ /month in cash flow into the account. Now, instead of growing your money with a \$200/month contribution, you're adding \$556/month to the account. True, you're back at \$30,000 cash balance, so that would build in this example to around \$100,000, and would contribute \$417/month to your living income if retiring.

However, you still have that \$356/month, probably grown over time very conservatively to \$480/month with inflation from the house rents. So, $\$417 + \480 is \$897/month, not much better than that \$844/month from an all-cash account. However, you're not going to stop with one house.

Take that \$556/month and every five years you have enough money to put a down payment on another rental home with it. You'll end up with three more homes when you hit that retirement in 15 years. Now, just using our numbers here, you're taking in four rents with positive cash flow of approximately \$356 each, for \$1,424/month. You're now better off by almost \$600/month than if you'd let your cash and stocks accumulate without real estate.

In this example, there was no other borrowing other than the mortgages, as the down payments came from cash flow. What if, with paying down the mortgages and value appreciation, you could have added a couple more houses borrowing against your equity?

There simply is no better way to begin to build cash flow every month, growing over time, and creating the retirement lifestyle you want.

****DETAILS & RESOURCES****

How to Value a Rental Home Investment – The Property

Before you start to do the calculations that determine if the numbers work for good cash flow and instant equity at the closing table, you should evaluate the property for rental suitability. If you want to hold a rental home for years with low turnover, high cash flow, and appreciation potential, it should meet a specific set of criteria.

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Neighborhood

There are several things to look at when it comes to location. Rental or not, the better neighborhoods in demand are best. You can also check the appreciation history for an area over time, as some areas just do better than others. Are there a lot of rental homes in that area, or is there scarcity, the better situation?

The Prospective Tenant

Related to the neighborhood, the people you expect to be your tenants should be carefully matched to the neighborhood and homes characteristics. If your tenant pool is mostly young professionals or technology people, then you want to check out neighborhoods with easy access to the places where they'll work. They also are likely to be either single or young couples who haven't started a family yet. Smaller homes with newer features will probably rent better.

If families are your primary tenant pool, then more bedrooms and nice yards are a plus. Also, easy access, probably walking or biking access, to parks or green belts is a major plus. Homes in low crime areas with good schools will also rent better and retain tenants longer.

Home Condition

This is more of an economic factor, as the tenant knows you'll pay for repairs. Older homes may have deferred maintenance issues. If the major appliances and comfort systems are more than 8 years old, you'll be dealing with replacing them soon. The same goes for the roof.

All of these are important considerations because you're investing long-term in a home and you want to keep your vacancy losses low, so keeping tenants longer is important. You'll also cut your vacant time between tenants and lower your advertising costs with homes that are in demand and in areas that are popular with both buyers and renters.

How to Value a Rental Home Investment – The Calculations

These are the numbers, the calculations that determine the investment potential and your expected ROI, return on investment, both immediate and over the holding period. You may not use them all, or you may consider some not as important as others, but you should know the basics of each.

Rental Home Investment Calculations						
Property Info						
Address: _____			Type: _____			
Purchase Price ---->		\$0				OPERATION COSTS: Annual Cost
Down Payment ---->		\$0				
Other Acq. Costs -->		\$0				Management \$0
Cash In >		\$0				Accounting \$0
Calculations						
INCOME FROM OPERATIONS:		Potential			Annual	
# of Units	Mnthly Rent	Annual	Occup %	Income		
0	\$ -	\$ -	100	\$0		Repairs
0	\$ -	\$ -	100	\$0		Maintenance \$0
0	\$ -	\$ -	100	\$0		Insurance \$0
\$ -	\$ -	\$ -	100	\$0		Janitorial \$0
\$ -	\$ -	\$ -	100	\$0		Supplies \$0
\$ -	\$ -	\$ -	100	\$0		Prop/op taxes \$0
\$ -	\$ -	\$ -	100	\$0		Other \$0
						\$0
						\$0
<u>Vacancy & credit loss % as whole #, will convert to % --></u>						0
						\$0
<u>Gross Potential Income -----></u>						\$0
						\$0
<u>Gross Operating Income -----></u>						\$0
						Total Operating Exp ----> \$0
<u>Gross Rent Multiplier or GRM -----></u>						#DIV/0!
						Net Operating Income -> \$0
<u>Cash Flow Before Taxes (CFBT)</u>						Capitalization Rate -> #DIV/0!
Net Operating Income ->						\$0
Enter Debt Service ---->						\$0
Capital Expenditures -->						0
Loan Proceeds In ---->						0
Interest Earned In ---->						0
						Cash Flow After Taxes (CFAT) -----> \$0
						Break-Even Ratio --> #DIV/0!
						Return on Equity Year One -----> #DIV/0!
CFBT ----->						\$0
** Note You fill in yellow areas Blue/green areas are calculated for you						
Linked text takes you to an online article explaining the calculation.						

This is a spreadsheet you can [download from this link](#) and use. When you fill in the data you know, this sheet will calculate the variables. The links for the various calculation explanations in the sheet will take you to more detailed explanations. Here, we'll go through a brief overview of each of them.

Vacancy & Credit Loss

If you're buying a property that is already in rental service, the seller may be able to give you this number, but it's not common. It is an estimate of the loss you'll realize during periods the property is vacant, as well as the money

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you'll lose for non-payment of rent. The actual number for a current rental is the best scenario. Next would be an average number of local rental properties.

You're not going to be able to call landlords and ask this, but you could call a local property management company. You may have to let them assume you're checking them out to manage your property, but this is business. You can tell them that you're evaluating a rental home and need to know the number they use for estimating vacancy and credit loss. If they don't know what you're talking about, try another company.

The last resort is to estimate a number. [This report has national data](#) for a vacancy in single-family homes, and a lot more data as well if you're into digging into the numbers. Here is one item in the report for vacancy:

Vacancy

SFR (Single Family Rental) vacancy is forecast to end 2017 at 5.1 percent, down 120 basis points annually.

That's as good a place to start as any. Now you can take a guess at how much you may lose to non-payment of rent. This varies widely, from almost nothing to a lot, depending on your tenant selection and vetting. Some reports put the combination of both, Vacancy and Credit Loss at around 7% on average, so you could just use this number to start with until you develop your own history.

This number is expressed as a percentage of Gross Potential Income, which we'll explain next. You're taking what you expect to rent the property for, multiplying the monthly by 12 months, and that's your rent before vacancy and credit loss.

Gross Potential Income, GPI

You've done your market research, called around like a tenant, found out what homes like your subject property are renting for, and you've come up with a number you expect for monthly rent you can charge. Let's use for our example a monthly rent of \$1,200. You expect that rent, and you hope for 100% occupancy forever. Being a realist, you don't expect that to be the case, but this first number is your Gross Potential Income or GPI.

$$GPI = \text{Gross monthly rent} \times 12$$

$$GPI = \$1,200 \times 12 = \$14,400$$

This one is easy, and you'd love to see it be the case every year, but now for the next one.

Gross Operating Income, GOI

This is the income we expect to have to operate and manage our rental, hopefully for a nice monthly positive cash flow profit. It is also a simple calculation, with only one item subtracted from the GOI.

$$GOI = GPI - \text{Vacancy and Credit Loss}$$

Keeping with our example house, and using a conservative (we think it's too high) 7%, we simply use these two numbers in our calculation.

$$GOI - GPI - \text{Vacancy and Credit Loss}$$

$$GOI = \$14,400 - \$1008 (7\%, \text{ or } \times .07)$$

$$GOI = \$13,392$$

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Of course, we're assuming less than 7% in losses for vacancy and credit loss, but we have to start with an estimate without a history to go by. If there were no credit losses in this example, this amount would be around 25 days of vacancy and no rental income. If you're setting up a good lease and requiring notice, you should have another tenant ready and only have the time involved to get the property ready between tenants. Also, if you keep tenants for more than one lease period, you're ahead of the game.

Gross Rent Multiplier, GRM

This is one you may not use, but you should know about for the future. GRM is a quick analysis tool used mostly by multifamily and commercial real estate investors. It is the value/price of a property divided by the GPI.

$$GRM = Value/Price / GPI$$

Let's say that you're considering buying our example rental home for \$150,000, so the calculation looks like this:

$$GRM = \$150,000 / \$14,400 = 10.4$$

The investors who use GRM are looking at many properties and trying to get to a short list before they spend a lot of time in more detailed research. They get the approximate numbers for recent sales or existing homes they can value, and they take prevailing rents for comparison purposes. For example, if single-family homes like your subject property and about the same value have these GPI numbers based on advertisements for rent, we can make a value comparison:

- Property A = Sold for \$130,000 with GPI of \$11,800
- Property B = Current market value \$175,000, GPI average \$13,900
- Property C = Listed for \$160,000 advertising GPI of \$15,900

We're trying to see if our subject property is worth the \$200,000 we expect to pay for it based on the current listing price and some negotiation, so:

- Property A GRM = \$130,000 / \$11,800 = 11.0, priced at 11 times rents
- Property B GRM = \$175,000 / \$13,900 = 12.6, priced at 12.6 times rents
- Property C GRM = \$160,000 / \$15,900 = 10.1, priced at 10.1 times rents

You should get a hint by now that we're not looking for higher numbers. Instead we want a lower number. We're looking at value/price based on how much it takes in rents to pay for it. So, properties A and B could be overpriced, or at least not bargains compared to Property C. It only takes 10.1 times rents to buy it. As for as our example home, it's about the same as Property C.

The point in using this rather subjective calculation and GRM is to go through a bunch of properties for sale and have the best rise to the top of the list quickly based on the relationship of rents to price/value.

NOI is calculated by taking the GOI, Gross Operating Income, and subtracting the annual operating expenses. From our previous calculation, GOI for our example home is \$13,392. Rather than go into individual expenses, for this calculation, you've entered amounts in most of the boxes in the Operating Expenses section. The sheet totals your operating expenses for the year to be \$4,060. This number doesn't have much in it for management, but you're doing this on your own right now.

$$NOI = GOI - Total Operating Expenses$$

$$NOI = \$13,392 - \$4,060 = \$9,332$$

There is something else important about this number, especially when you're comparing rental homes for purchase.

Landlords come in all shapes, sizes, and types. They also have been in the landlord business for varying periods of time, and they have different attitudes and abilities. Any of these variables can and often do influence the NOI of the property. So, if you are looking at current rental homes and the seller gives you're their books and NOI, you can't just decide to compare that number across properties without examining rents and expenses.

Tired landlords, or ones who do not like interviewing tenants and the work to rehab the unit between tenants, may forego rent increases to keep good paying tenants in the home. This means that it is likely the GPI for the property is below what you can get in the current rental market. Raising the rents as you move out the tenant(s) changes all of the numbers down the line to NOI. If you can get more, then your NOI would be higher than what it is for this owner.

As for expenses, if the landlord pays his brother-in-law higher costs for repairs, or accounting, or legal, then the NOI for this home is lower than it needs to be. If you can reduce expenses in any way, you increase the NOI and the value of the home.

Cash Flow Before Taxes, CFBT

<u>Cash Flow Before Taxes (CFBT)</u>		
Net Operating Income -->		\$0
Enter Debt Service ---->		\$0
Capital Expenditures -->		0
Loan Proceeds In ---->		0
Interest Earned In ---->		0
	CFBT ---->	\$0

Now we're getting to the fun part, as you want this number to make you happy making the monthly bank deposit.

Prior to this, in the NOI calculation, you learned why the mortgage wasn't included to this point. Now we're going to get to the monthly amount you're taking to the bank, and the mortgage payment obviously is a part of it.

Debt Service: We call it Debt Service, the second in the boxes above, just under our NOI of \$8,792, and you enter that number next to Net Operating Income. The debt service number is the P&I, Principal and Interest Payment on the mortgage, not including the escrow. The insurance and taxes in escrow have already been included in your expenses of operation.

Our example home was purchased for \$150,000 with a 30% down payment, so \$105,000 is mortgage, and we'll assume an interest rate of 5%. This means a P&I payment of \$564/month. Multiply that x 12 for an annual debt service of \$6,768. Enter that in that line. If you paid cash for the home, you'd have no number here, but no leverage either.

Capital Expenditures: We'll assume that you bought a newer home and anticipate no big capitalized expenses,

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so you have no entry here.

Loan Proceeds and Earned Interest: These two lines are rarely used, but should you maybe loan the tenant money or in some other way take in positive cash flow, you'd enter those numbers here annualized.

Now that we only have two numbers in our CFBT section, we get:

$$CFBT = NOI - Debt Service$$

$$CFBT = \$9,332 - \$6,768 = \$2,564$$

You now know that you anticipate a bank deposit every month of \$2,564 / 12, or \$213.67/month. A lower down payment would have reduced this considerably. Is this suitable for your needs or goals? It's up to you, but your Cash-on-Cash return is:

$$\$2,564 / \$45,000 \text{ (down payment invested)} = 5.7\%$$

There are several opportunities to change any of the variables and increase or decrease this number, even negotiating a lower price for the home. There are many investors out there who would love this return on a low risk investment, and all numbers used in this example were conservative. You do gain some other advantages that contribute to your overall cash flow, the best of which is depreciation on the property.

Depreciation

You are allowed to depreciate the value of the structure (not the land) over a life span of 27.5 years. For our example, the lot is worth \$20,000, so the amount depreciated is the structure value of \$130,000 (\$150,000 - \$20,000).

$$\$130,000 / 27.5 = \$4,727/\text{year}$$

That's \$394/month that you're not paying in income tax on your profits, so really it amounts to extra cash flow. You're also getting to deduct all expenses and mortgage interest. You could even show a loss on this property and write that off against other investments.

Actually, better research, property selection, and rent/expense management can change your cash flow number significantly. That's one reason rental property investing is so inviting. You are in control of your results. You make the decisions and determine the results.

Moving Up to Multi-family

Though it is beyond the scope of this report and the basic question, this page is really important to your long-term returns. Many highly successful investors start with single family homes and then move on to apartments as a logical next step.

Economy of Scale

When you concentrate ownership of multiple units in one location, often under one roof, you gain in several ways through economy of scale. You scale up for savings that increase profits and cash flow.

- Lower repair expenses through volume negotiations.

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- Lower expenses through possible hired onsite maintenance.
- Insurance costs per unit are lower, as tenants insure their belongings.
- Mortgage interest per unit is lower for many under one mortgage.
- Property taxes per unit can be lower.
- Depreciation advantages with lower land cost per unit.
- Lower management costs than management for dispersed units.

For these reasons, many investors find that apartment investing is the next logical growth step.

Financing is Different – Less Personal Credit Oriented

Apartments are financed as commercial properties, and the lender has one primary focus; it's cash flow to pay the mortgage. Single owners or partnerships go to a lender to finance an apartment property with operational numbers, including those you've learned in this section. If the numbers work to prove to the lender that the debt service is funded for their protection with profit left over for the owners, then financing can be approved.

Break-Even Ratio

This is the ratio of the total of all ownership expenses, including debt service divided by the Gross Operating Income. So, you're using Operating Expenses + Debt Service and dividing the total by the GOI.

$$(Op\ Expenses + Debt\ Service) / GOI = Break-Even\ Ratio\ (expressed\ as\ \%)$$

We don't have example numbers, but each lender will have their own acceptable break-even ratio, and if at that number or lower, the loan is likely to be granted. Often it is between 75% and 80%. So, if the expenses and debt service together do not exceed the debt service limit, the borrowers can close on the purchase.

Q: How do I bring a sense of confidence to my investing?

To answer this question, think back to your school days, sports, and then learning to drive.

Learn

Study everything you can on your desired investing strategies. Don't necessarily take everything you read online as real-world, as a lot of that is selling something, but all knowledge has value.

Go to seminars, take courses, get a mentor if you want. The more you learn, the more you'll understand the investing process, risks, and rewards. Definitely get into the "numbers" of investing, especially in how to determine the value of a property. Then dig into expenses of fix & flip, closing, borrowing funds, and managing rentals.

Get into the numbers in your local market. Watch property sold prices. You can get a real estate agent to set up automated reports out of the local MLS that will send sold prices to you when they are posted. Learn how real estate agents value properties. Learn which neighborhoods command a premium price and appreciate faster.

Research rents, as even fix & flip or wholesale investors need to know how much a property is likely to rent for, as

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they often flip to rental investors. Research rental expenses and property taxes. You need to be able to calculate rental cash flow.

Study stories of failures and lost money on deals just as much as you do the successes. Knowing what creates failure is just as important as knowing the factors in success.

Practice

You didn't make the first team in sports until you proved to yourself and the coach in practice that you were ready. You didn't take your driving test without a parent or an instructor letting you practice driving and parking.

It is common for stock brokerages to offer "paper-trading" to help investors to see how they would do using their own stock selection methods. You can do the same with real estate to some extent on your own.

Get into the numbers in your local market. Watch property sold prices. Learn how real estate agents value properties. Learn which neighborhoods command a premium price and appreciate faster. Research rents, as even fix & flip or wholesale investors need to know how much a property is likely to rent for, as they often flip to rental investors. Research rental expenses and property taxes. You need to be able to calculate rental cash flow. Then run your own practice rental property valuations and cash flow.

****DETAILS & RESOURCES****

OK, you're Susan Wannavest, and you want to become an active and highly profitable real estate investor. To this point in your life, your only investments have been in a couple of mutual funds and some stocks in a small stock brokerage account you started with an inheritance. It amounts to around \$40,000, and you want to be careful with it, but you also want to get active and profit from real estate.

You aren't risk-averse, but you are cautious, and you don't like losing money. You also know little about real estate other than making a house payment. You do own a home, and have for around six years, paying your notes on time, and you have a good credit record. You haven't owned the home long enough to build much equity over your initial \$25,000 down payment that your parents helped you with. You feel good though in that you've watched rents in your area, and your mortgage payment is well below what you'd have to pay to rent a comparable home in your neighborhood.

In your job, you have time to invest as well as around \$300/month in cash over your expenses and a small amount of savings. Your schedule is flexible enough to have a couple of days each week to dedicate to real estate investing, even though it's usually Saturday and Sunday.

You know that you don't have the down payment you need to start right out in buying a rental home, but you are really interested in short-term real estate strategies like wholesaling and even fix & flip. In your job, you work with contractors as a contract administrator, so you know the ins and outs of hiring out contract work.

Now you just want to know what else you need to do now or have to get started confidently in real estate investing. The good news is that you don't need anything you don't already have, and the most important thing you need is just the desire to move forward. You have decided that your goal is long-term wealth through rental property ownership, but you're ready to use other strategies to get your first down payment(s) and get started.

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Could you rent out your home?

Maybe this hasn't even occurred to you, but it could be one way to get started and learn a lot in the process. You know that comparable rents look like you could rent on your own and rent out your home with profitable cash flow. You're not sure though, so you'll want to read a little more here to know how to run the numbers and be certain that it is going to work. Reading the previous section on month-to-month cash flow is a huge start, as you should come away knowing whether or not the numbers make it possible. One thing that would come from it for sure is an experience you'll need later as a landlord and rental investor.

Get All of the Training and Mentoring You Can



Confidence comes from knowledge and experience. You can't get the experience yet, so the logical first step is education. There isn't a college degree in real estate investing, and even if there were, it would probably be really expensive and leave you with student debt. So, what education is available to you, affordable, and most importantly, right for your goals?

As your goals include possible investment in all of the active real estate niches, here are the subject matter topics for which you want to search out education opportunities. Some you'll find is free and effective, while many will carry a cost, but often have experienced investor instructors who can speed up your learning curve.

Basic Real Estate Valuation for the Investor

You're not going to learn how to be a real estate appraiser, though some of the tools and processes they use are of value to investors as well. Every one of the investment niches we're going to discuss here all have one basic common denominator; they all require knowing the ultimate value of a home. This means the value at the time of the investment, as well as often the ARV, After Repair Value, of the home. That's the value of the home in a fix & flip investment after it is rehabilitated and ready for sale.

The other important thing to remember is that we're talking about the market value, the price that a willing buyer will pay a willing seller without undue pressure on any of the parties. It's what the home should sell for in the open market in the area where it's located.

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The Real Estate CMA, Comparative Market Analysis

This is the process most real estate agents use with their listing sellers to determine the price to put on the property when it's listed. Like any valuation process involving the many complex inputs in a home, from construction to supply and demand, it's a bit subjective, but it's the best process they've found so far to get the job done.

The Comparables, Comps

The first thing the agent does is to carefully check out the subject property to be listed, noting all of the features, size, bedrooms, baths, location, lot size, etc. This information is necessary to select comparable homes that sold recently in the same area. We need this sold information for the CMA.

Select 3 to 5 properties as similar to the subject property as possible. They need to have sold in the very near past. Too long in the past and the sold prices are no longer valid in the current market. It is also important to select properties that are as close to the subject property in features and amenities as possible. Though you'll learn how to adjust for differences, every adjustment adds a small possibility of introducing error.

The last thing to consider when selecting comparables is the neighborhood. If there aren't enough recently sold comps in that neighborhood, then stick to areas as nearby and similar as possible. You're trying to minimize any differences that can introduce error.

The Subject Property

We need to set up our subject property's characteristics to move forward. It is a home with:

- 3 bedrooms, 2 full baths
- 1900 square feet
- Ranch construction
- Sandler subdivision, a large subdivision with hundreds of homes
- Two-car detached garage

Those are the major characteristics, so now it's a matter of selecting comps as close to these as possible and then adjust their sold prices to reflect the differences and bring those sold prices into line like the properties were exactly alike.

The Adjustments

To go into this step, we need to have our selected comparable properties:

- Property A
 - 3 bedrooms 2 baths
 - Ranch construction
 - 1825 sq ft
 - Same subdivision

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- Single car detached garage
- Sold price \$219,000
- Property B
 - 4 bedrooms 3 baths
 - Ranch construction
 - 2100 sq ft
 - Same subdivision
 - Two car attached garage
 - Sold price \$264,000
- Property C
 - 3 bedrooms 1.5 baths
 - Ranch construction
 - 1800 sq ft
 - Nearby but very similar subdivision and amenities
 - Two car attached garage
 - Sold price \$229,000

Now that we have these comps selected, we can adjust their sold prices for the differences between each and the subject property. We're leaving square footage until the last step.

Property A: Everything is the same for this home except for the garage, single instead of double. To make the sold price reflect a closer similarity to our subject home, we need to add the approximate value of a single garage space to the sold price.

We don't want to go to renovation sites for this, as it costs more to add something to an existing structure than it would have cost during the original construction. If you must use renovation estimation sites, discount the estimates by around 25% or so to get a more realistic cost/value.

The better approach is to get these values from a friendly appraiser, as they do this as well in their appraisal process. Let's say that you do this for all of the adjustments here, and the appraiser uses a value of \$6,000 for an additional garage space, attached or detached.

$$\$219,000 + \$6,000 = \$225,000 \text{ adjusted sold price}$$

This is the adjusted sold price for Property A because there are no other adjustments to make.

Property B: Everything is pretty much the same for this property, except it has an extra bedroom and bath and sold for significantly more. We need to deduct the value of a bedroom and bath to adjust the sold price properly.

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Our appraiser friend gives us a value of \$6,000 for the bedroom and \$3,500 for the bath, so here are the adjustments, subtracting from the sold price:

$$\$264,000 - \$6,000 - \$3,500 = \$254,500 \text{ adjusted sold price}$$

Property C: The only difference here is that this home has one half-bath less than the subject property. We'll add the value of a half-bath to the sold price.

$$\$229,000 + \$1,750 = \$230,750 \text{ adjusted sold price}$$

Now we take the last step. We take these adjusted sold prices and divide each by the square footage of the homes.

- Property A: $\$225,000 / 1825 \text{ sq ft} = \$123.29/\text{sq ft}$
- Property B: $\$254,500 / 2100 \text{ sq ft} = \$121.19/\text{sq ft}$
- Property C: $\$230,750 / 1800 \text{ sq ft} = \$128.19/\text{sq ft}$
- The average price/sq ft of these homes is $\$124.22/\text{sq ft}$

Now it's a simple matter to take the average of the three and multiply it by the square footage of our subject property.

$$\$124.22/\text{sq ft} \times 1800 \text{ sq ft} = \mathbf{\$223,602}$$

The real estate agent may advise their client to list it for sale at \$224,900 to leave room for bargaining, but they can hash that out. If it's your calculation, you now know approximately what the home is worth in the current market.

This is critical information, as all of the short-term and long-term strategies we'll go into next are dependent upon this value.

Of course, the rental home investor needs to know this, so they don't pay too much for the property. The wholesaler and the fix & flip investors need to know because usually, their buyer customer is a rental property investor. So, everybody is working backward from this number when he or she calculates their deals and processes.

Of course, this little exercise is just one component of property evaluation for rental investment. You must also do a market analysis to determine what a home should rent for in the current market. Knowing that number and the approximate market value, the investor can calculate whether it would be a profitable investment with an acceptable ROI, Return on Investment.

Get all of the education you can in valuing properties and definitely learn as much as you can about your local market, sold prices and rental rates.

Learn What Rental Investors Want

As mentioned, wholesaling and fix & flip investing usually end up selling to a rental property investor. You can bet that this investor knows what homes are worth in their neighborhoods of preference, and what they can expect to receive for rents. They sit there waiting for you to deliver them a property that meets these top-level criteria:

- Can be purchased below current market value for instant equity.
- Will rent out for enough over all costs to generate acceptable positive cash flow.

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- Will appreciate in value over time.

Meet those criteria for your own rental investments, and you'll be successful. Meet them for your wholesale and fix & flip buyers, and you'll turn properties quickly.

Learn the Wholesaler's Process

This is just an overview, so take courses and get mentoring in how to do this well. It is the fastest property turn for profit, but to do so requires sharp property location and negotiation skills to meet rental buyer requirements.

- Build a strong and detailed buyer list.
- Advertise for and locate properties with deal potential.
- Negotiate and fund a purchase price that will allow for a profit for you when you meet your buyer's requirements.

Those are the top-level bullet points, and here are a few details to get you started.

Build a Strong and Detailed Buyer List

Join real estate investment clubs, hand out business cards, run ads that you sell rental properties, go to events where real estate investors gather or go to learn. Whatever you can do to meet real estate investors, do it. Once you do meet them, build relationships and don't just get their contact information.

You want each potential investor's criteria for properties; neighborhoods of preference, cash flow requirements, discount to value to buy, etc. The more you know, the more information you have to start your search for properties to deliver to them. You simply have no reason to start at the other end, as you will not do a quick wholesale flip of a property unless you have ready buyers with funding first.

It is the logical way to attack the problem. Know your customer, then satisfy their requirements to build your business.

Advertise for and Locate Properties with Deal Potential

This is the most challenging of the three stages. You have competitors out there doing the same things you're doing, and they're seeking the same properties you are. Your success will depend on your skills at beating them to properties that will yield profits.

Do some footwork, learn your market area, watch for vacant houses, but learn to use the Internet to get a jump on locating properties. There is no magic bullet, but obviously, pre-foreclosure and auction properties are at the top of the list. Sites like RealtyTrac.com are very popular, but at times you can grab a deal if you act fast.

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FORECLOSURES PRE-FORECLOSURES **AUCTIONS** BANK OWNED FOR SALE SOLD

INCLUDE Trustee Sales Bank Auctions

HOT Discover the hottest foreclosure opportunities in your area. [Learn more](#)

DOWNLOAD Sort by: Featured 10 Per Page

	BANK AUCTION 3920 NW 34th Ter Lauderdale Lakes, FL 33309	3 Beds 2 Baths 1,718 sqft	\$164,000 (Est. Opening Bid) Auction Date: Bid Now 
	BANK AUCTION 7526 Nova Dr # 14 Davie, FL 33317	3 Beds 2 Baths 1,480 sqft	\$134,000 (Est. Opening Bid) Auction Date: Bid Now 
	BANK AUCTION 4381 SW 160th Ave Apt 200 Miramar, FL 33027	2 Beds 3 Baths 1,205 sqft	\$142,000 (Est. Opening Bid) Auction Date: Bid Now 

This screenshot from RealtyTrac shows the tabs to search a market area for pre-foreclosures, auctions, and bank-owned properties.

Other Government Sites for Foreclosures and Seized Properties

HUD.gov – The Department of Housing and Urban Development has a site at <http://hudhomestore.com> dedicated to selling mostly foreclosed and pre-foreclosure homes.

Fannie Mae – Fannie Mae is one of the top two guarantors of loans, so there are a large number of their foreclosures for sale at <http://Homepath.com>.

Freddie Mac – Freddie Mac is the other major home loan guarantor, and they sell homes across the country at <http://HomeSteps.com>.

FDIC – At <https://www.fdic.gov/buying/owned/> the Federal Deposit Insurance Corporation sells homes in the agency's possession through foreclosure or seizure. There aren't many, but one example in FL is a 4316 sq ft, 5 BR 4 BA home for sale for \$199,900.

IRS.gov – At https://www.treasury.gov/auctions/irs/cat_Real7.htm, the IRS sells homes seized for failure to pay taxes. There are generally no minimum bids on most of these government sites, though there will be starting bids, and they can reject any bids they want.

USDA.gov – It is a well-kept secret that the USDA guarantees loans across the country, and not just in rural areas.

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At <https://properties.sc.egov.usda.gov/resales/> they sell their foreclosures.

US Customs – This division of the Treasury Department sells seized properties at <https://www.treasury.gov/auctions/treasury/rp/>.

US Marshals Service – Though most of the listings here are vehicles and airplanes, there are houses listed from time to time at https://www.usmarshals.gov/assets/sales.htm#real_estate.

Watch these sites to get the jump on the competition for bargain real estate prices.

Advertise for Motivated Sellers



★ May 12 **OWNER FINANCE-RICHMOND-MUST SEE 5BED HOME NEWER!**

\$329000 5br - 3327ft² - (RICHMOND) [pic](#) [map](#)



★ Apr 30 **Instant Savings on This MUST SEE, NEW Move-in Ready Home!**

\$230900 4br - (Texas City) [pic](#) [map](#)



★ Apr 20 **3/1 home in Smithville Must Sell Owner Financing Low Down \$1250 mo**

\$150000 3br - [pic](#) [map](#)



★ Apr 17 **MUST SELL HOME - GREAT INVESTOR SPECIAL IN SW HOUSTON**

\$120000 3br - 2000ft² - (HOUSTON) [pic](#) [map](#)

This is a portion of the search results on Craigslist in Houston, TX for homes with the keywords “must sell.” Craigslist beats classified ads because it’s free and highly searchable, a benefit for you in advertising to others as well as in locating properties. You’ll find disguised ads really placed by investors, but you’ll also find some legitimate owner-placed ads. Notice that one of these says owner financing. It’s not that you want financing, but more that this probably means the home is paid for or has a lot of equity. This makes it ripe for a low offer to turn at a profit.



★ May 13 **Ron Buys Houses in Houston**

3br - (Houston) [pic](#) [map](#)



★ Apr 22 **SS I want to buy your fixer upper!! Paying CASH and closing Fast**

3br - 1677ft² - [pic](#) [map](#)

These are investor ads trying to attract sellers. There will be a lot of them, so you’ll have to be creative to get a click. Or, you could run one honestly pitching your services as a wholesaler to investors.

Negotiate and Fund the Deal for Profit

You’ve found a home, know a buyer who will buy it, know what they’ll pay, so now you negotiate with the owner/seller to get a price with adequate room for your profit in the middle. There are two possible ways to fund the purchase side:

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- **Assignment Contract:** This is a really short description. Your contract to buy adds some words to the block for the Buyer(s) name: Buyer(s): Your Name and/or assigns or assignees. This means that your intention is to assign the contract and all of your rights and responsibilities over to your buyer. You are now out of the transaction, and the assignment contract with your buyer has the numbers, with you getting your profit when the buyer closes.
- **Transaction Lender:** These lenders specialize in these type of deals. The lender will fund your purchase if you can't use an assignment contract. That deal closes and soon after your buyer closes on the sale. The transaction lender takes their fees (they're not cheap), and you get your profit after that closing.

If you're doing fix & flip, all of the above applies, but now you're adding in the rehab project work and costs. You can do quite well by getting not only the profits on the buy versus the sale but also in marking up the renovation work.

This whole section is just an overview of the type of education you should seek out and the various areas in which you must work hard to become as expert as you can before you go out and get your experience.

Q: How do I get involved, even though I've never made money in real estate?

The first step is to re-read the previous question and answer. Learn and practice. Immerse yourself in real estate investing by joining a local real estate investment club. There are online sites with listings of local real estate investment clubs around the country, two of the most popular are:

- <http://reiclub.com>
- <http://creonline.com>

Most of these local chapters will allow you to attend a meeting or two for free before requiring that you join. They're valuable in many ways.

- **Education:** Many have libraries of books, CDs, and video training. They also invite speakers in investing-related business, such as lenders, appraisers, surveyors, etc.
- **Network to learn:** Networking to learn is valuable at these meetings. You can talk to other investors with varying levels of experience. They'll not likely share secrets with you, but you can get some failure stories that will benefit your investing education.
- **Network for business:** You'll meet lenders, title company people, contractors, home repair companies, and others whom you may want to do business with later. More valuable, you just may meet investors who can become your customers later if you're into wholesaling or fix & flip.

Attend formal training with relationship resources.

At Response, we not only educate investors, but we also connect them. Meeting other investors is the first valuable relationship resource. Meeting funding sources is extremely valuable. There are also partnering opportunities. One lower-risk first step could be partnering with an experienced investor to get your feet wet.

Join a peer group, preferably a little above your current level of experience. You want to learn, and there is no better way than to network with successful real estate investors regularly.

Two words are the key: **take action**. You'll never get anywhere if you don't take the first step.

****DETAILS & RESOURCES****

“Getting involved” has different meanings for different people. Some want to jump right in and start a real deal, while others take their time, lots of study and research, and then some “paper deals.” They do training property valuations and become thoroughly acquainted with their investing market area. There really is no right or wrong answer to how to get involved, but for this section, we will talk about data capture, an information system, and a buyer list for short-term investing.

Data Capture & Retrieval

This sounds like boring high-tech stuff, but it’s really important if you want to understand your market, home prices, rents, market areas and more. How can you locate the very best opportunities to buy properties at a discount to market value if you do not have an information flow that brings them across your desk; or in most cases, across your computer screen?

First, if you refuse to use a computer, tablet, or even a smartphone, then you can skip the rest of this section and go buy a whole lot of index cards. For the rest of us, let’s look first at a couple of free online information gathering tools that you can use to receive, file away, and retrieve information when you need it.

[Evernote.com](https://www.evernote.com)



Remember Everything

Organize your work and declutter your life. Collect everything that matters in one place and find it when you need it, fast.

[Create your free account](https://www.evernote.com)

This online service has been around for almost a decade and has only gotten better over time. The free level should work for your needs, though at \$45/year, you may want to upgrade if you get into doing deals and you want to work with more documents and have heavier data needs.

Evernote’s logo is the head of an elephant for a reason. It is set up to have a great and long memory. One of the greatest values of this tool is the many ways in which you can get information into your account. You’re going to see later in this section how this tool or Google’s Keep tool will be invaluable in receiving real estate sold reports and home price data, keeping it organized, and locating it when you need it. Here are the top ways to get data into your Evernote account:

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- **Drag & Drop:** Whether it's a file from a file list on your computer or a highlighted bit of text or an image, you can drag and drop it onto your Evernote icon to have it filed away.
- **Save Emails to Evernote:** You get a private email address with your Evernote account. When you get an email that you want to file away for action or reference later, you simply forward it to that address, and it's done.
- **Take a picture:** This is a major value for real estate investors. You're driving around and see a home for sale sign, maybe a For Sale by Owner with a phone number. You take a photo of it in front of the home with the camera in the Evernote app on your smartphone. That photo immediately gets filed away. If you're upgraded, Evernote will even scan the photos and extract any text. What does this do for you? If you want to locate FSBO home photos later, you can do a search on For Sale by Owner, and Evernote will pull them up. You can also use this feature at the courthouse. If you take a photo of a document, it will size the page properly like a scan and index the text so you can find it in searches later.
- **The Web Clipper:** This is another very useful way to file information. You'll be doing a lot of online research looking for properties on foreclosure websites and others. When you find one of interest, you can highlight a portion of the screen and clip it into Evernote. You can just save the information for homes of interest, and Evernote keeps the URL for where it came from so it's easy to go back to the original when you want. And if you're clipping pages from Amazon, LinkedIn, or YouTube, Web Clipper automatically saves the good stuff and cuts any sidebars or irrelevant information.
- **Voice Notes:** Using the Evernote app voice recorder, your note is saved into your account. You can attach a voice note to that photo note as well. So, if you drive up to a FSBO home, you can take the photo and attach a voice note with your impressions of the home.
- **Text Note:** Of course, you can type text on computer or phone and save it as a text note. You can also attach that text to a photo, so you can add the address to that house photo.
- **Capture Note and Audio Together:** Imagine being in a meeting or lecture, and you want to focus on every word the speaker says, but you still need to take notes. It's not an impossible task. You can record audio in Evernote and type your own notes alongside — either in real time or when you review the recording later.
- **Reminders & Checklists:** You can set reminders for yourself or remind yourself of a note or image you sent to Evernote. Checklists let you make a list of items and check them off as they're completed.

When it's fast and easy to capture information, you'll gather more of it, and that helps later when you're doing research. The search function in Evernote is very powerful. An example would always be appending text to note with the neighborhood name. If you later want your notes about properties in a certain neighborhood, you just type that in and all of them will pull up, newest first.

Google Keep

Most of what Evernote does, Google Keep does as well. One thing Google Keep does free that you have to upgrade to get from Evernote is OCR. From the site: Sometimes a picture is worth a thousand words. Using Optical Character Recognition (OCR), Keep can transcribe text from pictures for you, so you don't have to worry about typing up notes from a meeting or whiteboard session.

If you're a big Google and Gmail user, you may find that Keep integrates better, though if you don't use the Chrome

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browser, you may not be able to use some of the features of the tool. Also, a caution: Google is known to arbitrarily and with short notice kill tools if they're not used enough.

Information is Money

The real saying is that "information is power," but for real estate investor uses, information helps in getting profitable deals pulled together and to the closing table. Use one of these services to:

- Capture property photos on a drive-by.
- Capture home inspection detail photos.
- Photo scan documents anywhere you find them, including property brochures.
- Take voice notes anywhere you are for later.
- Drag and drop whole online articles or portions/images in articles and retain the link to that article.
- Save emails that can then be associated with a search with other items about a neighborhood, project, or property.
- Attach reminders or voice/text notes to photos.
- Automatically file email reports of property information.

Let's take a look at how that last item about auto-filing of email reports can be of immense value to you.

MLS Reports from a Real Estate Agent or Website Alerts

Some local real estate sites offer these online, but any agent can set them up for you if you ask. Today's MLS, Multiple Listing Service, systems are computerized and sophisticated databases. Most allow the real estate agent to create customized automated email alert reports for new listings, price reductions, and sold property prices. This process also works for any sites that you sign up with for alerts about properties, foreclosures, or other information.

There are several reasons for keeping track of properties through these alerts:

- 1) You want to have comparable sold property information available to do CMAs, Comparative Market Analysis, when you're calculating the value of a home you're considering for a deal. Getting sold reports immediately when the sale is posted in the MLS is as up-to-date as you can get. While a few properties sell off-MLS, nationwide more than 80% of homes sell through an MLS. You'll have the newest sales for your calculations.
- 2) You are a rental home investor, and you want to know about new listings in the MLS in neighborhoods you like. You'll get the new listings the day they're listed. You'll also get price reductions as they happen, so you can watch a property of interest. You can also watch for expired listings. If a property of interest expires, you can then approach the owner directly with an offer, saving them the commission and reducing the price they can take.
- 3) When it comes to pre-foreclosures and auctions, RealtyTrac and other sites let you sign up for email alerts. From the [RealtyTrac.com website](http://RealtyTrac.com): *RealtyTrac offers a range of emails designed to keep you informed of the current real estate market. You can get alerts when new properties enter our site that match your saved searches*

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as well as updates on any properties you've saved. We also email out member newsletters that include articles covering the latest news and trends in the current real estate and foreclosure markets.

Other sites offering email alerts of properties you may want to check out include:

<https://www.foreclosure.com/> This site says it sends email alerts, and it has more than 150,000 listings covering pre-foreclosures, short sales, sheriff's sales, bankruptcies, and more.

<http://ushud.com/email-alerts> On the site at this link you can sign up for instant email alerts to HUD foreclosures in your market area.

<https://www.zillow.com/foreclosures/overview/how-to-find-foreclosures-on-zillow/> If you use Zillow, you can target alerts to specific properties. From the site: *Zillow offers a Property Alert email which will notify you when a property's status changes (i.e., goes into pre-foreclosure, is scheduled to go to foreclosure auction or is foreclosed). By getting a Property Alert email about a home, you will know very early in the process about a home that you are interested in. To create a Property Alert, go to any home details page, click "More" and select "Get updates on this home."*

<http://www.emailforeclosures.com/emailalerts.shtml> This site lets you sign up for email alerts of new foreclosures and price changes to properties that match your search criteria.

<https://www.foreclosureto.com/alert/index.html> **ForeclosuresToGo.com** lets you sign up for email alerts for pre-foreclosures, bankruptcies, short sales, and tax liens.

There are counties offering email services for filings, default notices, and pre-foreclosures. Check your county's website to see if they offer any alerts.

Using these Alerts with a Filing Tool

Using Evernote or Google Keep, you would scan these emails to decide which may be properties of interest. If there is one, file it to your filing tool. There will be many keywords in these emails that will make it easy to do a search in your filing tool to pull together alerts in a neighborhood. Or, you can just go back and pull up a property by address or partial address for more research.

Pull comps for the property of interest from your real estate MLS sold property alerts to get a quick idea of how the new listing, pre-foreclosure, or minimum auction bid compares to recently sold properties in the area. The importance of these tools is immense, as you can funnel huge amounts of data into them quickly with little effort, then search and pull just what you want when you are doing research.

Rental Research

Whether you're doing wholesaling, fix & flip, or your own rental investing, you need to keep up with rents in the area. You'll be doing this periodically by checking classifieds, best for this you'll do this on Craigslist. You'll also be able to check listings on sites like these and drag the listings into your filing tool for reference later:

<https://www.rentals.com/> Rentals.com has homes for rent in your area.

<https://www.realtor.com/rentals> Some local MLS systems also list rentals. Realtor.com has these listings, and you can pull rental info when you need it for neighborhoods.

<https://www.trulia.com/rent/> Trulia has rental listings but also has a section of the site for county property re-

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cords for every state. You can drill down to a specific property if you are doing comps or research of a neighborhood.

If you want to see what unlisted for rent by owner rents are in an area, there are a number of sites that attract Homeowner-entered rental listings.

<http://craigslist.org> Of course, Craigslist tops the list, as it is huge and listings are free for the homeowner.

 ★ May 16 **This 3 bedroom, 2 bath home has 1,800 square feet of living space.**
\$950 3br - 1800ft² - (Katy, TX) [pic](#) [map](#) 

 ★ May 16 **Hieghts Area House**
\$775 2br - 1000ft² - (1613 Alamo st) [pic](#) [map](#) 

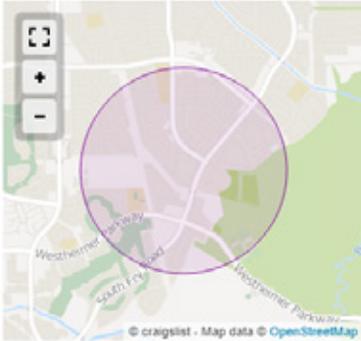
 ★ May 16 **4 BEDROOM, 2 BATHS HOME FOR RENT**
\$1295 4br - (Houston) [pic](#) [map](#) 

 ★ May 16 **3 bed, 3.5 bath rental in East Downtown!**
\$2500 3br - 2076ft² - [pic](#) [map](#) 

This partial screenshot of Houston TX Craigslist listings is limited to single-family homes, and you can see the type of listings owners are putting on the site. Clicking on one gives you more detail and images.

★ \$950 / 3br - 1800ft² - This 3 bedroom, 2 bath home has 1,800 square feet of living space. (Katy, TX) 

image 1 of 7



Comstock
[\(google map\)](#)

3BR / 2Ba 1800ft² available now

cats are OK - purrr

dogs are OK - woof

furnished

house

w/d in unit

attached garage

wheelchair accessible

This home is a Beautiful 3 bedroom, 2 bathroom home with master on main level. Features include stainless steel appliances and a pantry for extra storage in the kitchen, a gas fireplace in the living room to relax by and walk in closets in each bedroom. Outside you'll find an enlarged patio for entertaining and a 2 car garage..... CONTACT LANDLORD TO SCHEDULE A TIME FOR VIEWING ALSO Mr Anthony [show contact info](#)

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This screenshot is one of those listings. You get more images, details, and a map reference.

<https://apartments.oodle.com/for-rent/> Oodle is a listing site much like Craigslist but does have a good representation of owner listed homes.

	Meadowchase Houston TX. 📍	\$1,325
	<i>3 BR · 2 BA · Homes · Houston, TX</i>	
	This beautiful 3 beds two bathrooms, 1, 129 sq-ft home is located in Houston, TX. This home	
	Posted on Featured Rentals	

	Kilwinning Houston TX. 📍	\$1,225
	<i>3 BR · 2 BA · Homes · Houston, TX</i>	
	This beautiful 3 beds two bathrooms, 1, 416 sq-ft home is located in Houston, TX. This home	
	Posted on Featured Rentals	

On sites like these, you can often search with a zip code to narrow results for doing rent research to value a home for rental investing.

You'll probably be doing rent research when you need it, as you don't need to keep up with rents as closely as you do home sales prices for valuation.

When you are evaluating a home for rental potential, you can go to these sites and grab nearby listings to see what they're renting for. When you see a list, you can go to details for the homes of similar size and with similar characteristics. Grab those into your filing tool, getting a number of them in there.

Then pull them back out with a search, or the newest ones will be on the top of your notes anyway. Now you have the rental comparisons you need to determine the probable rent income you can expect from the subject home.

Long-Term Storage Value

As you collect data into your filing tool, those sold property reports can be quite valuable later. Though the sold price may not be usable in a CMA, Comparative Market Analysis, because the sale was a couple of years ago, there is another value in keeping these listing alerts.

Most of them send along the entire listing as it appears in the MLS that date. Most MLS systems retire sold data after a specified time period to save server space. Even if the listing data is still there, some MLS systems remove the extra images, leaving only the main image. By keeping these, you have the interior images and listing information as long as you want it. Who knows, as one of these may come up for sale again and you can see how it looked in the past or see photos that aren't in the new listing. All you have to do is put in part of the address to have any old notes you may have pop up.

Tagging for Neighborhood Data

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RE: Was \$625k NOW \$499...

8/10/2011 I believe it is. Isn't it Doctor Kilgore's office? If so, he's paying ...



RE: Stuff

8/8/2011 I think all has been resolved. I e-mailed Cliff last Friday. The only thing I told him was that we needed to make su...

New voicemail from (860) 694-9663 at 8:...

7/18/2011 Voicemail from: (860) 694-9663 at 8:46 PM Transcript not available Play message

RE: Plaza Gar

7/14/2011 Dear Cliff, We successfully closed our first portion. I'm writing to inquire about the status of the filing in t...

Adjustable-Rate Mortgages: Borrowers D...

7/8/2011 Borrowers Wade Back Into Adjustable-Rate Mortgages By TARA SIEGEL BERNARD Wouldn't it be nice to ...

One valuable tool in Evernote is the ability to quickly tag any note with a keyword or phrase. A tag search on that word will grab and display everything filed away going backward in time. The best use of this is neighborhood tagging. Set up your most popular subdivisions or neighborhoods as tags.

Every note you save from any source, grab the appropriate neighborhood tag if it's about a home in that area. You're accumulating a lot of very valuable property information, and you'll often be seeking homes in specific neighborhoods for your investor buyers or for your own rental investing.

Doing a tag search on that neighborhood puts everything you have in front of you in an easy format to find items of interest, as in the image on the left. This is the way the notes show up on the left of the display, with the full text/images of the selected note on the right.

If it seems like a lot of time is being spent on this information filing and retrieval topic, put it into the context of your future investing profitability. You are seeking information on homes, their features, locations, what they sell for, what they rent for, county filings, and other data that you need to make buy and sell decisions.

How can you determine if a home is a good rental candidate if you can't see other rentals in the same neighborhood currently, as well as a bit of historical data for the trends? You will definitely need sold property prices to do your valuation calculations, and those can be accumulated through automated email alerts over time. Saving the info is easy, taking just seconds to forward the email alerts. You can even build rules in your email system to do it automatically for you.

Information is money, so capture it easily, and retrieve it to get deals done.

Getting Involved Through Networking

There is no better way to get involved than to network with other investors, vendors who work with investors, lenders, contractors, and others. The best way to find them all in one place is to check out a local real estate investment club. You can find one near you on one of two main sites for clubs:

<https://www.reiclub.com/real-estate-clubs.php> REIClub.com has listings in every state and contact information.

<https://www.creonline.com/Real-Estate-Investment-Clubs/index.html> is a very similar site, with many of the same club listings, but could have some others.

Most of the clubs will allow you to attend one or two meetings before joining. You'll meet other investors, mortgage brokers, contractors, title company people, attorneys, surveyors, appraisers, repair services, and others who work with real estate and investors.

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Many of the local clubs also have libraries with CD, Video and book courses that members can access for education. They also sponsor events with speakers in the real estate industry, as well as investment advisors and others.

An example is one club in Austin, TX advertising their next event: *How to Buy Rental Properties Without a Bank Loan:*

How to identify properties with high appreciation potentials versus 'duds'

- Different entities to use to own properties to minimize legal & financial liabilities
- Tax strategy options (which ones will best fit your needs?)
- Top Landlording Mistakes to Avoid

Use what you have learned in this question topic to get started in your new real estate investing venture. Move as quickly or as slowly as you want, but you now will be learning and capturing information every step of the way.

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Q: What attracts accomplished individuals to this event?

To answer this question, let's define what we mean by an "accomplished individual." It doesn't necessarily mean someone who has become rich, or ever was rich, though some are. It means someone who has been successful in some endeavor, not even necessarily their job or career.

A great many entrepreneurial people attend these events. These are people who have a desire to succeed in some business or endeavor where they aren't working for someone else. Once someone has accomplished a lot in one area of endeavor, they may want to do something else.

Accomplishment is an education unto itself. They know what made them successful in one or more other areas, and they know they need to replicate the behaviors that created success. The need to know a lot about their next endeavor is strong. They attend these events to gain that knowledge.

A successful brick and mortar business owner may want to transition to retirement, and they know they'll need to increase their assets to make that happen. Successful professionals and freelancers want the same, a path to wealth for a comfortable retirement; and the sooner, the better.

Because success also breeds caution and demands due diligence, they check out everything they can find in print and online about real estate investing. They scour the sites for information and descriptions and costs of available education.

In their research, they come across our materials, check out our team members, their performance, and their success records. Once they've learned enough to know that there is value here, they want to take action quickly. Accomplished people know that just thinking about and wanting to do something isn't going to get it done.

After extensive research and vetting our record, reviews, and team member experience, they know that the next logical step to move forward is to attend an event and get to the specifics. They are always moving forward because that's the only way to reach their destination.

This event is where they determine their next step and the fastest path to the knowledge necessary for success. They recognize potential, and they know that the fastest way to capitalize on it is to learn as much as possible and network with recognized experts.

****DETAILS & RESOURCES****

The question is about what attracts accomplished and successful people to these events, so the best way to answer it is to give you an overview of the things they've seen and read that they found interesting and valuable for a new and profitable venture.

Real Estate versus Other Investment Asset Classes

By definition, if they're accomplished or successful, then they may have significant assets or be on their way to setting up their retirement. Even if their assets are nominal, they have a plan with goals to grow their wealth for retirement. They're searching for different ways to do that than just letting their stocks and bonds sit in retirement accounts earning meager returns with significant market and economic risk.

There is risk in any investment, and usually the better the return, the higher the risk. Let's look at the primary risk factors and influences on the return for stocks and bonds versus real estate (primarily rental real estate):

Economic and Market Risk

Stocks: Stocks in corporations are subject to global influences, catastrophic events, as well as individual company performance and issues. A poor earnings report can reduce your stock's value a lot. Bad news about one of the company's products can do the same. Some products are impacted by nature and weather, such as food products. Sure, usually these company stocks rebound over time, but during that time you're not gaining ground.

Bonds: Bonds are normally a choice when a safer return is desired, and the trade-off of a lower return for the reduced risk is acceptable. They really have little or no market risk unless they are bonds sold by a company that is having financial troubles. When General Motors went bankrupt, bondholders also lost a lot of money.

Real Estate: Sure, a tornado taking out your rental home is a risk, but unlike other assets, you have it insured. The level at which you're compensated is dependent upon your coverage and premium, but you are covered. Also, you still own the land and can sell or rebuild. As far as market risk, real estate, particularly rental homes, is relatively immune. You have a tenant, they're paying rent, and life goes on.

Interest Rate Risk

Stocks: Interest rate fluctuations, of course, have an effect on financial stocks because they deal in money. However, other corporate types can also be at risk when rates increase. If a corporation relies on debt to do business, then their costs to do business rise with higher interest rates. Higher costs, especially if they can't be recouped with higher prices due to competition, put downward pressure on earnings and stock prices.

Bonds: As bonds are sold with a fixed coupon (interest) rate over the life of the bond, interest rate fluctuations do not hurt the investor in that respect. However, when interest rates rise, if a bondholder must sell before the bond matures, they can be damaged heavily. Let's say that you hold a bond paying 3.5% and it has another two years to maturity. You have an emergency that requires selling the bond, but interest rates have risen such that similar bonds now pay 5%. The buyer of your bond will discount its value to compensate, so you'll get a lot less than you originally invested.

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Real Estate: If you're trying to buy a rental property, yes it changes things. You'll have to work harder to put together a deal that will cash flow well. However, if you already own rental properties, interest and mortgage rate increases do not bother you with your fixed interest mortgage. In fact, they can help you. If rates rise, some buyers are locked out of the market, so they turn to renting. Higher rental demand brings higher rents and cash flow.

Inflation Risk

Stocks & Bonds: Inflation takes the same toll across the board when it comes to dividend-paying stocks and bonds with fixed interest rate returns. Inflation eats away at your dividends, and it can be devastating if you're getting a 4% return with a 2% inflation rate. This is why younger investors tend to get into more aggressive stocks, leaving dividends and bonds until later after they've grown their portfolio.

Real Estate: The rental property investor is relatively unbothered by inflation, except for any increased costs in repairs or other services. The house is already purchased, and the payment stays the same with the fixed mortgage. The rental home investor can even benefit from inflation. When the cost of goods and services increase, the cost of building a home goes up, as it is material and labor intensive. When home prices rise, rents often rise with them.

Risk is inherent in every investment, but risk profiles are different for different asset classes, as we've shown here. By diversifying their investing, these accomplished individuals see some risk avoidance, but they also see the potential for higher investment returns.

This is one factor in their decision to at least look at real estate for investment. Next, we'll look at the returns for a rental property over time, as this is a major consideration when they are seeking better investments and ways to learn more about them. Attending this event is often their first step just as it is yours. They may have a slightly different perspective or be coming into the event with more assets to invest, but they have the same need for information that you do.

A Rental Property Example

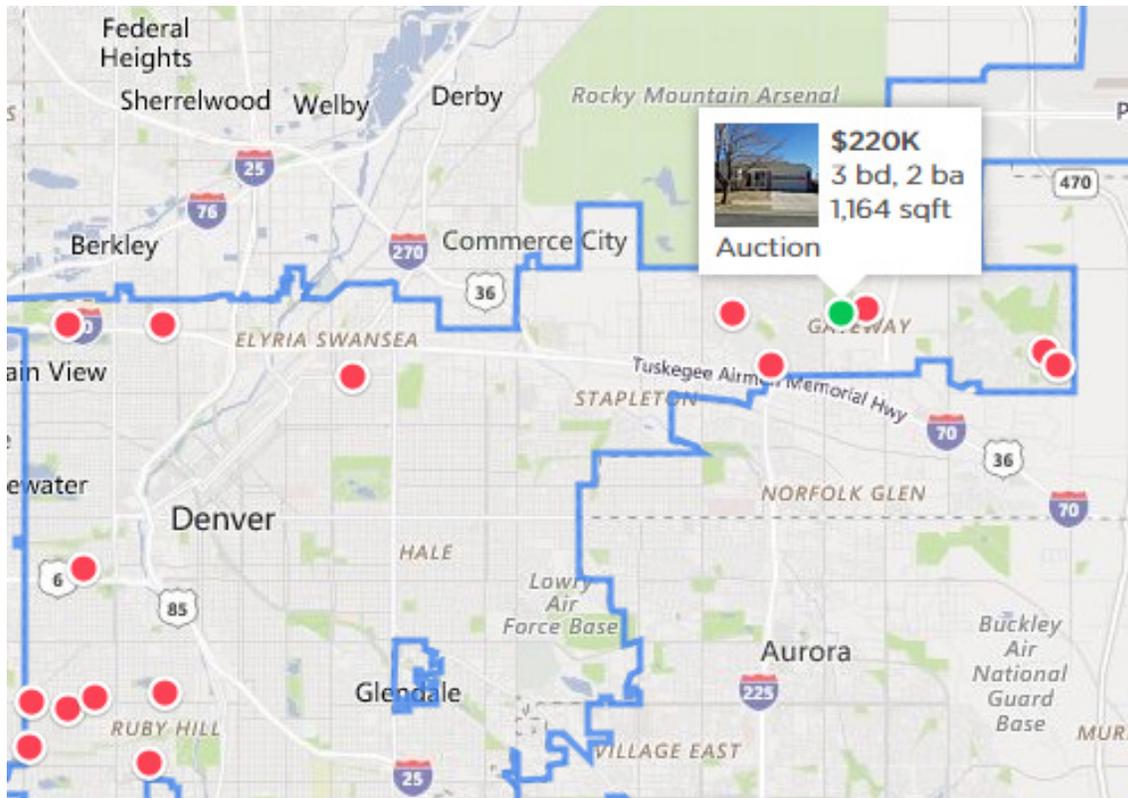
These accomplished people see an opportunity in rental real estate, and they're at the event to explore that opportunity. They may have done a lot of research before opting to attend, and they probably have seen articles and books about the potential for rental investing returns in the double-digits. In this section, we will look at a hypothetical situation using actual properties on Zillow.com in the same Denver, CO neighborhood.

We're going to go to Zillow.com to find two properties, one for sale and one for rent. They need to be in the same nearby area, and they need to be comparable in size and features. This way we can use real-world examples for our rental property ROI.

All assumptions will be conservative, no hype. In fact, the returns in this example should be better, but we'll assume you've just started and your first deal didn't get the benefit of a lot of experience and negotiating skills you'll learn over time.

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A Property for Sale



This home is up for auction, and here are more details.



**15636 E 51st Pl,
Denver, CO 80239**
3 beds · 2 baths · 1,164 sqft

● AUCTION
Foreclosure Estimate:
\$220,309

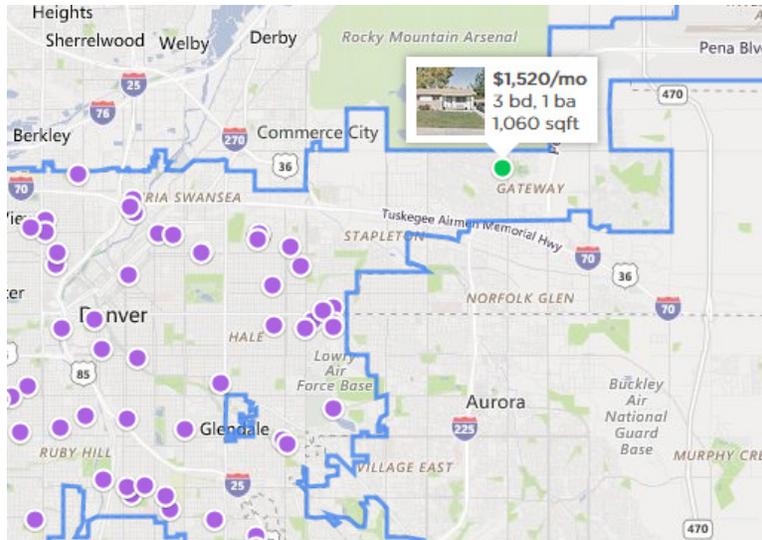
Investor opportunity! This property is being offered at Public Auction on 05-24-2018. Visit Auction.com now to view additional photos, Property Inspection Report with title information, plat maps and interior inspection reports when available. Auction.com is the nation's leading real estate transaction platform focused

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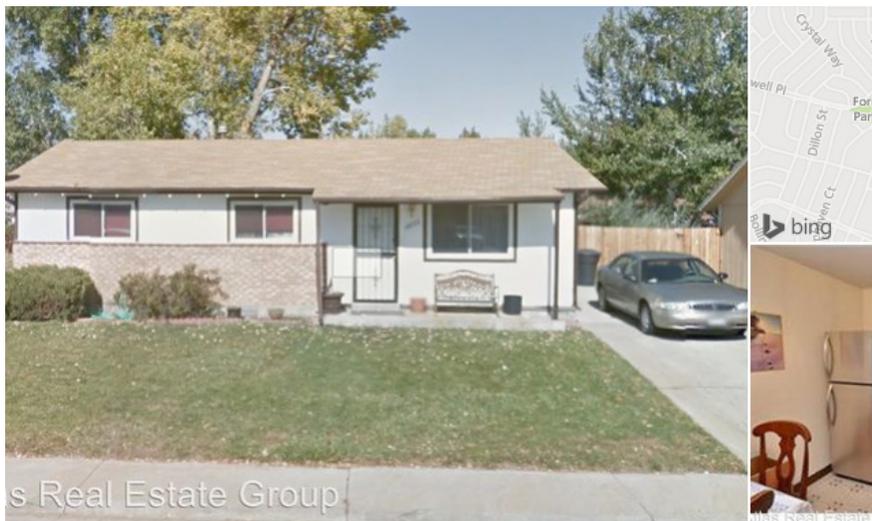
The second screenshot shows that it is a 3-bedroom, 2-bath home with 1164 square feet. The site estimates the auction price will be \$220,309, so we'll work with that.

The Rental Potential

To get this, we'll go into the same area and look for a comparable rental.



Notice that this home is in the same area, very close to the purchase example.



**14833 Elmendorf Pl,
Denver, CO 80239**
3 beds · 1 bath · 1,060 sqft

● FOR RENT
\$1,520 /mo
Rent Zestimate®: \$1,850 /mo
[List your rental on Zillow. It's free!](#)

Coming Soon! Big 3 Bed 1 Bath Near Ford Elementary with Stainless Appliances. - Walk one block to Park Field Lake Park OR Ford Elementary. Easy access to I70 and

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We can see that the Zestimate for rents is \$1,850, but this one is being advertised at \$1,520. We would use that to be conservative but notice that this home only has one bath and is smaller. It seems fair to up our rent number to a conservative \$1,600/month.

Taking that purchase price of \$220,309 and assuming an 80% mortgage, you would be financing \$176,247.

Mortgage calculator		
Monthly cost		Maximum loan
Mortgage amount	Interest rate (%)	Mortgage period (years)
\$ 176,247	4.5	30
Total cost of mortgage		\$321,486
Monthly payments		\$893

Feedback

The payment should be \$893 before escrow for insurance and property taxes. Adding \$250/month for \$3,000 for those, our payment is now \$1,143/month.

The Rental Cash Flow

Allowing a generous \$100/month for repairs, we're still looking at a positive cash flow of \$1,600 - \$1,243 = \$357/month. All of our assumptions so far have been conservative. A lower purchase price, lower mortgage rate, or a higher rent would increase this cash flow and your ROI, Return on Investment.

Just what is that cash flow return on the cash you have invested, as you are leveraged with a mortgage and a down payment with closing costs of around \$45,000.

$$\$357/\text{month} \times 12 \text{ months} = \$4,284 \text{ annual rental positive cash flow}$$

$$\$4,284 / \$45,000 = .0952, \text{ or } 9.52\%$$

How many investments do you have or do our accomplished attendees have that are paying 9.52%/year on an insured investment resistant to interest rate, inflation, and other risks?

It gets better though. With tax advantages unique to real estate, you're actually doing better with this rental property in your investment portfolio.

Tax Advantages

Successful people struggle with the IRS regularly. One funny quote from a TV show has the father asking his daughter what book she must live by everything it says on every page. She answers, "the bible." He tells her, "No, it's the IRS Code." Taxes are a necessary thing, but there are some benefits afforded real estate investors that are unique and make real estate investment even more attractive.

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Deductions from Rental Income:

Most of the expenses involved in the closing costs, management, and operation of rental properties are deductible. Large improvements or major equipment replacement must be depreciated, but the rest are deductible in the year paid:

- Mortgage interest
- Property taxes
- Repair expenses
- Utility expenses
- Management expenses
- Legal, accounting, and professional expenses
- Property and liability insurance

All of that is deductible before you pay taxes on your profits, and most if not all of those are in our estimate and previous calculation of rental cash flow. So, you expect to pay income taxes on that \$4,284/year; NO, you do not.

Depreciation:

A rental property can be depreciated over a period of 27.5 years in most cases. That's the value of the structure only, as land doesn't depreciate. Now let's take a look at our tax liability for that \$4,284 annual cash flow income. Assume lot in our example home is worth \$28,000, leaving \$192,309 of our purchase price as structure value/cost.

$$\$192,309 / 27.5 = \$6,993 \text{ in annual depreciation}$$

So, now you'll pay income taxes on your paper profit of... wait a minute; it's not a profit, it's a loss! You didn't actually spend any money on depreciation, but you get to deduct that from income, so you're actually showing a loss:

$$\$4,284 - \$6,993 = (\$2,709) \text{ for a loss}$$

Check with your accountant, but in many cases, you can deduct this from other investment income profit, such as the sale of stocks. So, really, you've increased your annual cash flow from the cash you're not going to pay the IRS for taxes on other investments. This is the kind of thing accomplished people notice and follow. If you sell the property at a profit before fully depreciated, you'll have to pay the IRS a partial penalty, but most people find that not to be a deterrent to the annual savings advantage. Also, you're about to learn how you can not only avoid that recapture but also all capital gains over the long run on your rental holdings.

The 1031 Tax Deferred Exchange

Successful people like to pass along their success to their heirs with as little taxation as possible. Even better, if they can sell rental properties at a profit and not pay capital gains on the sale, that's even better. This is possible through the use of the 1031 Tax Deferred Exchange.

Over time, as you build a rental portfolio and cash flow income, you may want to sell a property. Perhaps the neighborhood isn't generating the rents it used to, or maybe you want to take your profits and roll them into more properties. Let's use our Denver rental home for this example.

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You've held the home for 10 years, and you want to take advantage of the equity in it to get another property. You could just borrow against that equity, and that may be the right thing to do if you're still happy with the property and cash flow. If not, you can sell it to free up your equity. Selling stocks results in capital gains taxes for the year the profit is realized. Selling a rental property can get around them.

The rules are complicated, with time schedules and other requirements (it is the IRS after all), but in general here is how it would work.

Start Value	\$220,309.00
Total Appreciation (34.392%)	\$75,767.87
Final Value	\$296,076.87

From an online calculator and using a conservative estimate of 3% appreciation each year, after 10 years we are sitting on around \$75,000 in profit with some costs removed. However, you're an investor, and when you bought this property at auction, you bought it below the real market value of \$245,000 at the time.

It appreciates from that value, not what you paid for it.

Start Value	\$245,000.00
Total Appreciation (34.392%)	\$84,259.51
Final Value	\$329,259.51

This is really what we can sell it for and invest in other rental homes. Let's take out some closing costs and say that we're going to be able to put \$82,000 into two homes instead of one.

The 1031 Exchange requires that all of your profits be reinvested anyway. If you take any out, you're going to pay capital gains on them and perhaps more. So, the plan could be either a larger more expensive rental or two small-

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er homes. However, let's look at what happens with this tax deferral over time and how we can make it a big win for our heirs.

You keep doing these sales and rolling into more homes or more expensive ones. Every time you defer the capital gains. If you're holding all of these properties at death, and it's not something you can avoid, what happens when your children or heirs take possession?

Current law says that they take possession at the "stepped-up" value of the property. This means that they inherit it at the current market value. All of those capital gains taxes never happen. In a way, you can take it with you.

The Sense It and Come to Learn More

As to the original question about why accomplished people attend these events, you've just gone through the primary reasons. In their research into bettering their lives, they come across examples and articles about the potential of real estate investment.

The come to these events to see how they can take the most direct route to using it to improve their financial futures.

Q: Is there money to do deals, regardless of credit score or cash on hand?

One of the greatest advantages of choosing real estate for investing is that there are a number of different ways in which you can invest. The logical end game is holding rental properties for retirement cash flow, but buying them requires at least the down payments.

The good news is that there are ways to generate that down payment cash quickly through other strategies, such as wholesaling (contract flipping) or fix & flip investing. Which you choose is up to you, and some people do both. The question is, if you have to start with the purchase of a home before you can flip it, where do you get that money, especially if you're credit-challenged?

The Assignment Contract Flip

For the wholesaler, in most states, the assignment contract is a legal way to fund a deal with only a small amount of earnest money. The contract is written with the investor "and/or assigns" as the buyer. This means that the investor can then make an assignment contract with their buyer who takes over the contract, all rights, and responsibilities. The wholesaler is out of the deal, simply collecting their profit when the buyer closes on the deal, and they only invested that earnest money.

Transaction Lending

Our education and many team members have cultivated relationships and partnerships with lenders who specialize in funding short-term real estate deals for contract flips or fix & flip projects.

Credit rating isn't normally a factor in making these loans. It's the strength of the deal, the value of the property as-is, and sometimes the after-repair value, ARV. These lenders look at the deal and lend based on their LTV, loan to value, criteria. Once you build a relationship and track record, you can even get funding letters to seal up deals by showing the seller you have the funding when you make the offer.

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Taking the first step is attending this event. You can see firsthand how the synergy of this huge group of investors and investment trainers creates opportunities and the ways in which to fund them.

****DETAILS & RESOURCES****

This is an important question, and the short answer is a simple “YES.” Now that we’ve taken care of that, here are the details that will allow you to prove this to yourself, and you can even begin to check out some of these resources and line up your funding for your future real estate investing.

The bulk of the financing discussed here is about short-term investing, such as wholesaling and fix & flip. However, the first section is about financing a rental home for long-term income. Obviously, the primary source is a mortgage loan from a mortgage lender or bank. However, this question mentions “regardless of credit score or cash on hand,” so we’ll get the long-term financing out of the way first.

Rental Home Financing When You’re Cash-Short or Credit Challenged

If you have the ability to make the down payment and the credit to get a normal mortgage, this is the best approach, as you are the sole investor for cash flow and appreciation. However, if you need another resource for cash or credit reasons, here are some innovative ways to get the money.

Partnership

This is more common than you may think. If you’re going to get the knowledge through education and spend the time and effort to become proficient at locating suitable rental properties and negotiating good deals, then you can find a partner. These are investors who want to invest in real estate, but their tendency is to do it passively through REITs because they don’t want to deal with the research, negotiations, and the management as a landlord.

You can meet these investors at local real estate investment club meetings, seminars for real estate investment, and anywhere investors seek opportunities in real estate without the hassles. If you’re a good writer, you can even create a free blog and run Craigslist ads to attract investors to read about how they can get better returns without the hassles.

You’re going to partner with the person with the money, and they’re going to be partnering with you for your expertise and ability to dig up properties that yield great cash flow and appreciation. They also want you to take the management responsibility, something you would do for your own rentals anyway. Yes, you’re going to have to split the return, but it can still work well for both of you.

The best application of this structure is if you have good credit, but you just don’t have the cash to buy homes. Your investor partner has the cash for down payments, but you use that to get the mortgage in your name. They’re not on the mortgage or deed, but your partnership legal documents cover their interests, so you’ll need an attorney to make everyone secure. Getting the mortgage and ownership in your name protects the investor from credit hits in the future if something happens.

Your agreement specifies how the property’s income is to be split, with 50/50 being common. With ownership and the loan in your name, the agreement should also include a secondary lien against the property in the event it must be sold so that the money investor gets some or all of their investment out first. There is still a risk, as that

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first mortgage takes precedence, so the equity needs to be there to compensate the money partner.

This is all dependent upon your money investor's faith in your abilities and past performance in locating great properties and flipping them to rental investors. If you can show them repeated successes, they are more likely to partner up. Buying below market value also helps, as it creates immediate equity, protecting the money investor's contribution better.

Why not just let them mortgage it and partner up? They're going to quickly see that they're better off by just hiring management for around 10% of rents than they are giving you a larger percentage. The split can be other than 50/50, especially if you're not established, or the money investor doesn't know you very well. Often family or long-term friends are the best because they know you well. If not, you may have to take a lesser percentage on the first few deals to prove your worth.

The money investor will be very happy if they can take in monthly cash flow that's much better than their bonds are yielding and have some protection through equity in the home. If rents begin to slide, the agreement can spell out how a decision to sell is made, that the investor gets their money out first, then the profit if there is any is split.

The Better Approach for Many

If you can build up one or more strong partnerships with multiple property investors, the partnership approach can work well. However, why not look at the short-term strategies that provide cash profits quickly so that you can build up your own cash to get your own rental home mortgages.

If you're credit score-challenged, you may not be able to get decent mortgage terms, so you need to work on credit repair while you build cash. As you perfect your wholesaling or fix & flip process, you may decide that it's what you prefer, so you'll have plenty of time to repair credit and plenty of money when you're ready to buy.

Let's take a look at how you fund wholesaling and fix & flip investing, and you do not need good credit or a lot of cash.

The Assignment Contract

The first and most important discussion item here is a simple instruction: CONSULT AN ATTORNEY in the state where you want to wholesale. At this link, <http://www.watsoninvested.com/wholesaling-real-estate/> is an article written by an Ohio attorney that makes it clear that in that state the simple assignment contract is not legal.

In states where it is not legal, it is because their laws state that the person signing a purchase contract as the buyer must have the clear intent to purchase the property, not entering the contract with the intent to assign it to someone else. So, before you check out using assignment contracts further, consult a real estate attorney in your state. That said, there is one more wrinkle.

Moving forward, we'll assume that you can do an assignment contract legally with the intent to assign the rights and obligations to another buyer. There may be specific legal verbiage you'll need in the contract that makes sure the homeowner understands your intent and agrees to it. OK, legalese out of the way, here's how it works.

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Standard Purchase and Sale Agreement

This agreement is made this _____ day of _____, 20_____

between Seller(s) _____

and Buyer(s) _____

and/or assigns.

Seller agrees to sell and buyer agrees to buy the following described real property together with all improvements and fixtures and the personal property described below:

Street Address _____

City, State, Zip: _____

This is a portion of a simple assignment purchase agreement, and the major difference is in the box. Basically, and simply, you're telling the seller that you MAY assign your rights and obligations to another person or business. They take over your rights and your obligations under the contract, basically removing you from the process. If you need verbiage explaining that and getting explicit seller approval, your attorney can craft it for future use.

There is another contract that you execute with your buyer to make this happen, the Assignment Contract. This contract provides for your payment/profit at closing so that to this point, your only investment is earnest money to the seller. You negotiate that to be as low as possible to lower your risk, as you'll forfeit it if the deal fails to close.

RECITALS

WHEREAS, Assignor is the owner of and has rights in and to a contract to purchase a particular piece of real estate (hereinafter AContract@);

WHEREAS, Assignee desires to purchase Assignor=s rights to said Contract;

WHEREAS, Assignor has the contractual right to assign the Contract to Assignee, and Assignee is willing to pay Assignor consideration for said assignment.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. **Contract.** The Contract for purchase of real estate is between Assignor as Purchaser and _____ as Seller, dated _____. The real estate referred to in the Contract shall hereinafter be referenced as the AProperty@. It is set forth in the Contract that Seller has agreed to and Assignor has the right to assign the Contract to any person or entity.

2. **Assignment.** Upon the execution of this Agreement, Assignor agrees to assign all of its rights under the Contract to Assignee.

3. **Assignment Fee.** As consideration for this transfer or assignment, Assignee agrees to pay Assignor _____ dollars (\$_____). This Assignment Fee shall be paid upon the Closing of the purchase of the Property by Assignee. This Agreement shall be provided by both parties to the escrow agent processing the Closing and the Assignment Fee shall be set forth on the Settlement Statement for the Closing.

4. **Future Assignment.** Assignee does not have any further authorization to assign the Contract without the express written consent of Assignor.

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This is a portion of the most important part of the assignment contract with your buyer that states you have the right to assign in a contract with the seller. It spells out your fee/profit and that it is paid at the closing when your buyer completes and funds the purchase.

To put this in simplified process steps:

- 1) You locate a suitable property and negotiate a purchase price with the seller.
- 2) The purchase agreement specifies that it will be assigned.
- 3) You take the deal to your buyer and execute the assignment contract.
- 4) You get paid at closing.

If you are cash-challenged, this is the answer for wholesaling if it is legal. The earnest money deposit is cash you put up, but it is negotiated. A motivated seller often will settle for a few hundred dollars.

Don't worry, as if it isn't legal where you are, there is another resource.

The Sandwich Lease Rental Investment

Rental home investors who are cash and/or credit challenged have another option. It may not work in every market or all of the time, as it depends on motivated sellers and challenged buyers. However, the sandwich lease has been used to invest in rental homes with little or no cash and very little risk. There are three stakeholders in this strategy:

←----- Motivated Seller ----- Investor ----- Tenant Buyer -----→

This is a win-win-win situation for everyone involved as you'll see.

Step 1: A lease-purchase/rent-to-own contract with the seller.

You market and network to get in front of motivated sellers who need to sell their homes, and usually, they need to do it quickly. They have been unable to sell, perhaps because they don't have enough equity to pay commission and closing costs, or they do not have time and must move for employment or other reasons. The primary motivator isn't getting cash out of the home; it is getting out of the payments to move on with their lives.

The numbers have to work for your purposes. You do your due diligence to determine if the property will make a good rental and that the rent you can charge is significantly higher than the current mortgage payment. If the numbers work for nice cash flow, you try to do a lease-purchase (rent-to-buy) contract with the seller. You are going to lease the property for the amount of their payments, and a good period for this lease is three to five years.

You're leasing with the option to buy on or before the end of the lease for a pre-negotiated price. You can make this a variable number based on an independent appraisal. However, if they want out of the home, you can often make the purchase price equal to or a little more than what they owe on it now. Let's use the example of a home that has a mortgage balance of \$185,000 and a current value of \$190,000. The monthly mortgage payment, including escrow for insurance and taxes, is \$825.

You lease the property for that monthly payment amount for three years with the option to buy for the mortgage balance at or before the end of the lease. The mortgage will continue to be paid down, plus there should be some appreciation, so it's going to be worth more than you've negotiated to pay. You may have to offer a little more, but not much.

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There is one more piece that helps you to get the seller to commit. You offer them a non-refundable option premium, perhaps \$2,000, in this case, to sign the deal, and they keep that money. This gives them some help in moving expenses.

The seller wins by getting out from under their payment with some cash.

Step 2: You do a lease-purchase agreement with a tenant-buyer.

Assuming you went into this business with a plan, you have been advertising on Craigslist and Facebook that you have rent-to-own homes in many areas. The prospect for your home is a renter who wants to buy a home, but they need time to save for a down payment and/or they have credit issues they need to resolve before buying.

When you get hits on your advertising, you may not have a home ready, in fact, you probably will not. You tell the prospect that you'll go out and find them one and ask for their basic requirements for location and home characteristics. Keeping these tenant-buyers in your database, you have ready buyers, and we'll assume that one of them wants a home like the one you've just locked up in the lease-purchase.

You offer this tenant-buyer a lease-purchase agreement for 3 years (same period as your lease) with an option to buy the home at or before he lease expiration. The selling price can be set at \$210,000 for our example, so you'll lock in a profit on the other end if they exercise their option, as you'll immediately exercise yours as well.

They agree to a monthly rent of \$1,195/month, so your monthly positive cash flow before any repair expenses is $\$1,195 - \$825 = \$370$. You also charge them an option premium of, you guessed it, \$2,000. This is a whole lot less than a down payment, so they'll go for it in most cases. You now have your initial cash investment back.

The tenant-buyer wins because they get their home and time to buy it.

Your Benefits

You get a nice monthly cash flow income with no cash invested, a major win. You also get a tenant who intends to own the home, so they'll take better care of it than a normal tenant. You may even negotiate for them to make minor repairs as a part of the lease. If they exercise their option to buy, you do the same, and you make a nice profit on the sale, as they have been paying down the mortgage for you.

Should they decide to move and not exercise, depending on when you simply find another tenant-buyer or a regular tenant to keep your cash flow coming. If you can't get a commitment to buy by the end of your lease, you can simply walk away.

This real estate investment strategy has been proven successful, but it is market-dependent. You'll also want an attorney to bless your lease purchase agreements to cover your interests and risk.

Your first step should be free ads on Craigslist to start building a tenant-buyer database. Start marketing for motivated sellers in as many ways as you can, from those small bandit signs at street corners to "Avoid foreclosure and move soon" ads on Craigslist.

Transaction Funding

There are lenders who specialize in short-term lending to real estate investors for wholesaling and fix & flip investing. You'll find these lenders referred to as Hard Money or Private Money lenders as well. First, we'll look at the businesses formed for this purpose, then move to more private sources.

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PREMIER BORROWER PLAN: 1	TYPICAL BORROWER PLAN: 2
Rates Starting at 11% Interest Only	Rates Starting at 13% Interest Only
<ul style="list-style-type: none"> ✓ Financing: Up to 100% of Purchase Price & Repairs* <hr/> ✓ LTARV: Up to 70% <hr/> ✓ Origination Fees: 3% <hr/> ✓ Prepayment Penalty: None <hr/> <p>Min. 680 Credit Score, 2 mo. bank statements & paystubs (if employed) & last 2 yrs. tax returns. No min. down.</p> 	<ul style="list-style-type: none"> ✓ Financing: Up to 100% of Purchase Price & Repairs* <hr/> ✓ LTARV: Up to 70% <hr/> ✓ Origination Fees: 3-4% <hr/> ✓ Prepayment Penalty: None <hr/> <p>No Min. Credit Score, 2 mo. bank statements & paystubs (if employed). No min. down.</p>
Apply Now	Apply Now

This is not a recommendation, but this site <http://www.dhlc.com/hardmoneyloanrates/> is where this example screenshot came from. It gives us a good look at how a typical transaction lender charges for their short-term loan services.

You could be using this for wholesaling if you can't do an assignment contract, but as you'll see, it's an expensive loan. These are better suited to fix & flip, as you have more profit potential to absorb the fees. Notice the LTARV: that's the amount they'll loan, and it's the percentage of the ARV, After Repair Value. So, the fix & flip investor can pull all of their numbers together, and if they can buy the home and fund the rehab for 70% of the value after the rehab, they have a possible deal.

The higher interest rate and fees for option 2 are due to the elimination of the minimum credit score requirement, as they have more perceived risk. All of this is negotiable. If you develop a good track record with a lender, they can work with you.

Example Fees:

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If you find a home you can fix & flip that will have a value of \$250,000 after your repairs, let's take a look at what it will cost you if you can buy it for \$175,000 and your repairs will cost you \$38,000. Immediately you see that you'll need some other money because the 70% LTV limit will only yield 70% of \$250,000, or \$175,000. You'd have to fund all of your rehab work.

You would need to get the price of the home down to \$137,000 to fund the whole process before fees. You pay \$137,000 for the home and \$38,000 for rehab, so you hit that 70% limit amount for borrowing. So, what are the fees if you'll need to use the money for 4 months from purchase to anticipated sale?

Borrowing \$175,000

$$\$175,000 \times 3\% \text{ origination fee} = \$5,250$$

$$11\% \text{ interest} = \$1,604/\text{month}$$

$$\$1,604 \times 4 = \$6,416$$

$$\$5,250 + \$6,416 = \$11,666$$

If all goes according to plan, it's going to cost you \$11,666 in fees to fully fund your purchase and rehab of this home. It could be worth it to you, as here's how the profit breaks out:

$$\$250,000 \text{ sale price} - \$175,000 - \$11,666 = \$63,334$$

This is a pretty good return on zero cash invested over 4 months, and why fix & flip is a popular real estate investing niche. Even taking it to option 2 because of the credit score, here's how it shakes out:

Borrowing \$175,000

$$\$175,000 \times 4\% \text{ origination fee} = \$7,000$$

$$13\% \text{ interest} = \$1,896/\text{month}$$

$$\$1,896 \times 4 = \$7,584$$

$$\$7,000 + \$7,584 = \$14,584 \text{ funding cost}$$

$$\$250,000 - \$175,000 - \$14,584 = \$60,416$$

Again, that's a pretty good return on zero invested. If you have some money to fund repairs, or you take in a contractor as a profit sharing partner, you could increase your purchase price if necessary. The point is that fix & flip can be highly profitable, even if you have no money and need to pay high fees to borrow it.

A simple Google search on transactional lenders yields many you can research:

real estate transaction lender  

All News Images Shopping Videos More Settings Tools

About 480,000 results (0.51 seconds)

Top Mortgages for the Investor | Leverage Properties as Capital
(Ad) landing.cashcallmortgage.com/Mortgage-Loans/For-Investors ▾
 Qualify Based on Subject Property Cash Flow. We Don't Look at Debt Ratio! See Our Rates. Refinance Your Home Today. Speak With An Agent Today. Save Thousands. Services: No Closing Cost Mortgages, 30 Year Fixed Mortgages, 15 Year Fixed Mortgages, 10 Year Fixed Mortgages.

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 Short-term, Private Lender & Investor Rehab Loans For Real Estate Investors. Rated A+ By BBB. Register Online. Get Directions. Categories: Private Investor Loans, Investor Rehab Loans.

Private Hard Money Lenders

As you meet real estate investors at local real estate investment clubs or in the course of your business, always be looking for private investors seeking higher returns for relatively low-risk investments over the short term. The lender takes out a lien on the home, so their investment is reasonably secure, as they can foreclose and sell it.

There will be private investors who have lots of money in low yielding investment accounts who would be thrilled to fund your deals for even lower fees than these. Some may partner up for a percentage of the profit rather than complicated fees or interest charges.

The point is that there is plenty of money out there for new investors without previous experience.

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Q: How do I locate pre-market and tax deed auction properties to flip for cash or hold for long-term monthly income?

Let's separate these two opportunity types, as the opportunities are found in different places and ways.

Pre-foreclosure or Pre-market Properties

There is a service that real estate brokers provide to lenders that could help you immensely in finding properties before anybody knows about them. The service is the BPO, or Broker Price Opinion. It's the earliest alert to a possible distressed situation or foreclosure in the future. It even comes before a Notice of Default.

Lenders who have homeowners starting to fall behind on their mortgage payments will hire a real estate agent for a BPO. There are two types, a drive-by or an in-house, depending on whether the home is occupied. The lender doesn't want to pay hundreds of dollars for an appraisal when they can usually pay under \$100 for a BPO valuation.

Get to know some real estate agents who do these, as usually there are only a few in the area who specialize in this niche and they do many of them. Get them to let you know about them this early in the process so you can do your research and buy them at the earliest opportunity. Also, use sites like <http://RealtyTrac.com> to search out pre-foreclosures.

Tax Deeds

When homeowners fall far enough behind in paying their property taxes, the taxing authority, normally the county assessor, will put a lien on the property and offer this lien to investors as a tax lien certificate, on which they bid.

Some taxing jurisdictions do it differently. Instead of auctioning off the lien, they actually auction off the deed. In the details section below we'll dig into this, as many investors prefer the tax deed to the lien certificate.

****DETAILS & RESOURCES****

The Pre-Market Research Bargain

One way most investors overlook or consider too much work to locate bargain properties before they go to market is through probate records. When real estate is involved in an estate, depending on the state and procedures, there will be someone, not necessarily an attorney, who is tasked with the disposal of the estate assets and division of any money left to heirs after bills are paid.

Most counties have moved to online records that can be searched by the public. Every county is different, but for our example, this is the process you can use online to locate real estate in probate in Galveston County, TX.

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Probate Case Records

(*) Required Fields

Search By: Case Party Attorney Date Filed

Case Status: All Open Closed

Date Filed: (e.g. 11/12/1955) * On or After and * On or Before

Sort By ▼

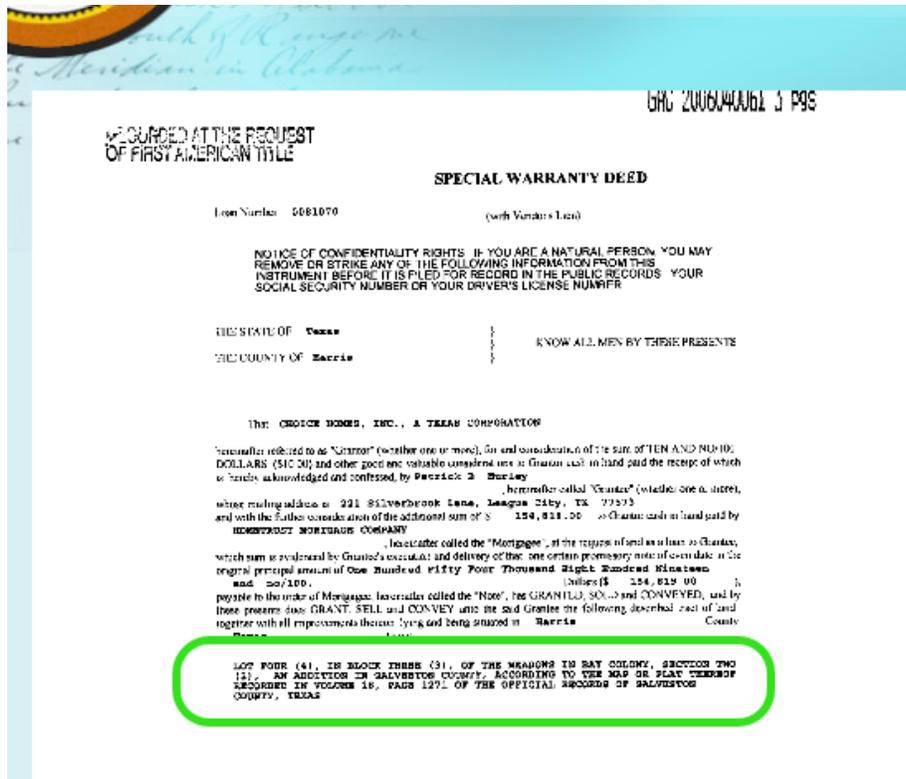
The website has a search page, and you can see that you don't need to know anything about people or properties. Simply entering a date range, preferably recent, you can get all of the probate filings for that date range.

PR-0078269	Estate of Manuel Rodriguez, Deceased	11/06/2017 Probate Court Sullivan, Kimberly	Other Estates (Wills) Disposed
PR-0078270	Estate of Luis Enrique Carrera, Deceased	11/06/2017 Probate Court Sullivan, Kimberly	Other Estates (Wills) Disposed
PR-0078271	Estate of Linda Faye Plitt, Deceased	11/06/2017 Probate Court Sullivan, Kimberly	Independent Administration Inactive
PR-0078272	Estate of Robert John Hutchinson, Deceased	11/06/2017 Probate Court Sullivan, Kimberly	Other Estates (Wills) Disposed
SE-0001875	Estate of Thomas William Foster, Deceased	11/06/2017 Probate Court Sullivan, Kimberly	Small Estate Disposed
SE-0001876	Estate of Irene Florence Yancey A/K/A Irene Gasiewicz Yancey, Deceased	11/06/2017 Probate Court Sullivan, Kimberly	Small Estate Disposed
PR-0078273	Estate of Lucila Madrigal, Deceased	11/07/2017 Probate Court Sullivan, Kimberly	Independent Administration Filed/Open
PR-0078274	Guardianship of Betty Jean Ruiz, Incapacitated	11/07/2017 Probate Court Sullivan, Kimberly	Guardianship of an Adult (Person Filed/Open
PR-0078275	Estate of Patrick Barclay Hurley, Deceased	11/08/2017 Probate Court Sullivan, Kimberly	Independent Administration Filed/Open
SE-0001877	Estate of JoAnn Waite Wilson, Deceased	11/08/2017 Probate Court Sullivan, Kimberly	Small Estate Disposed
PR-0078276	Estate of Michele D. Grindberg, Deceased	11/09/2017 Probate Court Sullivan, Kimberly	Independent Administration Filed/Open
PR-0078277	Estate of Joseph Reintzel Williams, Jr., Deceased	11/09/2017 Probate Court Sullivan, Kimberly	Independent Administration Filed/Open

The results display as a list with limited information, including the PR-Record Number and the status, as well as the name of the deceased. You have no way to know which of these involve real estate, so there is one more step you'll have to take with each, but it doesn't take that long.

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Another area of the county website allows you to search real property records. Here we take the name from the probate listing and enter DEED as the document type. We want to see if there is real estate involved in the estate. If there is another deed where this individual sold the property, it will be there as well, and you can move on to another record. If not, you can view the actual deed:

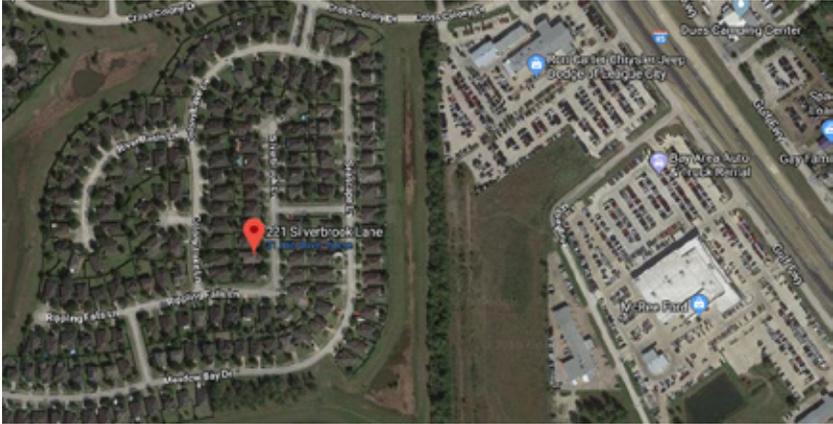
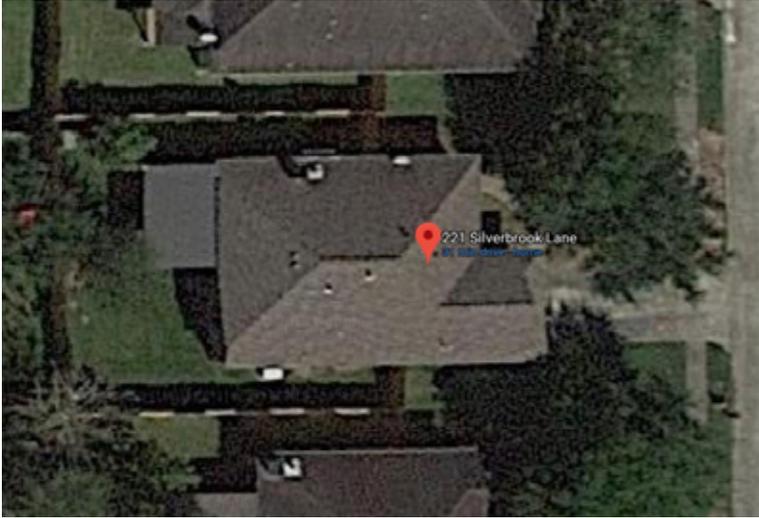


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Some of these scans are tough to read, but you can blow them up and usually get the property legal description and often the address. In this deed, we find the address is 221 Silverbrook Lane in League City, TX.

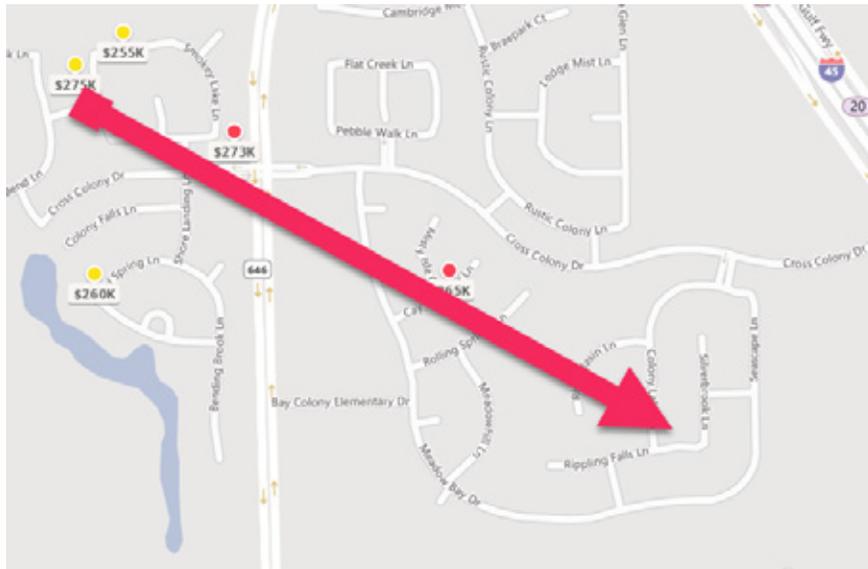
Going to Google maps, we can search for the listing and view it in Satellite view to at least get a look at the neighborhood and the placement of the home in that area. We're just doing some quick research to see if this home may be right for one of our investor buyers or for a rental home for our own investment.

Just to see if there is some potential, we'll dig a little deeper in mapping and on Zillow.com to see the homes around it.



These shots are from Google Maps. Now we'll move over to Zillow.com to see if there are any recently sold properties nearby to see values.

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The yellow dots are recently sold, and they're not right in the same small subdivision, but fairly close. The arrow points to the location of the house we're checking out. The red dot just above it is a nearby home for sale.

**217 Cay Crossing Ln,
Dickinson, TX 77539**

3 beds · 3 baths · 2,640 sqft

When walking into this house, you know you are where you want to be...home! With the first step inside, you are immediately drawn to the light open airy feel as you walk

FOR SALE
\$264,900
Price cut: -\$5,099 (4/19)
Zestimate: \$258,870

EST. MORTGAGE
\$1,079/mo
[Get pre-qualified](#)

CONTACT AGENT

Your Name

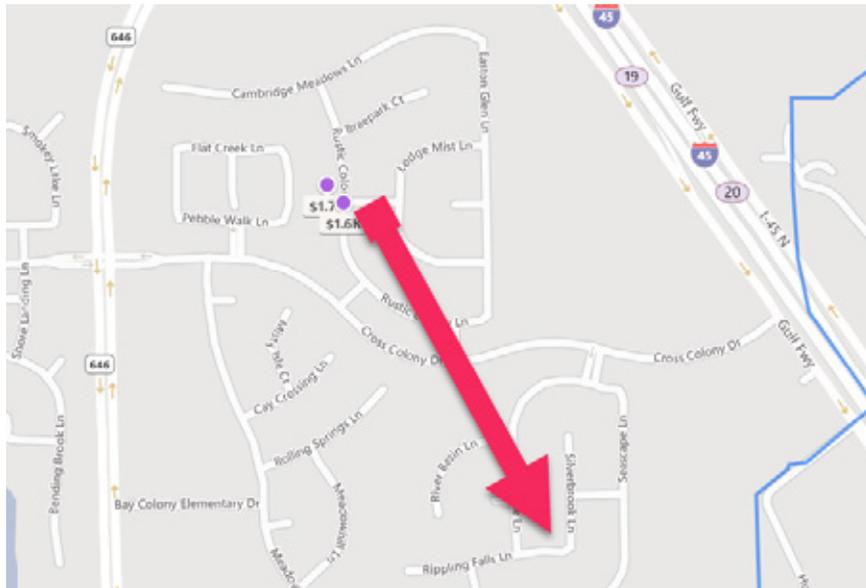
Phone

Email

I am interested in Dickinson, TX

It will take some more research to see how comparable this one is to our subject property in probate, but you're getting the idea, and it isn't hard to do using online resources. The focus to this point is on whether we think this will make a good rental home and if the rents there are going to support it.

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Changing our Zillow search to For Rent homes, we see two almost in the same neighborhood, and they are renting for around \$1,700/month. Now it's easy to run the numbers back for whatever price you think you can pay for the home to see if the rent numbers work.

Of course, there is a lot more research to do if you see it as a potential good rental, not the least of which is going to the county records to see whom to contact as the Estate Administrator to see if the home will be sold and when and if you can make an offer.

You now have the steps to find properties your competing investors don't have a clue about, and often you can make an offer on a property with equity at a bargain, as the heirs don't want the home, just the cash.

Tax Deed Auctions

In some states, instead of selling a tax lien certificate, the municipality will sell a property's title or deed to redeem taxes. This means you will buy the actual property when you win a bid at an auction. Most states will give you immediate ownership of the property when you settle the tax debt, but some will give the original owner a short time period to redeem the property.

If the original owner chooses to reclaim the deed within the given redemption period, they have to pay you the amount you have bid at the auction plus interest. The interest can be pretty high also, ranging between 10-25%, depending on the state.

However, unlike a tax lien certificate, you don't need to be in any hurry to foreclose if the original owner does not reclaim the property during the redemption period. When the redemption period expires the property just becomes yours to do with as you please. You could sell it to property investors at a profit, use it for rental and gain steady income, or hold on to it a little longer and sell when market prices hike.

We'll use Broward County, FL for our example.

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Auction Calendar
Tax Deed Instructions
Tax Deed Surplus Report

Links:

- [Broward County Tax Search](#)
- [Broward County Tax Collector](#)
- [Broward County Property Appraiser](#)

News and Announcements:

Before you can bid in a sale, you **must** make a deposit. **All deposits must be submitted online via an electronic debit (ACH deposit).** Click the My Payments link after logging in and Submit Deposit. **The deadline to submit your deposit is by 5:00 PM EST on the Thursday before the auction.**
Once the auction ends, follow the steps in the Bidding Summary in order to complete the sale.

Upcoming Auctions			
Bidding Period	Description	# of Items	
Jun 20, 2018 9:00 - 11:57 AM EDT	6/20/2018 Tax Deed Sale	57	Auction Upcoming
Jul 18, 2018 9:00 - 12:17 PM EDT	7/18/2018 Tax Deed Sale	77	Auction Upcoming
Aug 15, 2018 9:00 - 11:04 AM EDT	8/15/2018 Tax Deed Sale	4	Auction Upcoming
Sep 19, 2018 9:00 - 11:01 AM EDT	9/19/2018 Tax Deed Sale	1	Auction Upcoming

[View Auction Calendar](#)

On the site, you can view upcoming auctions and move from there to the properties for more details.

38482	\$220,545.35	-	11:02 AM	Upcoming
Parcel #:	484118-00-0150			
Tax Certificate #:	761			
Legal:	18-48-41 THAT PT OF SW1/4 DESC AS,COMM AT NW COR OF SW1/4,ELY 295.73 TO POB,S 481.71 TO P/C,SLY ARC DIST OF 152.11,SELY 287.26 TO P/I ON W/L OF NW 127 AVE, NLY ALG SAME TO P/C,NLY & ELY 321.33,ELY 1374.87 TO P/C,ELY & NLY 39.57,CONT N ALG W/L OF NW 124 AVE TO N/L OF SW1/4,WLY TO POB LESS P/P/A 16... Full Legal Description			
Situs Address:	NW 39 ST			
Homestead:	No			
Assessed / SOH Value:	\$544,140.00			
Applicant:	SILVERSTEIN MICHAEL J			
Links:	GIS Parcel Map			

Bidding starts at 9:00:00 AM EDT on 6/20/2018				
Tax Deed #	Opening Bid	Best Bid	Close(EDT)	Status
35442	\$12,155.55	-	11:01 AM	Upcoming
Parcel #:	494126-BJ-0120			
Tax Certificate #:	8180			
Legal:	SUNRISE TOWNE PREFERRED 3 CONDO UNIT 176			
Situs Address:	2650 NW 60 WAY			
Homestead:	No			
Assessed / SOH Value:	\$44,420.00			
Applicant:	ST WEALTH PARTNERS LP			
Links:	GIS Parcel Map			

These two properties show the ranges of prices you may encounter. If you're looking for a lower end rental property, perhaps the bottom one, a condominium is worth a look. Keep in mind that the Assessed Value is not the market value, usually considerably more. Clicking that bottom GIS Parcel Map link:

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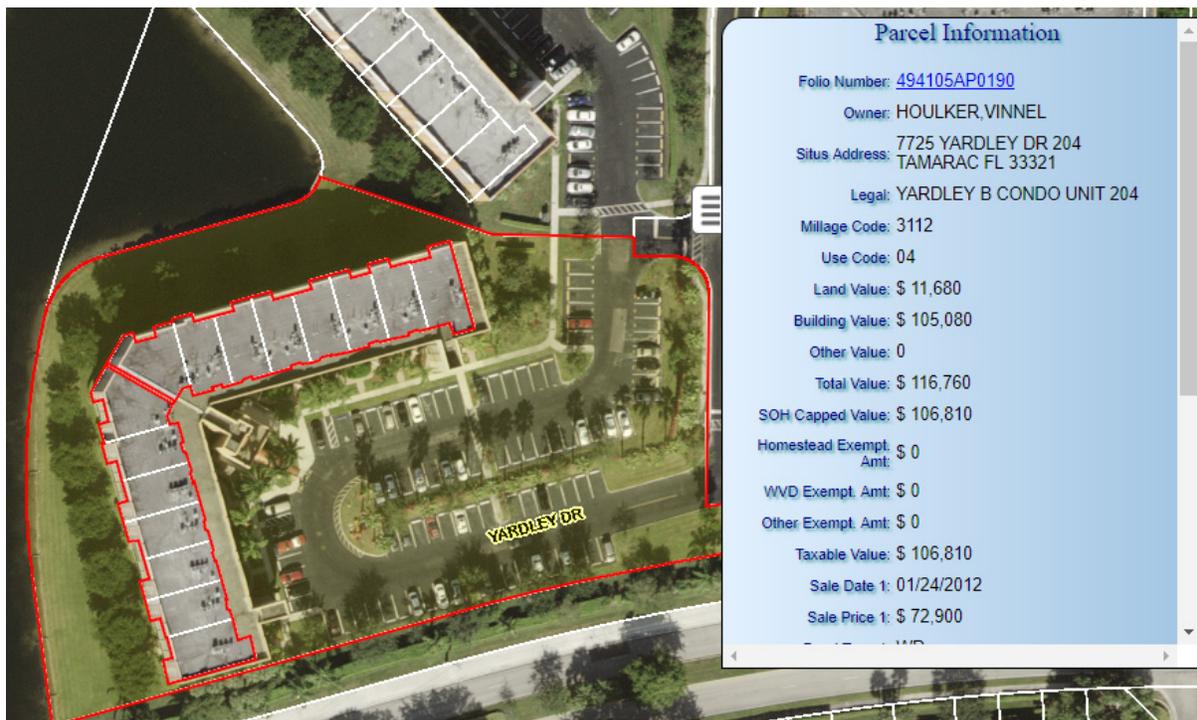
We see that the property is outlined in red and that the assessed value is capped, with the total value of the property estimated at \$74,030.

Of course, you'll want to view the property, neighborhood, condition of the condo project, and do more research, such as the condo association rules for renting out units.

They're normally pretty liberal in Florida, but they can be very restrictive in other areas.

With an opening bid of just over \$12,000, there could be an opportunity to pick off a property at half or less of its current value. If so, and if you didn't have to spend too much to put it in good shape for rental, you could see some amazing cash flow.

39864	\$13,017.05	-	11:22 AM	Upcoming
Parcel #:	494105-AP-0190			
Tax Certificate #:	5277			
Legal:	YARDLEY B CONDO UNIT 204			
Situs Address:	7725 YARDLEY DR			
Homestead:	No			
Assessed / SOH Value:	\$97,100.00			
Applicant:	TAX EASE FUNDING 2016-1 LLC			
Links:	GIS Parcel Map			



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This is another example. With a starting bid of around \$13,000 and a total value of more than \$100,000, this could be your next rental condo.

Again, you'll have to check the Condo Association rules for renting it out. In this case, you may want to check to see if you can do short-term rentals on Airbnb or a similar site. The returns can be even greater, but it's a different way of thinking about rental income.

Why this one for short-term? It's a waterfront condo project:



These are just examples, and there was no research done about rentability. The goal is to show you how buying tax deeds can be a good way to get your hands on income properties.

There is a redemption period in which the owner and tax debtor can redeem the property if they pay all back taxes, penalties and a hefty (often 10% to 25%) to the investor. Many do redeem them rather than lose the property. These periods are usually short, 90 days or shorter, some expire very soon after the auction. Is that a problem for you?

Look at it this way. If you bought the tax deed on this waterfront condo unit for say \$15,000, and the owner redeems it and must pay you all of what you paid, plus penalties and maybe 20% interest. If this happens in 30 days from the auction, those penalties and interest can amount to a very nice ROI on the short time you were invested.

Tax deed and tax lien investing require a great deal of education, research into your taxing jurisdiction's rules, redemption period, bidding requirements, and more. However, it can be a great way to get started in real estate investment to buy a rental property at a great discount to value.

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Q: Is it possible to avoid the roadblocks and risks that real estate investors eventually face?

We will not tell you that you'll never have a problem investment or a fix & flip that goes over budget. We will say though that you can cut your risks dramatically and avoid just about all of the roadblocks other investors experience in their businesses.

Get Educated

We can't say this enough. Everything you learn about the business of real estate investing, valuation of properties, repair costs, management expenses, property taxes, property insurance, mortgage rates, negotiating, and funding is of great value. The breadth and depth of your education is the single greatest factor in avoiding roadblocks and risks.

Roadblocks generally are the inability to cultivate buyers, locate properties, or get funding. We have detailed instruction in all of these and other factors that contribute to a successful real estate investment deal. We work with our students in successful strategies to create the right conditions on both ends of a deal, the buy, and the sale. If it's for rental property investing, buying with instant equity and assured cash flow are the goals and remove the risk.

Build the Right Relationships

Work with the very best in their areas of expertise. We have a team of experts, successful in their own businesses, who help our students to learn what they need to know to skip the roadblocks and avoid unnecessary risk.

Be selective in working with team members and create partnerships that contribute to your success through win-win relationships. There is no substitute for networking with successful people who have a track record of profitable real estate investing.

****DETAILS & RESOURCES****

If you want to avoid crashing an airplane the first time you fly it, the only way to do that is to learn how to fly. You don't learn to fly just any airplane. Instead you learn how to fly the specific plane you're about to pilot. Don't jump into a jet when you've only learned to fly a prop plane.

That may be a bit dramatic but ask an investor who has had one or more deals crash into money losses, and you'll hear that it's dramatic as well. This isn't saying that following what you learn here will guarantee 100% success. The more you learn, the less likely you'll fail, but now and then you may skirt the line between profit and loss. Often this isn't about what you do not know, but instead, it's about letting speculation overrule investigation or mentally inflating the expected outcome.

Don't speculate – investigate. No matter how much you know about real estate and the various ways to make money, each and every deal must be investigated, and all of the due diligence done, or you take on added risk. This is most likely when deals are hard to find, properties tough to locate, or buyers are cutting back on their rental property purchases. You cannot create a deal; you can only see one and facilitate it.

Keep a realistic outlook. This is a problem that can creep into deals in a number of places.

- You can assume a higher rent than is realistic.
- You may assume more buyer demand than exists.
- Thinking you can pay a little more and make it up in rehab can be trouble.
- Assuming you can talk a buyer up in price; sales pitches don't work well.
- As a landlord, underestimating your ownership costs.

There are many decisions along the way in a real estate investment and varying from the learned path, and your own rules are often when trouble develops. You cannot force a deal, only recognize potential and work to maximize it.

All of that said, the more knowledge you can accumulate before you commit your time and money, the less likely you are to fail. Accumulating that knowledge can take many forms and use very different processes and resources. In this section, we'll look at the many ways that you can learn more about real estate investing.

Response is a multi-faceted investment education resource, and a great deal of our instruction and mentoring is focused on real estate, as there are so many different ways to make money in real estate.



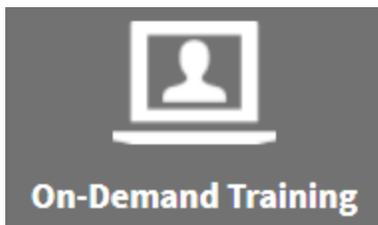
The Internet has changed the world of learning through interactive training you can access in the comfort of your home. The rich media tools and the ability for the instructor and students to interact online make Webinars excellent tools for real estate instruction.

We use Webinars to instruct in all aspects of real estate investing.

Webinars also bring immediacy to the training and education process. A webinar can come together quickly. Current events and news that influence strategy selection or changes processes can be quickly shared between instructors and their students.

Insights into current market conditions, recent developments and financial and economic influences can be

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shared and interactively discussed for the benefit of students. Decisions and profits can result from these webinars.

Video and other on-demand training puts the student in control of their training and schedule.

The ability to access education when and where the student wants is invaluable in today's busy lifestyles. Learn what you need when you need it, and on your schedule.

The Basics of Real Estate

Students learn how real estate is valued, purchased and sold, as well as how transactions are funded. The effects of location, buyer, seller, and tenant demographics, and the ways in which investors work with each are all important to success in real estate investing.

Quick Cash Strategies

Many investors are cash-challenged when it comes to down payments for rental properties. Quick cash investing strategies can help these investors to build large cash reserves to use for other strategies, ultimately ending up in residential or commercial rental properties for long-term wealth. Often investors continue with quick cash strategies even though they move to long-term cash flow strategies as well.

Cash Flow Strategies

For many investors, the ultimate goal of their activities is to generate long-term positive cash flow from their investments. They look toward retirement and funding the lifestyle the desire and avoiding running out of money in their lifetime. Cash flow from rentals is the way that many lavish retirement lifestyles are supported. Learning how to accumulate and build on cash flow is the path to wealth.

Seller Financing Strategies

There are ways to invest in rental real estate without third-party funding or a new mortgage. Creative strategies to work with sellers for financing can make a deal when third-party funding will not.

Rehabbing Strategies

Rehabbing can be part of a fix & flip strategy or can be the path to holding the property for rental income cash flow. Because there is a rehab process involving time, materials, and labor, thorough training in the process is the path to success.

Residential Rental Strategies

Because a residential rental property is a long-term commitment, it is crucial to get things right, as you have to live with them, or take a loss and get out of a property early, and often at a loss. Learn the various ways in which a residential rental deal can be approached and completed for long-term gain.

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Webinars are great, but in our busy lives, often it is much more effective if we can learn at our own pace, when and where we want.

Our home study courses are designed to be comprehensive and tailored to the busy person who wants to learn their way.

Real Estate Investor Series

This is an end-to-end instructional series in real estate investing. It introduces the student to the various ways in which profits can be created with real estate. The different strategies for different investor and market situations are discussed.

This course series is a comprehensive walk-through of the different strategies for profit and cash flow. The student gets a thorough description of each process, which are best in certain markets and at certain times, and the methods and processes for success.

There is no better way for the novice real estate investor to build confidence and begin to develop an investment plan that will help them to avoid common pitfalls and navigate around obstacles to success. Most important, knowing how each strategy is constructed and funded, the investor lowers their risks. Knowing what makes a good deal, the investor can avoid risk through best practices and due diligence.

Real Estate Financing Options

Money makes the world go 'round, and it takes money to make money are both very old and true sayings. However, real estate is an awesome asset class for everyone regardless of their credit standing or cash reserves.

There is money available for every investor and every properly vetted deal:

- Seller financing for rental properties
- Sandwich lease strategies for rentals
- Assignment contracts
- Transaction lenders
- Hard and Private money
- Funding through partnerships
- Mortgages for rentals
- Equity financing

There are resources for all of these funding sources that you'll learn in this course series, as well as how to tap them.

These study courses are designed to give the student the tools to go out and do their first deal.

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Investor Expo

Knowing what to do and how to do it is fine, but you also need some help in the form of tools, resources, and vendors who work with real estate investors every day.

Along the way, you'll build a team for some of your deals, and these Investor Expos are where you may meet them first.

Along the way, you will need access to:

- Transaction lenders
- Repair companies and contractors
- Real estate agents
- Appraisers
- Title companies
- Attorneys
- Home stagers
- Property management companies

Meet them at Investor Expos.



Live Boot Camps

Learning at home online is great, as are on-demand courses and webinars. Sometimes there is no substitute for immersion in an environment away from your normal surroundings.

The synergy of learning in the company of others with your same interests makes our Live Boot Camps exciting.

Each quarter, we host a live boot camp. In these boot camps, we can concentrate on cutting-edge real estate strategies. These are the type of strategies to give you a leg up on the competition. That competition gets fiercer when there are fewer opportunities, so finding opportunities first or taking a new approach can often make the difference. Learn how at one of our live boot camps.



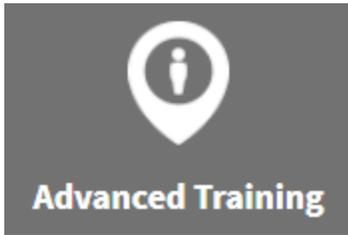
One-on-One Onsite Mentoring

Some people do best without the distraction of other students. They also need some extra consideration in that they need instruction to come to them instead of the other way around.

We've got you covered.

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An experienced mentor flies **to you** for two days of hands-on action-oriented training customized and tailored to drive rich, practical learning and development. Your own personal trainer works with you on the strategies best for your market area, your risk tolerance, and your financial investment capabilities.



Sometimes the desire is so great that there is nothing short of advanced concepts training in your market area in a team concept.

Our advanced training is offered to exclusive groups.

Inner Circle & Protégé Teams: By partnering with Response and our Next Level training, you'll have access to great educational resources and materials. We are with you every step of the way, ensuring you are making the correct investment choices and decisions. We'd be one of the first who admits that without support, investing can be overwhelming with all the laws, regulations, guidelines, contacts... however, with our advisory support and resource lines, you can call any time during our regular business hours to get any of your questions answered.

Members of the Inner Circle and Protégé teams have positioned themselves to receive training from our top trainers, along with the systems and tools they've invested years perfecting. Being a member of the Inner Circle and Protégé Team means you get access to:

Multi-week customized training experience for individual students:

- One-on-one relationship with a personal trainer to customize and accelerate the learning curve.
- Full access to our Response.com Education Center and the world-class curriculum it contains.

This is the ultimate level in our training programs requiring membership.



You can use index cards and filing cabinets, but today's real estate investment environment moves fast, and the data you need for profitable investment decisions is best collected and managed on the computer.

Our Software Tools are designed for real estate investors.

Our real estate software products deliver deep research capabilities and fast data collection and due diligence tools. Often an investor will do a cursory review of 50 to 75 properties to make a strategic investment selection. These tools make that process faster and more accurate.



Now and then the only path to the best decision is one that requires a second opinion or some advice.

Our Advisory Line is available to students so that you can access an expert when you have a decision to make, and you need more information or just some reinforcing opinions to get it right.

All of these educational and support tools are available for your success.

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Online Education You Can Trust

There are millions of pages online that provide real estate information, and specifically for real estate investors on many. The next search you do for the information you need, preface the search phrase with .gov.

In other words, make Google pull .gov websites nearer the top of the search results. An example that fits this discussion on avoiding roadblocks and pitfalls may be a rental property that is experiencing downward rent pressure. It met all of your criteria and valuation models when you bought it, and for a few years, it's been generating the anticipated cash flow. Lately, though, neighborhood demographics have changed, and rents have fallen somewhat. You can just sell it, but is there another choice?



This is a screenshot from USA.gov here: <https://www.usa.gov/finding-home>.

It is possible for you to offer a housing opportunity to someone who cannot afford the rent you want to charge. If you meet the requirements, this program will subsidize their rent. This is a major advantage for you, as part of your rent is paid by the government. It also tends to keep tenants longer, as they can't find better housing for their rent payment.

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[Home Investment Partnership Program](#)

This is a HUD program, and the link above is to the program page at HUD.gov. From the website:

HOME Program Summary

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions (PJs).The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

This may not be a program that works for your investing, but the purpose here is to show how some creative searching online can yield educational and opportunity assistance for real estate investors.

[HUD Property Ownership Restrictions](#)

This is a link at HUD.gov to a PDF file that also has information for investors, an introduction cut from that PDF here:

4155.1 4.B.1.d Investor Property Limitations (Reference)

Entities purchasing investment properties are limited to a financial interest in seven rental dwelling units.

References: For additional information on • investment property requirements, see HUD 4155.1 4.B.4, and • the dwelling unit limitation for investors, see HUD 4155.1 4.B.4.d

Whether anything here applies to your situation is something you'll need to research at the site. However, for this example, you're seeing opportunities for information to help you succeed in real estate investing while avoiding roadblocks and reducing risks.

[Affordable housing: Investing for Profit](#)

This link is to an article at Investopedia.com. Here is a cut from that article:

*Successful [real estate](#) investors are more than just landlords, **they are savvy business executives.***

They operate much like portfolio managers and business managers who focus on maximizing profits while creating value for clients. This article discusses affordable housing investment as a business and [investment strategy](#). We'll start with a definition of affordable housing and look at three groups that represent the best [target market](#). Next, we'll discuss affordability which is the defining characteristic of the target market. Then we'll turn to profitability and marketability, issues that make a good investment great. Finally, we'll look at financing, action steps, and wider business and social implications of affordable housing investment.

There are perhaps hundreds more independent, non-hype, articles that can help you to answer the question of this section. You can avoid many or most of the roadblocks and lower the risks that other investors encounter because they didn't do the research.

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Q: How can I find income properties I can flip quickly?

If you're flipping income properties, then your buyer is a rental property investor. They want something ready for a tenant and not in need of any significant prep or repair work. They also obviously want to buy at a discount to current market value (instant equity) and rent out with acceptable monthly cash flow.

Those are the short list, but the important ones. Knowing what you need to find is the first step; from there it's a race with the competition to find those properties.

Locating Properties

Advertise for them – Run classified or Craigslist ads stating that you help owners to avoid foreclosure, buy houses with cash, buy houses fast, or a combination of these things that motivated sellers will recognize.

County records checks – Often you can do this online, but if you have to, go to the courthouse. You're looking for new notices of default or estate filings that give you advance notice of possible opportunities.

RealtyTrac.com – <https://www.realtytrac.com/mapsearch/pre-foreclosures/> & others.

Pre-Foreclosure & Pre-Foreclosed Homes

FORECLOSURES

PRE-FORECLOSURE

AUCTIONS

BANK OWNED

FOR SALE

SOLD

Check out several sites through searches that list pre-foreclosure homes.

HUD.gov – The Department of Housing and Urban Development has a site at <http://hudhomestore.com> dedicated to selling mostly foreclosed and pre-foreclosure homes.

Fannie Mae – Fannie Mae is one of the top two guarantors of loans, so there are a large number of their foreclosures for sale at <http://Homepath.com>.

Freddie Mac – Freddie Mac is the other major home loan guarantor, and they sell homes across the country at <http://HomeSteps.com>.

Drive around – Sometimes great deals are found simply by paying attention to homes you pass by that look abandoned; tall grass, newspapers in the yard, electric meter pulled, gas meter locked, etc. Research courthouse records for the address to find the owner and any mortgages or liens on the property.

All of these should be part of your routine constant search for deal properties.

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****DETAILS & RESOURCES****

It would be easy to rely on two or three big online websites to locate income properties to flip, but you would be missing a huge number of very profitable deals. For this discussion, we're also assuming that you're not looking for fix & flip properties, as the question is about income properties. We will be seeking out properties that are ready for a tenant, or in need of very few mostly cosmetic repairs to get a tenant into place.

In the next few pages, you'll be introduced to multiple resources you can use to locate income properties you can flip for profit. Some may not have a large number of properties listed at any one time. However, that's why they aren't on the radar of most investors. If you can efficiently keep an eye on them with an online look every few weeks, the right property could pop up, and you'll be out in front of the competition.

Some of these have already been introduced in other sections here, but they will be addressed again here in terms of rent-ready homes at bargain prices.

The Craigslist Limited Search

There is a lot not to like about Craigslist, some scamming, lots of real estate agents and others advertising, but there are bargains there when you get past all of that. The best way to limit your searches to yield fewer and more relevant results is with modifying terms.

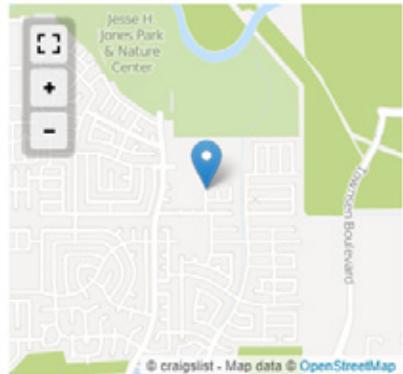


The search here is modified with the (-) minus signs to rule out certain phrases. Putting the quotes around them makes sure that the exact phrase is eliminated from the search. This is because a great many listings were found from agents with those phrases. We wanted to get closer to just those listings "by owners." There will still be others, but this gets you to the best quicker. Notice the one in the box for \$195,000.

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★ \$195000 / 3br - 1650ft² - New home for sale by owner (Humble) 🇺🇸

image 1 of 23



20407 Red Canyon Creek
([google map](#))

3BR / 2.5Ba 1650ft² available now

saturday 2018-04-21

- house
- w/d in unit
- no smoking
- attached garage



PRICED TO SELL QUICKLY!! HIGH AND DRY! MINUTES FROM BUSH AIRPORT! Make the Move! Conveniently located near the beltway, FM 1960 and 59. This outstanding home features a large master bedroom complete with Large Bath and walk-in closet. The spacious kitchen with granite countertops and all appliances stay! Has community trails, tennis courts, playground, and pool!

Community amenities near the airport could make this a good rental. If it really is priced to sell quickly and you can negotiate a lower price, you could have a flip that would put a nice profit in your pocket quickly. If you could get it for \$180,000, the mortgage and escrow would be around \$1,000/month for the buyer.

Similar results nearby

Within 4 miles and similar in price

2 Days Ago

HOUSE FOR RENT
\$1,750/mo 4 bds · 2.5 ba · 3,192...
 17827 June Forest Dr, Humble, TX

2 Days Ago

HOUSE FOR RENT
\$1,650/mo 4 bds · 2.5 ba · 2,30...
 10311 Whisper Bluff Dr, Humble, TX

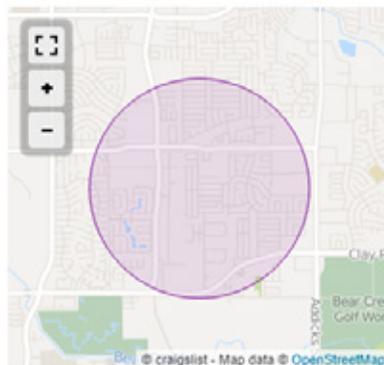
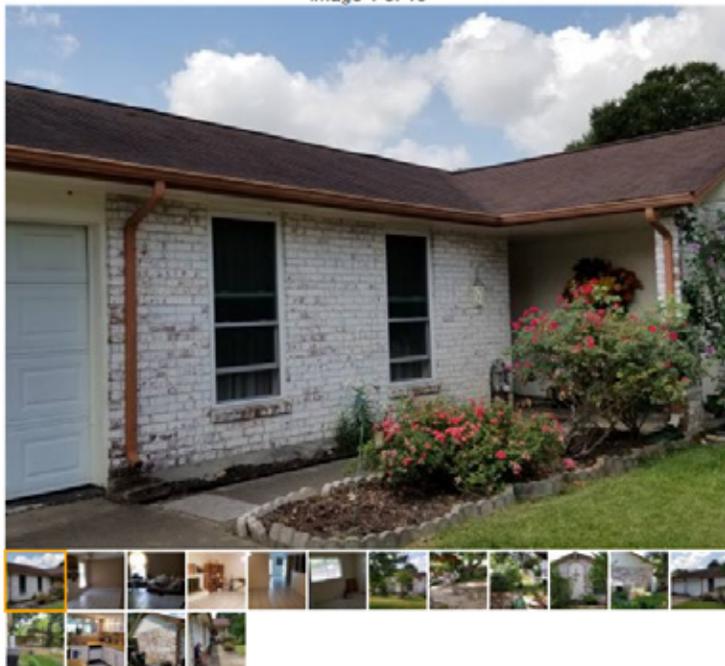
Over at Zillow, we can see comparable rentals, and there should be some nice cash flow if all of the numbers work. Look at many of these, and a few will rise to the top.

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reply prohibited Posted 7 days ago

☆ \$145000 / 3br - 1625ft² - Home for sale by owner (Houston Tx)

image 1 of 16



19419 Wood Village Ln
[\(google map\)](#)

3BR / 2Ba 1625ft² available may 25

house

w/d hookups

attached garage

Home for sale 3 Brm, 2 bath, Brick Ranch in West Lake Subdivision, Build 1975, 1625 sq ft, 2 car garage, cement drive, new windows 2016 transferable life time warr, roof less than 5yrs, central ac, heat, covered back deck, ceramic tile throughout, wood burning fireplace in living, walk in closets in all brms, attic access, 2x sliders to back patio, fenced back yard. 2 of the brm 11x11, master 12x17, dining/den combo 20x10, living 16x15, kitchen 9x12, total 7-9 parking, 145000 reasonable offers considered
No realtors offer to sell for me

Here's another one, and we see that it's only been listed on Craigslist for seven days, is owner listed with the "no realtors" comment, and they welcome reasonable offers. You never know when a distressed or pressured homeowner will need to sell quickly and a bargain is available.

The BPO, Broker Price Opinion, Edge

Mortgage lenders begin to take action very early if a homeowner starts to fall behind on payments. Sometimes they are just staying ahead of a formal default notice, but the lender takes action to check out the situation in case it gets worse.

To to this, they order what is called a BPO, Broker Price Opinion. It's too expensive and early to deal with an appraisal, but the lender would like to get some idea of the current value of the home to see how much is at risk in a foreclosure. Because they're usually still occupied, a "drive-by" BPO is ordered from a local real estate agent/broker. If it happens to be empty, then they do an interior BPO, more accurate.

There is a small group of these agents in a given area who do BPOs, and the cost to the lender is usually between \$75 and \$150. The agent drives by and tries to determine the overall condition of the home and then fills out the lender's valuation form with an approximate market value at the time. Even if a foreclosure does follow, this BPO is months in advance in most cases.

Some of these agents do these to gain the favor of the lender or their asset manager to get the listing when it is

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CAUSE NO. 2018-26331

LARRY DONNELL WILLIAMS § IN THE DISTRICT COURT OF
 VS. § HARRIS COUNTY, TEXAS
 MODERN HOMES TEXAS LLC d/b/a §
 WYNDSPIRE HOMES, MHT 1202 LLC, §
 and DUSTIN TUCKER § 295th JUDICIAL DISTRICT

NOTICE OF LIS PENDENS

STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

NOTICE IS HEREBY GIVEN that an action under Cause No. 2018-26331, styled *Larry Donnell Williams v. Modern Homes Texas LLC d/b/a Wyndspire Homes, MHT 1202 LLC, and Dustin Tucker* is pending in the 295th Judicial District Court of Harris County, Texas (the "Lawsuit").

The Lawsuit involves the title to and/or the interests asserted in, to, and/or against certain real property situated in Harris County, Texas, described as follows ("Property"):

ADDRESS: 1202 Chimney Rock Rd., Houston, Texas 77056

LEGAL DESCRIPTION: Lot Fourteen (14), in Block Twenty (20), of TANGLEWOOD ADDITION, Section Eight (8), an addition in Harris County, Texas, according to the map thereof, recorded in Volume 36, Page 66 of the Map Records of Harris County, Texas.

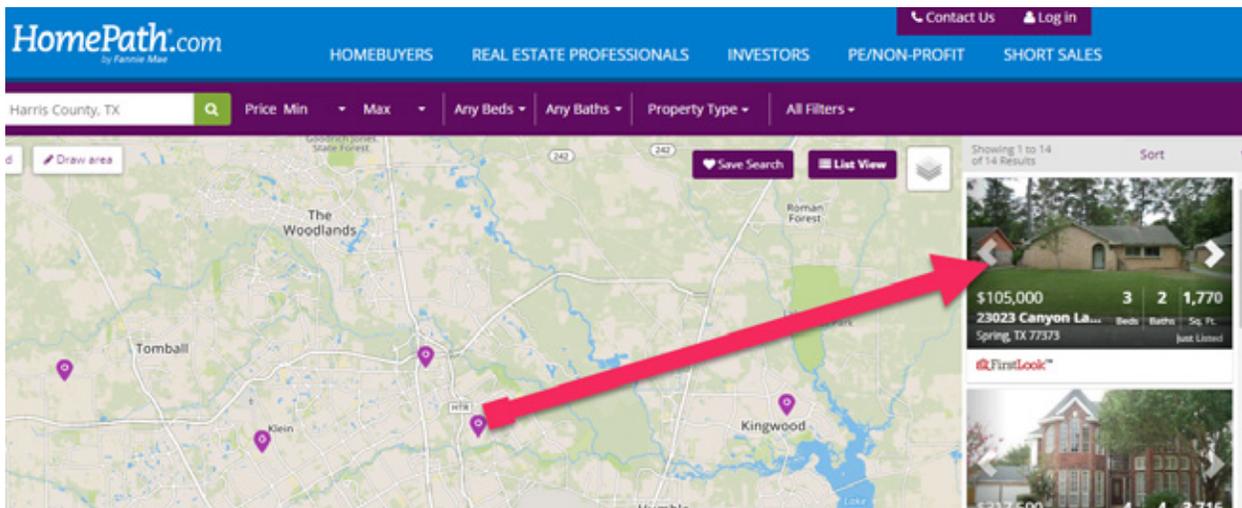
This is part of the recorded document. If this is a home in a neighborhood you like, it could be an opportunity, so further research can be done. Check out your county's online records to see if you can do these searches. If you can't do them online, it's a lot more time-consuming to do in the courthouse, but that does eliminate a lot of competition.

The search that turned up this property took less than five minutes, and more than 160 other lis pendens were there to comb through. This is early notice of homes that may be entering foreclosure.

HomePath.com, Fannie Mae REO (Real Estate Owned)

Fannie Mae, along with Freddie Mac, guarantees a large percentage of home mortgages in this country. When they foreclose, the listings are on this site.

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This search turned up several homes, and the top one is newly listed. Details:

23023 Canyon Lake Dr Spring, Texas 77373

Updated: May 21, 2018 12:17:17 AM ET



\$105,000

Status: **Just Listed**

Single Family [Save Listing](#)

3 Beds | 2 Baths | 1,770 sq. ft.

REO ID: D1800T8
MLS ID: 21524731

[Make an Offer](#) [How to make an offer](#)

1 of 17 

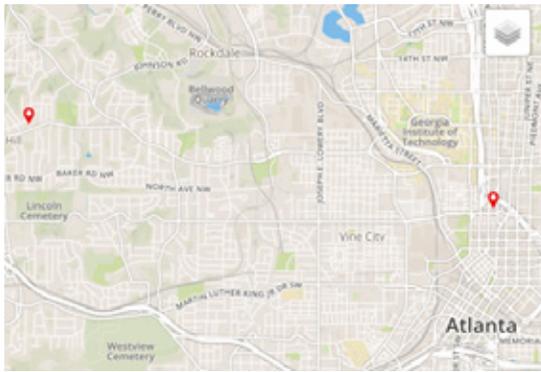
Those are the details for this home. Depending on your requirements and those of your rental investor clients, this could be worth investigating. You can make an offer online for these properties.

Some of these may need more repair work than you want, so every property would need a visit before making an actual offer.

Freddie Mac Foreclosures at [HomeSteps.com](#)

Like Fannie Mae, this mortgage giant lists foreclosures online as well.

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Atlanta GA 2 Results

Sort ▾



800 Hall St Nw
Atlanta, GA 30318
3 beds, 1 bath, 1280 sq. ft.
Single-Family

\$49,900

1st Look Days 16
Map it



400 W Peachtree St Nw Unit ...
Atlanta, GA 30308
1 bed, 1 bath, 730 sq. ft.
Condo/Co-op

\$244,900

Map it

There may not be many available in your area, but you should watch these sites for income property flip opportunities. Articles have different numbers, but many show the possibility of getting these homes at 80% to 90% of the listed price.

RealtyTrac Pre-foreclosure Listings

See if you prequalify for a mortgage today.

SEARCH HOMES
STATS & TRENDS
FIND AN AGENT
NEWS
MORTGAGE
HELP
REAL ESTATE PROS
LOGIN
FREE TRIAL

RealtyTrac Cobb county, GA Saved Searches Saved Properties Get 7 Days FREE!

1. Summary
2. Foreclosure Details
3. Property & Loan Info
4. Nearby Schools
5. Comps & Market Info
6. Map
7. Risk Factors

Photos (1 of 24) [Bird's Eye](#) | [Map](#)

Get help from a Pro

To participate in the event, you will be required to register with our auction partner

[BID ON THIS PROPERTY AT HUBZU](#)

2502 OWENS LANDING TRL NW BANK AUCTION

Kennesaw, GA 30152

Single Family Residence

4 Beds, 5 Baths, 3,642 sqft

[Get Your Free CMAA Report](#)

[GET MORE INFO](#) [SAVE](#) [MORE](#)

\$214,000 (Est. Opening Bid)

Est. Market Value: \$354,000

Est. Mortgage: \$972/mo

[Check Interest Rates](#)

Sale History

Date	Event	Price	Price/sq. ft.	Source
10/5/2006	Sold	\$342,000	\$93	Public Records
9/29/2006	Sold	\$342,000	\$93	Public Records
3/16/2004	Sold	\$306,568	\$83	Public Records

This is a sample listing on RealtyTrac. Notice that the estimated opening bid is \$214,000, and the sale history shows that the home has sold for significantly more in the past. There is a lot of information on each listing to help in evaluation.

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- 91 -

Comparable Homes & Market Info

Market Comparison



This home
\$214,000
 EST. OPENING BID

VS

Comparable Sales
\$453,076
 AVG SALES PRICE

Comparable Listings
\$407,921
 AVG LIST PRICE

Comparable Sales

The average sales price of homes similar to 2502 Owens Landing Trl NW is **\$453,076** (\$124/sq.ft.)

Address	Sold Price	Sold Date	Price/sq ft	Sq.Ft.	Beds, Baths	Distance
1391 Winborn Cir NW	\$372,000	04/17/2018	\$105	3,543 sq.ft.	4 Bed, 4 Bath	1.8 mi away
1380 Cooks Farm Ct NW	\$555,000	04/17/2018	\$150	3,704 sq.ft.	5 Bed, 6 Bath	2 mi away
4007 Halisport Vw NW	\$441,000	03/29/2018	\$115	3,824 sq.ft.	3 Bed, 3 Bath	1.7 mi away
4231 Rockpoint Dr NW	\$430,000	03/27/2018	\$117	3,677 sq.ft.	5 Bed, 5 Bath	2.2 mi away
1471 Willis Lake Dr NW	\$423,100	03/23/2018	\$119	3,570 sq.ft.	5 Bed, 4 Bath	2 mi away
3569 Sutters Pond Trl NW	\$512,000	03/20/2018	\$141	3,625 sq.ft.	5 Bed, 4 Bath	1.8 mi away
2656 Tift Way Nw	\$399,900	12/14/2017	\$110	3,627 sq.ft.	3 Bed, 4 Bath	1.3 mi away
4300 Oakvale Ln NW	\$425,000	12/05/2017	\$112	3,791 sq.ft.	4 Bed, 4 Bath	1.5 mi away
1781 Cloverhurst Ln NW	\$437,000	11/28/2017	\$126	3,471 sq.ft.	5 Bed, 4 Bath	1.3 mi away
1570 Davis Farm Dr NW	\$539,000	11/03/2017	\$142	3,802 sq.ft.	4 Bed, 4 Bath	1.8 mi away

These are the comparable sales nearby, which helps you to see if you want to get into rental research and determine your top bid for the property.

Data Vendors

No recommendations are intended here, but there are data vendors that specialize in homeowner and debtor data. Some advertise that their data for struggling homeowners can precede even the Notice of Default by up to 90 days.

Marketing To Distressed Homeowners - Consumer Data Leads ...

consumerdataleads.net/marketing-to-distressed-homeowners/ ▼

Marketing To Distressed Homeowners. Making an Emotional Connection with Troubled Homeowners. Adept investors that can empathize with a homeowner's ...

People also search for

[consumer data leads](#) [how to approach a homeowner in foreclosure](#)

A Google search yielded the above result among many.

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FAQ

F.A.Q.
Frequently Asked Questions
What is the Consumer Data Leads Advantage?

1 Who we are and what we do ...Consumer Data Leads is the premier List Database for today's marketing professionals; providing hundreds of property and demographic filters supporting virtually any residential and/or commercial specific marketing list requirement. **How we can help you ...**

- We can pinpoint homeowners who need your HELP!
- Pre-NOD Lead (late model data)
- Short Sales Prospects
- Foreclosure Prospects (NOD's, NTDS and REO's)
- ARM Resets
- Homeowners with Equity
- Reverse Mortgages
- FHAVA
- Renters – First Time Homebuyers
- General Homeowner Information and much more!
- **Click Here** for a complete list ALL of Products and Services

This example site is ConsumerDataLeads.net. The base data subscription is \$32.95/month. The site advertises that the data models behavior and other indicators that normally precede late mortgage payments and Notices of Default.

Sample Types of Mortgage Data & Credit Demographics

Note: Our data records reflect only origination lender with purchase of refinance. Also, mortgages sold to other lenders are not recorded information. Therefore, lender information is origination only.

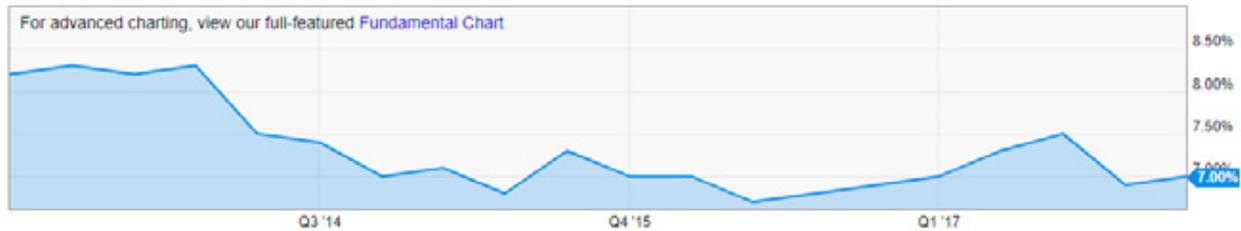
➡	Sample Late List > to review Best Practices #1
➡	Sample Cell Phone Data
➡	Sample NOD (CSV format)
➡	Sample NOD (PDF format)
➡	Sample Farm Are You Doing a Mailout? > to review Best Practices #2
➡	Sample Renter Leads
➡	Sample BK
➡	Sample Tax Liens & Judgments

You can access this sample data here: <http://consumerdataleads.net/sample-data/>

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Q: What is the Current Opportunity to Invest in Real Estate?

You may read articles about the drop in foreclosure inventories and assume that this reduces the opportunities to invest in real estate. Actually, the shrinkage of the “low fruit” inventory or easy pickings has caused a great many casual investors to leave the market. They were only able to profit with easy rock bottom foreclosures. Their departure reduces competition.



This chart from YCharts.com shows a 5-year history of rental vacancy rates, with the March 2018 rate holding at a very low 7%. First-time homebuyer activity still hasn't come back to pre-crash levels after the troubles from 2006 through 2009. The millennial generation is in large part renting, not buying.

The baby boomer generation hasn't yet returned to previous levels of listings for sale, keeping housing inventories down. With fewer homes for sale historically, prices have been rising, which means rents have risen also. According to data from ApartmentList.com, rents continue to increase in small increments month-to-month, reflecting strong rental demand.

All of this data supports the fact that even with fewer foreclosures, properties can be located and converted to rental service with profitable monthly cash flow and appreciation potential.

This country has also become more mobile when it comes to career paths. People aren't staying in one place as long as they used to. As it can take from 5 years to 8 years to break even on costs of sale between buying and selling, many are opting to rent. When you're not sure about how long you'll be in an area or job, you're less inclined to take on a large home investment.

No matter what type of investing you're doing, wholesaling, fix & flip, or rental investing, they all do well when housing inventories are low and rental demand is high. It's simply a matter of learning what people want and where, and then going out and locating opportunities.

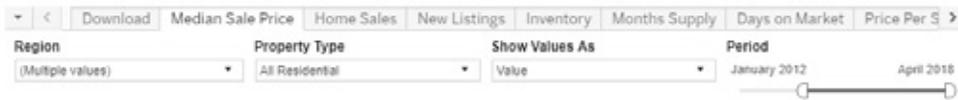
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****DETAILS & RESOURCES****

This section is for you detailed researchers and data lovers. The question is about the opportunity in real estate for investors. The way to illustrate that is with trusted data, much of it from studies, surveys and census data.

[Redfin.com](https://www.redfin.com)

Home Prices, Sales & Inventory

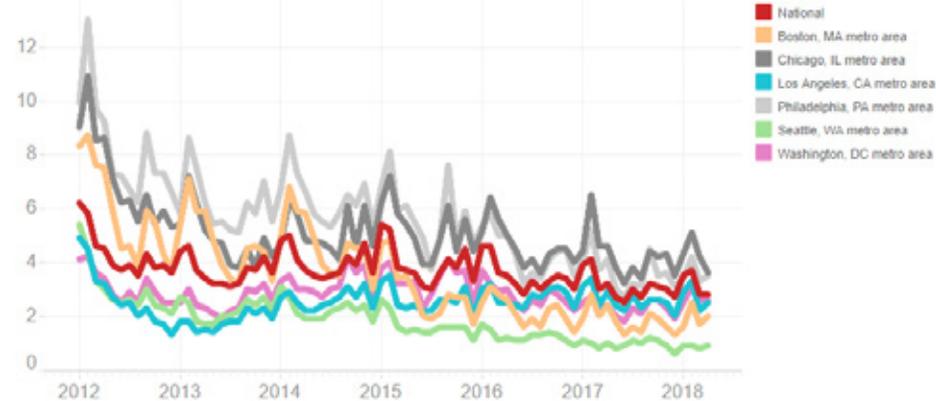


Median Sale Price



REDFIN

Months of Supply



REDFIN

Two interesting trends are clear in these two graphs from Redfin Data. First, home prices have been rising steadily since 2012 and are trending up now. Second, inventories are dropping or static in much of the country, so home appreciation should continue.

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Zillow.com Rental Data

Zillow keeps track of rents around the country and publishes a lot of data you can access for free.

	A	B	C	D	E	F	G	H
1	Date	RegionName	SizeRank	Zri	MoM	QoQ	YoY	ZriRecordCnt
2	#####	United States	0	1447	0.00138408	0.005559416	0.026969482	100025436
3	#####	California	1	2497	0.00160449	0.006449012	0.035669847	9638447
4	#####	Texas	2	1448	0.00138313	0.005555556	0.027679205	7192651
5	#####	New York	3	2182	0.00045851	0.000458505	-0.004562044	4928124
6	#####	Florida	4	1562	0.00514801	0.012970169	0.015604681	7660118
7	#####	Illinois	5	1488	0.00067249	0.002020202	0.021978022	4223215
8	#####	Pennsylvania	6	1225	0	0	0.009892828	4246504
9	#####	Ohio	7	1100	0.00090992	0.005484461	0.019462465	3856828
10	#####	Michigan	8	1130	0	-0.00088417	0.01710171	3866148
11	#####	Georgia	9	1268	0.00316456	0.008750994	0.049668874	3118755

This downloaded data is by state, and you can get more targeted data for many cities as well. The important information here is the MoM, Month over Month, QoQ, Quarter over Quarter, and YoY, Year over Year number for rent increases. Notice that, other than in New York, the trends are overall positive in all three columns. Rents are continuing to rise.

Couple that with the Redfin data above, and we see constant upward pressure on home prices, static inventories, and rents that tend to rise along with home prices.

Census.gov

This is one website with tons of data, and one downloadable chart shows this:

	A	B	C	D	E	F
1						
2	Table 11A. Median Asking Rent for the U.S. and Regions: 1988 to Present					
3	(actual dollars)					
4						
5	Year and Quarter	U.S.	Northeast	Midwest	South	West
237						
238	2014					
239	1st.....	766	1,043	684	709	886
240	2nd.....	756	930	646	720	910
241	3rd.....	756	893	638	738	860
242	4th.....	766	941	659	741	874
243						
244	Annual	762	962	655	725	886
245						
246	2015					
247	1st.....	799	921	679	762	953
248	2nd.....					
249	3rd.....					
250	4th.....					

This is median asking rents, and data is only available now from the first quarter of 2015 backward. However, there is an interesting jump from 2014 to 2015. Rents have been steadily rising around the country, highest increases in the West. Rising rents are great for rental investors and the wholesalers and fix & flip investors that supply them.

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RentCafe.com

The data from this site is oriented around apartments, but as apartment rents go, so usually go single family rents.

The price of apartments has gone up in 89% of the nation's 250 largest cities in January 2018, as demand for rentals remains elevated throughout the country, sustained by an improving economy and low unemployment. Renters continue to embrace apartment life, as rent prices are increasing at a strong and steady annual rate of 2.8%, nationwide, reaching \$1,361/month in January 2018.



St. Louis Fed Site



This site has a lot of economic data, and this graph depicts rent increases, which we see have been steady for six years for retail properties.

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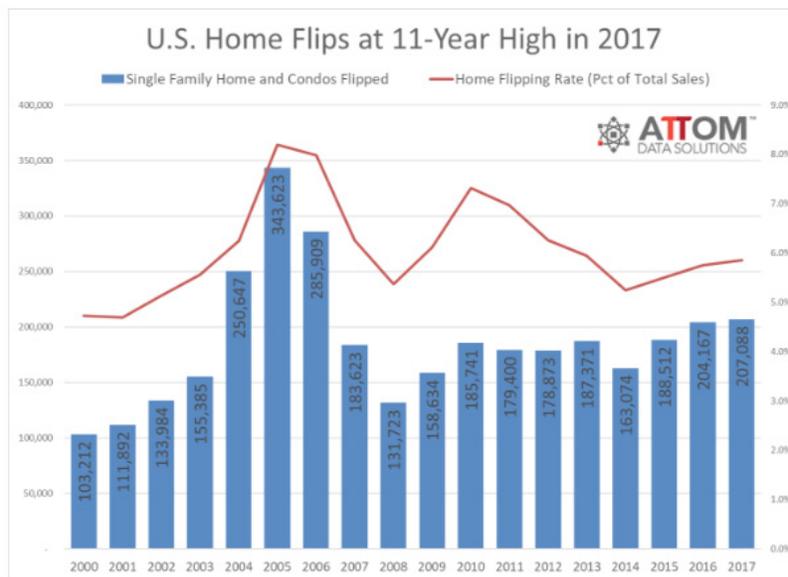


This graph shows the number of employees engaged in the rental and leasing of properties. We see the peak before the crash and the level now that has surpassed it.

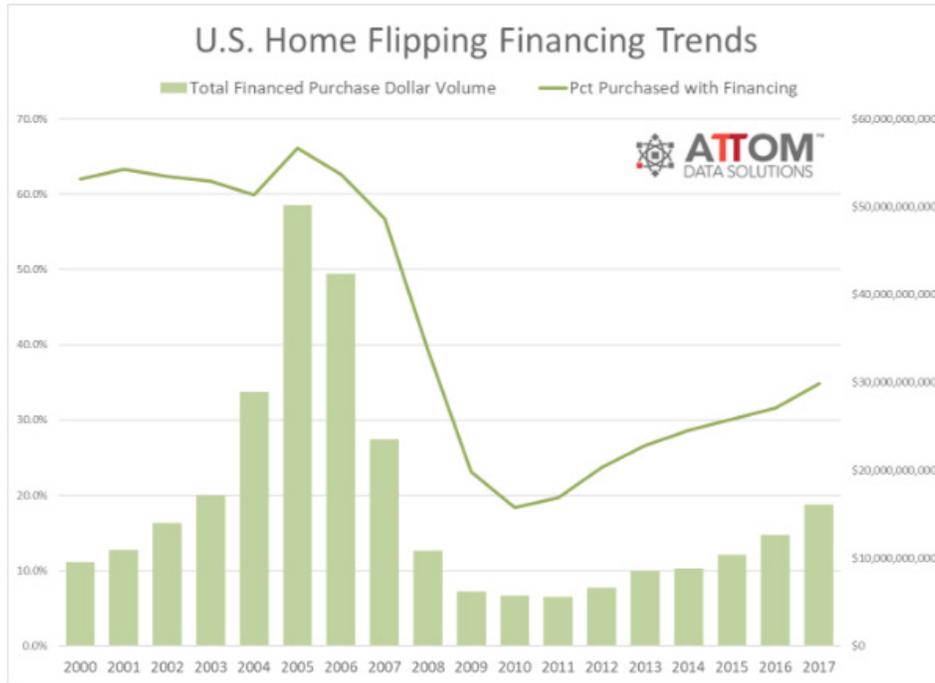
[ATTOM Data Solutions](#)

U.S. Home Flipping Increases to 11-Year High in 2017 With More Than 200,000 Homes Flipped for Second Straight Year

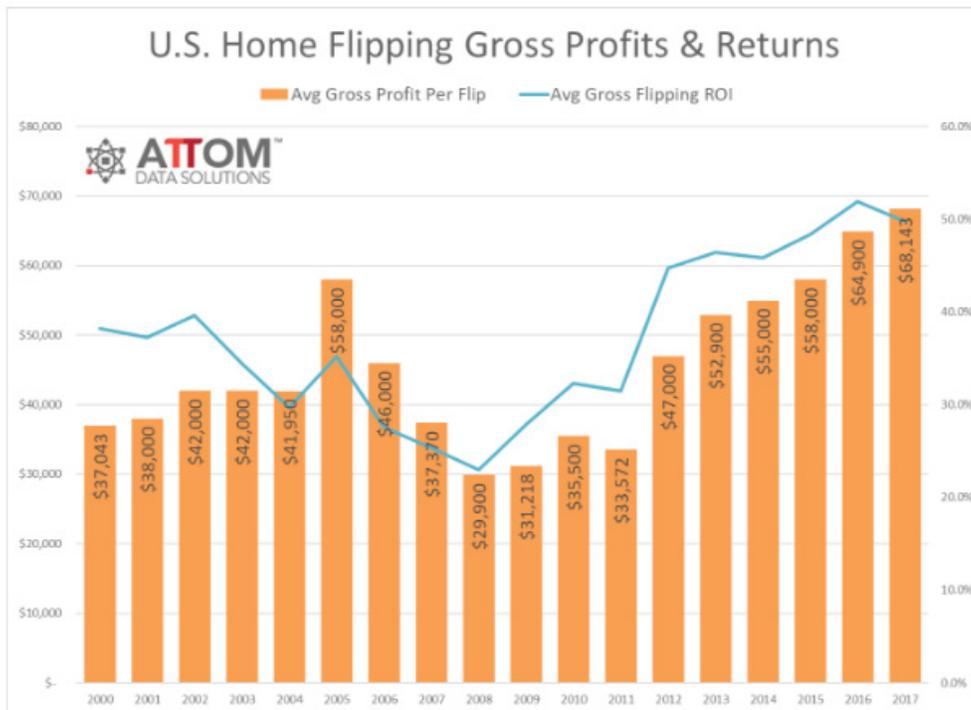
That's the headline at ATTOM Data Solutions for an [article full of data](#) about home flipping activity.



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Fearing a repeat of the crash, financing for home flipping has been increasing steadily, but we see that it is a long way from dangerous territory.



Profits from home flipping have also been rising steadily, and they surpassed the high in 2005.

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Info.homeunion.com

2017 SFR OUTLOOK

Housing starts will remain well below peak levels. Builders are limiting activity due to low margins for entry-level homes and high land costs.

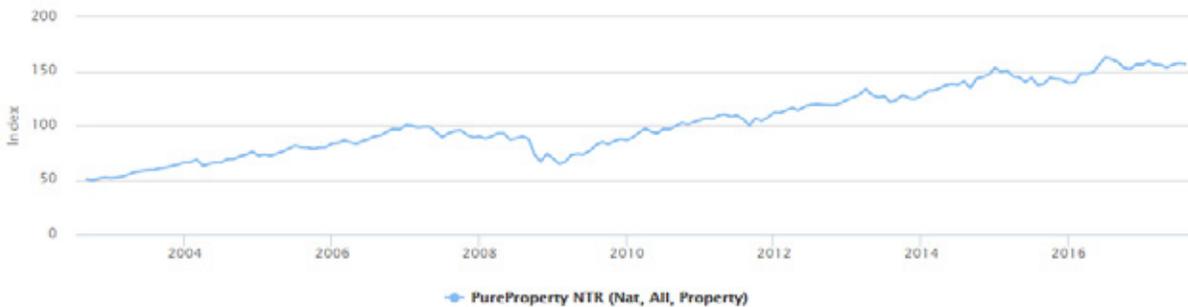
Vacancy will reach a cyclical low. SFR vacancy is projected to decrease 30 basis points to 6.4 percent. Submarkets with a high number of new apartments could see a rise in vacancy.

Competition will limit rent gains. Asking rent growth will slow to 3.5 percent in 2017. Some of the markets with previously strong performance are expected to show evidence of plateauing rents this year.



That line that's dropped so low is the vacancy rate in rentals, while the blue bars show rent increases. The law of supply and demand dictates that low inventories coupled with steady or increasing demand will create upward pressure on rents.

REIT.com



REITs, Real Estate Investment Trusts, invest in residential, but mostly commercial real estate. This graph shows that REIT returns have been steadily increasing since 2009. While REITs are a good choice for investors who want to invest in real estate in a passive role, returns can be much greater through active investing.

This graph does support the growth of rents of all types across the country. The entire real estate industry and most markets are in a value appreciation and rental income upward trend. This is the perfect storm for real estate investors.

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National Association of Realtors

NATIONAL ASSOCIATION OF REALTORS®

Existing Single Family Home Sales

Year	U.S.					U.S.					Inventory*	Mos. Supply	
	U.S.	Northeast	Midwest	South	West	U.S.	Northeast	Midwest	South	West			
2015	4,646,000	576,000	1,162,000	1,885,000	1,023,000	*	*	*	*	*	1,550,000	4.8	
2016	4,838,000	617,000	1,222,000	1,955,000	1,044,000	*	*	*	*	*	1,450,000	4.3	
2017	4,892,000	615,000	1,222,000	1,989,000	1,066,000	*	*	*	*	*	1,290,000	3.9	
Seasonally Adjusted Annual Rate						Not Seasonally Adjusted							
2017 Mar	5,040,000	630,000	1,220,000	2,110,000	1,080,000	399,000	47,000	95,000	169,000	88,000	1,580,000	3.8	
2017 Apr	4,920,000	620,000	1,240,000	2,010,000	1,050,000	395,000	48,000	100,000	161,000	86,000	1,700,000	4.1	
2017 May	4,960,000	660,000	1,210,000	2,030,000	1,060,000	493,000	62,000	127,000	198,000	106,000	1,740,000	4.2	
2017 Jun	4,870,000	630,000	1,230,000	1,960,000	1,050,000	536,000	68,000	144,000	209,000	115,000	1,720,000	4.2	
2017 Jul	4,810,000	560,000	1,190,000	1,980,000	1,080,000	455,000	57,000	118,000	185,000	95,000	1,690,000	4.2	
2017 Aug	4,800,000	610,000	1,210,000	1,920,000	1,060,000	474,000	63,000	123,000	188,000	100,000	1,650,000	4.1	
2017 Sep	4,770,000	600,000	1,220,000	1,880,000	1,070,000	410,000	52,000	106,000	161,000	91,000	1,640,000	4.1	
2017 Oct	4,880,000	620,000	1,230,000	1,940,000	1,090,000	406,000	53,000	103,000	160,000	90,000	1,600,000	3.9	
2017 Nov	5,050,000	630,000	1,320,000	2,050,000	1,050,000	380,000	48,000	93,000	155,000	84,000	1,470,000	3.5	
2017 Dec	4,950,000	620,000	1,250,000	2,020,000	1,060,000	380,000	47,000	88,000	163,000	82,000	1,290,000	3.1	
2018 Jan	4,760,000	610,000	1,170,000	1,980,000	1,000,000	281,000	35,000	62,000	120,000	64,000	1,360,000	3.4	
2018 Feb r	4,960,000	540,000	1,140,000	2,160,000	1,120,000	283,000	31,000	62,000	127,000	63,000	1,400,000	3.4	
2018 Mar p	4,990,000	570,000	1,200,000	2,130,000	1,090,000	382,000	41,000	90,000	165,000	86,000	1,470,000	3.5	
vs. last month:	0.6%	5.6%	5.3%	-1.4%	-2.7%	35.0%	32.3%	45.2%	29.9%	36.5%	5.0%	2.9%	
vs. last year:	-1.0%	-9.5%	-1.6%	0.9%	0.9%	-4.3%	-12.8%	-5.3%	-2.4%	-2.3%	-7.0%	-7.9%	
year-to-date:						0.946	0.107	0.214	0.412	0.213			

Note: Annual inventory figures are from December of each year

Sales Price of Existing Single-Family Homes

Year	U.S.					U.S.				
	U.S.	Northeast	Midwest	South	West	U.S.	Northeast	Midwest	South	West
Median						Average (Mean)				
2015	\$223,900	\$262,500	\$175,500	\$196,400	\$319,100	\$267,300	\$299,900	\$207,100	\$238,500	\$355,000
2016	235,500	265,400	184,400	209,200	342,900	276,900	302,000	215,400	247,900	371,900
2017	248,800	275,700	196,200	222,700	369,400	290,200	312,000	226,800	259,500	391,700
Not Seasonally Adjusted						Not Seasonally Adjusted				
2017 Mar	238,000	263,000	183,700	214,500	351,300	279,300	300,200	214,300	252,100	377,900
2017 Apr	246,300	268,100	194,200	223,400	361,600	288,600	306,100	225,700	261,400	386,200
2017 May	254,300	282,500	203,000	227,500	373,500	295,500	317,100	233,400	266,100	394,100
2017 Jun	265,500	296,400	213,300	237,100	382,500	305,000	329,700	243,400	275,900	400,800
2017 Jul	260,300	291,200	206,900	232,600	377,600	300,100	324,000	237,700	270,200	398,100
2017 Aug	254,800	286,200	203,100	225,600	378,100	295,500	321,700	233,200	261,400	398,600
2017 Sep	249,100	275,200	197,900	221,400	376,600	290,500	311,300	226,700	256,700	397,500
2017 Oct	247,200	273,800	193,600	217,800	377,500	288,400	309,100	223,000	253,500	398,700
2017 Nov	248,200	272,100	195,400	220,600	376,900	290,000	310,900	225,000	256,500	398,100
2017 Dec	247,900	259,500	192,400	224,200	375,100	288,800	301,200	223,100	259,400	397,100
2018 Jan	241,900	268,000	188,100	214,600	365,100	282,800	306,100	218,100	249,200	389,100
2018 Feb r	242,600	263,700	180,000	218,900	369,600	281,300	301,900	209,300	251,500	392,100
2018 Mar p	252,100	270,600	193,300	227,600	379,100	290,800	305,100	222,900	262,400	399,700
vs. last year:	5.9%	2.9%	5.2%	6.1%	7.9%	4.1%	1.6%	4.0%	4.1%	5.8%

That's a lot of numbers, but it's easy to drill down to the indicators we want to put our finger on the pulse of the housing markets, both nationally and regionally.

In the first chart, we see that the number of sales year-over-year has mostly been down. This is largely a reflection of low inventories, higher prices, and rising interest rates. This bodes well for rental investors, however. This means more renters are in the market.

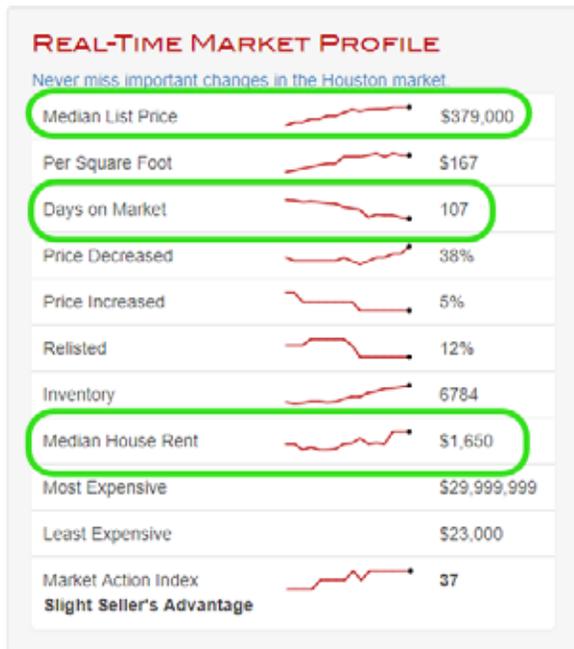
The lower chart verifies rising home prices across the country; again, good news for real estate rental investors.

Altos Research

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This is a real estate research and data website. Let's look at some graphing that gives a quick picture of home sales and rents for a few cities.

Houston, TX



We see that in Houston, TX, home prices are rising, but they're also selling faster with lower Days on Market numbers.

We also see that median house rents are up.

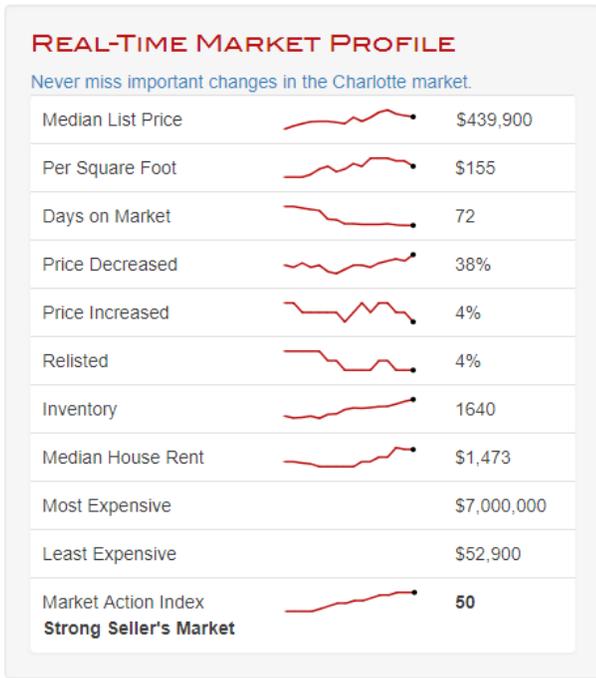
This is the data for Las Vegas, NV. We know that Las Vegas was one of the worst-hit markets in the housing recession, and it's been recovering nicely.

We see that home prices are rising, while days on the market are shorter, faster sales. That is borne out by the Strong Seller's Market rating at the bottom.

We also see that inventory is down and rents are up.



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Charlotte, NC

For Charlotte, we see the same trends, with days on the market down. Here we do see inventory higher though.

Rents are up, and this is also designated a Strong Seller's Market, indicating strong demand putting sellers in a better position in negotiations.

It's All Good News for Investors.

The question for this section is "Is it a good market to invest in real estate?" Website after site, chart after chart, and graph after graph, we see that nationally, just about any market where you find yourself is a market where you can thrive as a real estate investor.

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Q: How do I get better returns in real estate investing?

Even if you're focusing on short-term real estate investing strategies like contract flipping (wholesaling) or fix & flip, your likely buyer will be a rental investor. If you're a long-term rental investor, you're seeking the best returns for the cash you have invested, so everything in residential real estate investing is wrapped around rental profitability. There are three areas of concentration in your education that will deliver better real estate investment returns.

Know your market area.

Before any other investment activity, learn as much as possible about your local market area, housing supply and demand, rental availability, rental demand, and rental rates. Work with a real estate agent to get them to set up an automated MLS property sold report for you. It will deliver sold property reports to you automatically by email so that you can stay on top of home prices. The more data you run through, the faster you'll be able to see an opportunity and take advantage before the competition.

Know the math.

Don't let others tell you things you can calculate for yourself. You are the investor, and it's your money. Learn how real estate agents set listing prices using what they call a CMA, Comparative Market Analysis.

Learn the various calculations that go into the evaluation of a property as a rental, like:

- Gross Potential Income, GPI
- Gross Operating Income, GOI
- Vacancy and Credit Loss
- Net Operating Income, NOI

There are other investment calculations, all important in some way to your ROI.

Dig for opportunities.

Leave no stone unturned, county record unexamined, listing website unscanned, or any other property location method unused when it comes to finding properties. Even if you're checking out 50+ properties to get one deal, it's going to be a good deal if all of your selection and valuation criteria tell you that it is.

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****DETAILS & RESOURCES****

In another question, there is a more detailed explanation of each calculation, but let's do a quick review of the rental property calculations that you'll use to evaluate a property for investment potential. If you want a better return on your investment, search harder for more opportunities, then run them through these calculations at a minimum. These are quick examples of each calculation step-by-step.

Vacancy and Credit Loss

1. Determine an expected percentage of loss due to vacancy and non-payment by checking that of comparable properties and the recent loss experienced by the subject property.

Last year's vacancy and credit loss from the subject property may have been 3% of [net operating income](#). Other comparable properties experienced an average of 4%. Choose a value in the mix, let's say 3.60%.

2. Adjust your net operating income for next year by any anticipated rent increases. If you are anticipating a 5% increase in rent, and net operating income this year is \$44,000, then:

$$\$44,000 \times 1.05 = \$46,200$$

3. Calculate the expected monetary loss for next year due to vacancy and credit losses:

$$\$46,200(\text{net operating income}) \times .0360 \text{ (3.6\% loss estimate)} = \$1663.20.$$

Gross Potential Income, GPI

1. 3 units * \$700/month = \$2100
2. \$2100 * 12 = \$25,200
3. 3 units * \$800/month = \$2400
4. \$2400 * 12 = \$28,800
5. \$25,200 + \$28,800 = \$54,000 Annual income. [This is our GPI.](#)

Gross Operating Income, GOI

1. Let's use our already calculated [Gross Potential Income result](#) of \$54,000. It is if all units are full and all rents paid.
2. Based on experience, the current market and rental occupancy, we estimate that our losses due to vacancies and non-payment will be 5%.
3. \$54,000 * .05 = \$2700
4. \$54,000 - \$2700 = \$51,300 for our Gross Operating Income

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Net Operating Income, NOI

1. Determine the Gross Operating Income (GOI) of the property:

Gross Potential Income - **Vacancy and Credit Loss** = Gross Operating Income

2. Determine the operating expenses of the property. This would include expenses for management, legal and accounting, insurance, janitorial, maintenance, supplies, taxes, utilities, etc.
3. Subtract the operating expenses from the Gross Operating Income to arrive at the Net Operating Income. Using the example of a property with a gross operating income of \$52,000 and operating expenses of \$37,000, our net operating income would be:
4. $\$52,000 - \$37,000 = \$15,000$ Net Operating Income

Cash Flow Before Taxes, CFBT

1. Begin with the **Net Operating Income** of the property.
2. Subtract the money out for debt service. This is the amount spent on the entire mortgage payment, interest, and principle.
3. Subtract any capital expenditures. This would be money spent for improvements on the property, whether they are deductible that year or not. This is actual cash spent.
4. Add any loan proceeds. This is the money borrowed on a loan other than the original mortgage. If you made capital improvements but took out a loan to pay for it, put that loan amount here as an addition.
5. Add any interest earned. Should the property have loans or investments out that provide cash in as interest, add that in here.
6. You have now come to the result, which is the Cash Flow Before Taxes (CFBT) for this property. Here's the line itemization:

7. Begin with Net Operating Income
 - Subtract Debt Service
 - Subtract Capital Improvements cash out
 - + Add Loan Proceeds for loans to finance operations
 - + Add back any interest earned

= Cash Flow Before Taxes

That's all of the important ones, and they're not difficult or too time-consuming to do in order to evaluate the investment potential of a property. Maximize NOI and cash flow for better investment returns.

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Buy Right

Successful investors will tell you that the profit should begin at the closing table. You shouldn't buy at full market value. Before you can figure out what you're willing to pay, you should know the approximate true market value. You don't do it like an appraiser, though you use some of the appraiser methods.

The best way to get to the approximate true market value is to do a CMA, Comparative Market Analysis, which is what real estate agents do to set listing prices for their seller clients. The sold prices of nearby homes of similar size and with similar features are used to value the home in the current market.

The details of how to do a CMA are in another answer here, and you can check them out [at this link](#). You'll need that information, but to make things easier for three comparable properties, here is a spreadsheet that does the calculations for you. You'll need the details at the link to use the spreadsheet, but once you learn it, you'll have no problem cranking out a CMA in a few minutes once you find good comparable properties. You'll have to [download it](#) to use it, as this is just an image.

CMA, Comparative Market Analysis Spreadsheet.						
NOTE: Red numbers are entered by user. Blue numbers are calculated by the sheet.						
Data	Subject Property	Comp 1	Comp 2	Comp 3	Data Item Values	
Address						XXX
Lot Size						XXX
Bedrooms						
Baths						
Garage Spaces						
Sq Footage						XXX
Sold Price						XXX
Avg Sold/sq ft	XXX	#DIV/0!	#DIV/0!	#DIV/0!		XXX
Adj Lot Size	XXX	#VALUE!	#VALUE!	#VALUE!		XXX
Adj Bedrooms	XXX	\$ -	\$ -	\$ -		XXX
Adj Baths	XXX	\$ -	\$ -	\$ -		XXX
Adj Garage(s)	XXX	\$ -	\$ -	\$ -		XXX
Adj Sold price	XXX	#VALUE!	#VALUE!	#VALUE!		XXX
Adj sold/sq ft	XXX	#VALUE!	#VALUE!	#VALUE!		XXX
Subject Value	#VALUE!					
**There are 43560 square feet in an acre, so multiply acreage by that number for lot size entries.						

Quick Steps

- Enter the address, bedrooms, baths, sq. footage, etc. for the subject property that you're valuing.
- Enter the same information for each of the three comparable properties.
- Enter an approximate value in the right column for a bedroom, a bath, and a garage space. (Read the instruction at the link above).
- Enter the sold price for each of the three comparable properties.

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The rest of the sheet will calculate for you and give you an approximation of current market value for your subject property. Some of this is subjective, so it's just an estimate.

We didn't do anything with lot size, assuming you're going to find comparable homes with similar lots. However, if there is a significant difference, you'd enter a value for a square foot of lot size in the right column and enter the lot size in square feet under the appropriate comparable.

Using the information from all of the above calculations, you should be able to see if this property would make a good investment and at what purchase price it would work for you. For this question, now that you know the approximate value of the property, you want to pay less for it to lock in an equity profit at the closing table.

Vacation or Short-Term Rentals for Higher Returns

In some markets, much higher returns can come from vacation or short-term business rentals. In cities where large businesses frequently call in consultants, temporary workers, or freelancers, nightly to weekly rentals of houses and condominiums can be extremely profitable.

In vacation areas, such as coastal or mountain retreats, the same holds true for tourists. However, these are more seasonal. A mountain ski area will rent every night during the ski season, but rents will be spotty in the off-season. Luckily, if you get serious about this type of investing, you can find detailed information to help you to evaluate the potential of a property.

[Airbnb](#)

There are other sites with similar services and features, such as:

- <http://vrbo.com>
- <http://hometogo.com>
- <http://homeaway.com>

However, the most data is available for Airbnb, and it is a monster website.

The website handles all of the details of short-term rentals for property owners as far as bookings and payments. From a small room with a shared bath to a large executive home, any type of residential rental property can be found on the site.

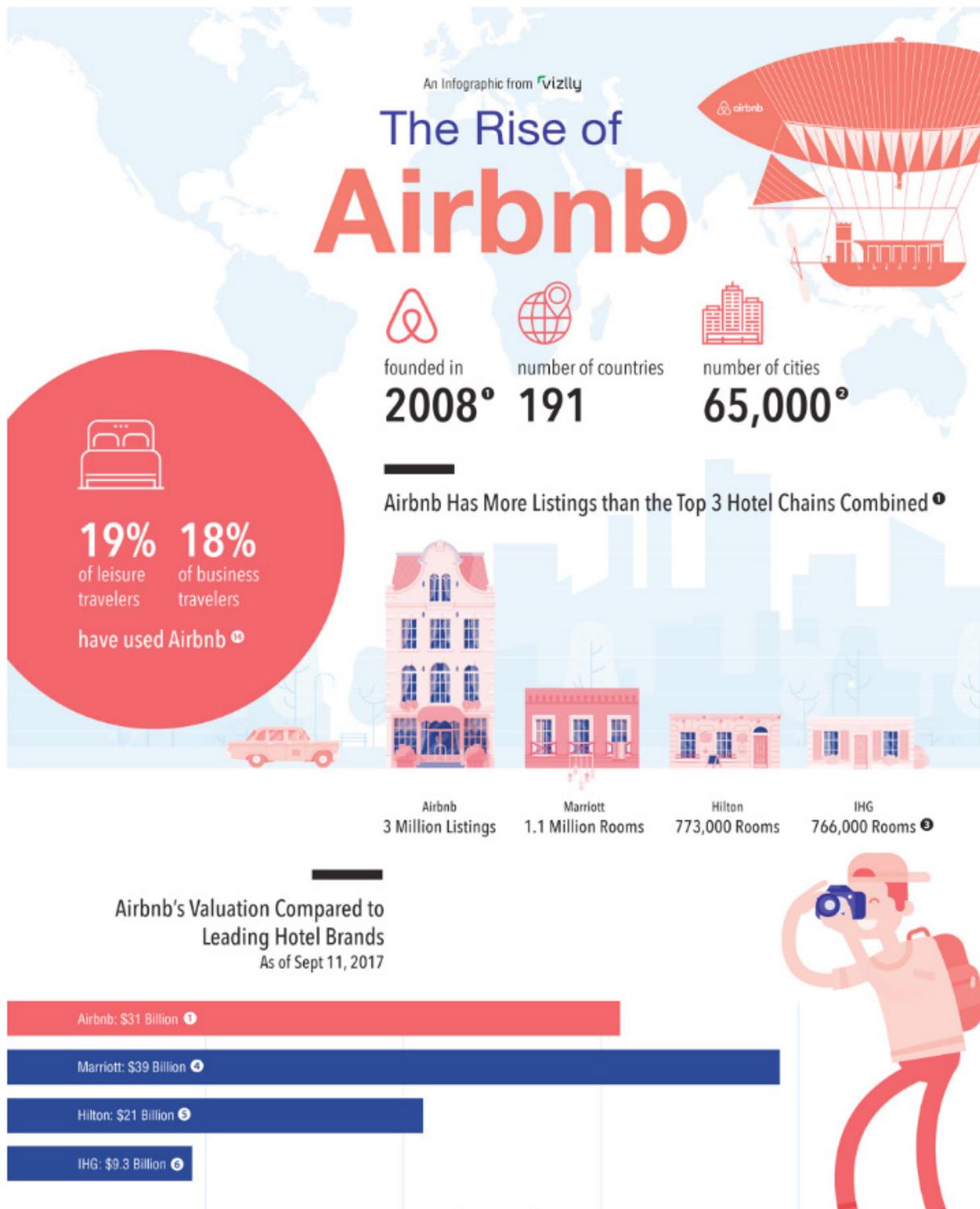
IMPORTANT

Many condominium associations and homeowner associations have rules against short-term rentals, so you'll need to carefully examine association documents, covenants and restrictions before committing a property to a short-term rental.

If you can use it for this income strategy, you take a lot of photos, write a great description, calculate what you want for nightly rent, and you can change that to adapt to seasonality, and you can even run specials to fill un-booked days to keep occupancy rates high and increase your income.

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What's the potential? Just see how Airbnb has grown since it opened in 2008. This is from <http://www.vizlly.com/blog-airbnb-infographic/>.



This site is extremely popular, and 60% of users say they prefer using Airbnb to hotels. Of course, you're going to have to do more to adapt your property for nightly rental, as well as access.

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Necessities for Nightly Rentals

From the Airbnb website:

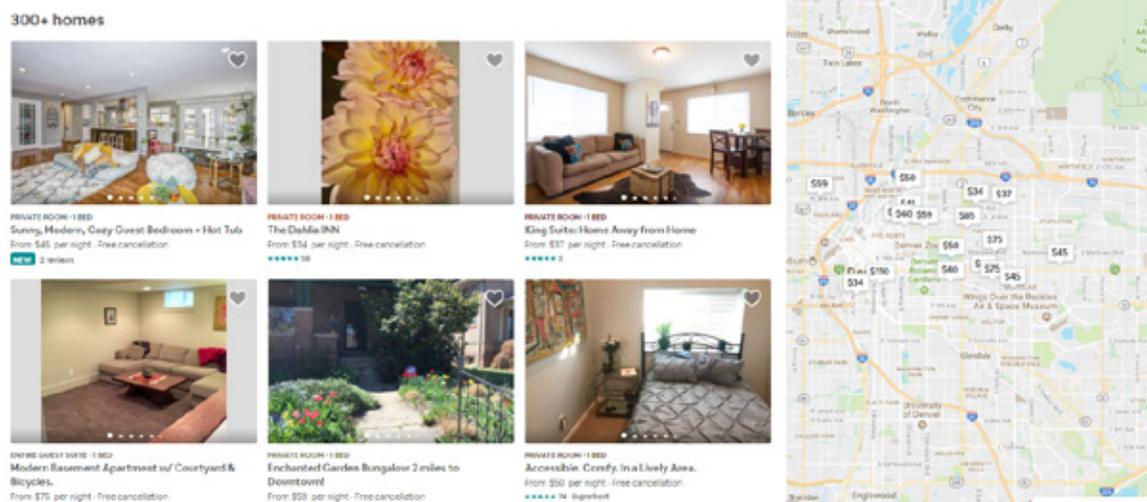
*Every Airbnb host is expected to provide guests what we like to call **the essentials**: soap, toilet paper, clean sheets and towels. But why stop at this bare minimum when by offering just a little bit more you can make your guest's stay even more enjoyable?*

For starters, use those essentials as a springboard to more noteworthy hospitality. Raise the bar on that bar of soap by also treating your guests to some fabulous shower gel or bath salts—and source from local makers. And how about a sweet on the pillow as a finishing touch for those freshly laundered sheets?

If you think toilet paper can't be kicked up a notch, we beg to differ. Spending a few seconds folding back the corners of that first sheet on the roll—or mastering origami—has the power to make someone say “Hey, honey, check this out!” If the above suggestions all sound a little too basic, keep on reading because we pulled together a list of favorite DIY hosting tips from Airbnb hosts that will inspire you to be as creative as you want to be. Each is gentle on the budget, requires little time and effort, and is packed with enormous potential for injecting a breath of fresh new charm into your space. Have fun!

There is a wealth of information on the website for owners, as your success contributes to the site's success.

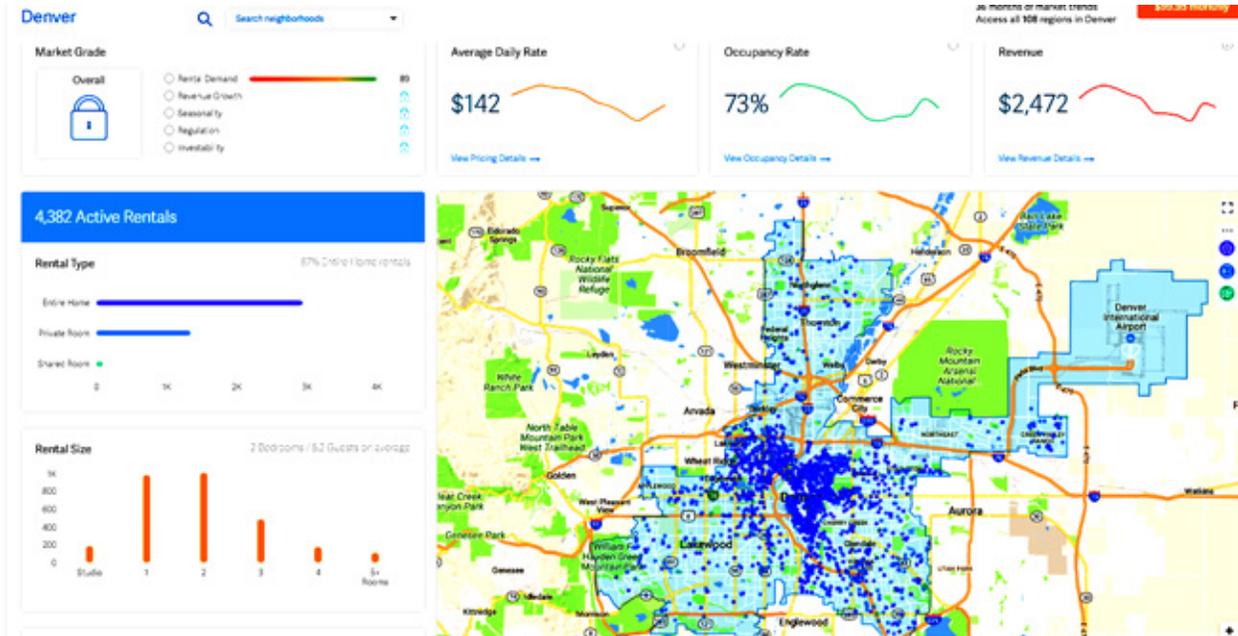
You'll need to set up a cleaning service that will be on call to go in between tenants. This is becoming easier as some cleaning services are adapting to this popular service they can provide. Many owners add a cleaning fee to the rental. There's a lot more detail for getting the right unit and getting it ready, but too much for this report. For now, let's concentrate on the important part; the money.



The image is a partial screenshot of Denver, CO properties on the site. As you move around the map, the images, and links on the left change. A visitor can find the places they want to be near and see the homes or rooms for rent nearby.

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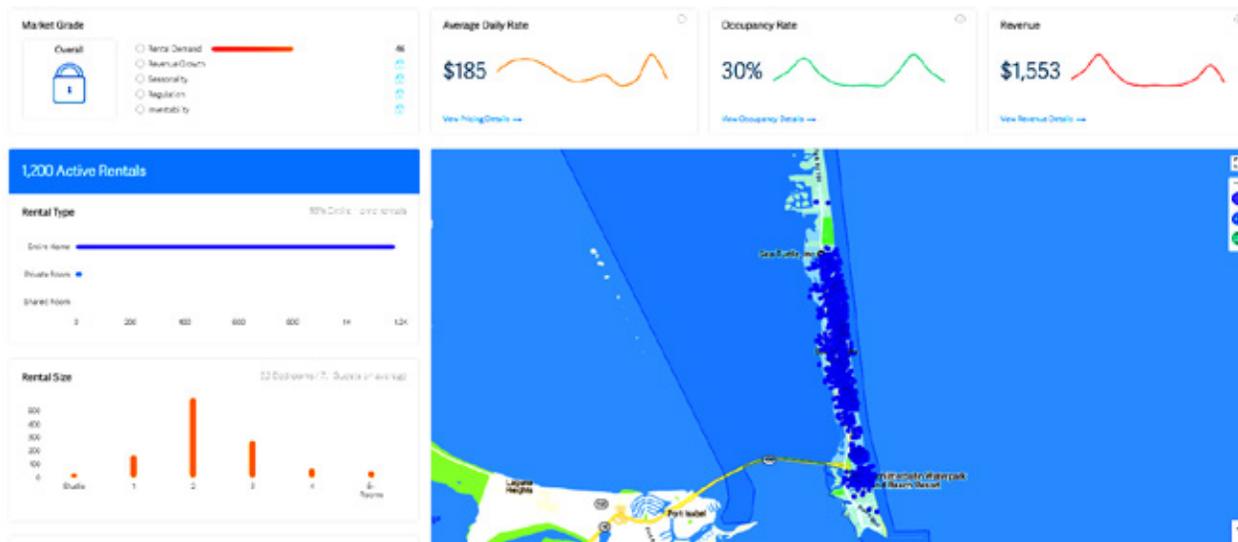
Data at AirDNA.com



You'll need to sign up to get access and pay monthly for all of the detailed data, but this is a screenshot of the free data screen at Airdna.com on that Denver, CO market. Notice the Average Daily Rate, Occupancy, and Monthly Revenue.

If you sign up, you can get to detailed data by property type, room, house, etc. You can see data at the bottom left of this image that shows one and two-bedroom units are the most rented. Just above it in the blue section, you see that the top graph line for rentals of entire homes is more than double rentals of private rooms.

You'll find a lot of major cities with this kind of activity, especially when they're also tourist attractions. You get the business renters and the tourists. You can increase your returns by providing upgraded amenities and services to get super reviews. Renters, or Guests as they're called, rely heavily on the previous guest reviews in their stay selections.



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This is data on South Padre Island, TX, also called the Texas Riviera, a popular Snowbird destination. It's very seasonal, and you can see the 30% occupancy rate could be a problem. However, notice the almost solid blue for the property dots. That's also a lot of competition. We also see that entire homes is the only way you want to go. At an average \$185/night and 30% occupancy, will it work?

30% occupancy would be around 110 nights per year. Multiply that by \$185 to get around \$20,600/year. Of course, you'll have expenses coming out, but depending on what you can pay for a property, it could still work if you beat the averages with location, amenities, and service.

Is Short-Term Rental for You?

Only you can answer that. However, there are owners on Airbnb who have hired third parties to handle all guest questions and every aspect of management, and they're still making nice profits. They're doing so with no involvement in day-to-day management.

There are also some entrepreneurs who will handle everything for a percentage of the rental profit income, and they'll then be incentivized to be efficient in the management of cleaning and repair services, as well as getting great reviews and higher occupancy.

It is worth consideration.

Q: How can real estate help me with my retirement?

As a general statement that holds true, real estate provides conservative risk profiles with higher long-term returns for actual cash invested than most other asset classes. To illustrate this, just think about cash and leverage.

If you manage to save and grow a normal investment account, stocks, and bonds, to \$1 million in 30 years of working and saving, at a reasonably safe 5% return, that would be \$50,000/year, or \$4,167/month in your retirement. Staying diversified, what if half of that had gone into rental homes costing on average \$200,000 each?

Using a 20% down payment, you would have \$40,000 invested (with some closing costs). Over that period, had your half, or \$500,000 in cash gone into 10 rental homes, where would you be for income. First, you'd still have half of the cash-generated income from stocks and bonds, or around \$2,080/month.

Now let's look at these rentals. If you're clearing after expenses around \$400/month each, you have that \$4,000/month added to your cash-generated return of \$2,080/month, so you're at \$6,080/month.

You're limiting yourself though if you just hold the line. Over those 30 years, you've been paying down the mortgages, and the properties have been appreciating in value. Your earliest purchases should be mortgage-free after that time, and mid-life purchases would be at least half paid off.

This is a huge amount of accumulated equity, equity that your tenants built for you. You could have borrowed against that equity conservatively and probably bought several more homes. Assuming you could have purchased four more homes, you could be enjoying another \$1,600/month or more in income for retirement. That brings you up to around \$7,680/month, almost double that original \$4,167 from stocks and bonds alone. We didn't even take rent inflation into account, as those original \$400/month cash flows should be much higher 10-20 years later.

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These are all conservative assumptions, and it is clear that real estate and using conservative leverage can dramatically improve your retirement lifestyle.

****DETAILS & RESOURCES****

There are too many resources to mention that place real estate at the top of the list of wise investments for retirement wealth and income. Over at <https://thecollegeinvestor.com/11300/90-percent-worlds-millionaires-do-this/>, The College investor states:

Over the last two centuries, about 90 percent of the world's millionaires have been created by [investing in real estate](#). This site speaks to younger investors, but all of the information applies to any age group who wants higher investment returns with lower risk than the stock market. Another quote from the site:

“Knowledge is your sword and shield

A lot of 20-somethings believe assignments ended when school concluded, but when it comes to buying houses for sale, as either a home or as an investment, it all begins with homework.

Knowing what makes a good deal a good deal and what could make it an even better deal, what makes a good location a good location and so on, are extremely valuable skills to have. We now have the technology to make this happen. You've got a firm grasp on how the internet works, how to handle social media, how to use a smart-phone, and how to make a spreadsheet so use your skills to your advantage.”

You're here at this event because you recognize the need for knowledge to be successful in any endeavor, and it applies to real estate as well.

As far as real estate helping you with your retirement, the power comes from several places and advantages:

- Diversification for risk reduction.
- Multiple ways to profit from real estate.
- Conservative with insured rental income properties.
- Special tax advantages afforded real estate and not available to stocks and bonds.
- Land is a finite resource, while the population continues to grow.
- Everyone needs a place to live, whether they buy or rent.

Real estate can be the most important thing you consider in planning for the retirement you want and to avoid a dramatic decline in your lifestyle at retirement.

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Diversification for Risk Avoidance

Real estate responds differently than stocks and bonds to interest rate, inflation, and other risks. A quick overview of those differences includes:

Interest Rates

When interest rates are rising, the costs of doing business increase for corporations that borrow money to fund their operations. Bond interest also rises, costing companies more when they use bonds for borrowing. The average rental investor doesn't notice rate increases connected with their rental properties because they are financed with long-term fixed interest mortgages.

Inflation

Inflation by definition is increases in the costs of goods and services. Companies must pay more for the materials and labor used to produce and sell their products. If competition keeps them from raising prices accordingly, then profits drop, and stock prices follow suit. Real estate is a goods and services intensive product. Building a home requires extensive material and labor. When those cost more, home prices rise. When new home prices rise, so do existing homes, and rents normally follow. Rental property holders enjoy higher rental income and cash flow.

Global, Economic & Natural Disasters

Corporations often do business globally, buying materials for their products overseas, and selling their products there as well. When political or other influences obstruct normal business, costs rise, and profits can drop. Real estate isn't as susceptible to these issues, and your rental home is insured against natural disaster.

Diversify Investments to Avoid Some of These Threats

Investing in real estate with part of your money can balance your portfolio. When events cause your stock values to drop, real estate can hold the line and minimize the damage.

This is not an argument to sell all of your stocks and bonds and buy rental homes, but diversification is a tool that even a stockbroker advises you use extensively.

Less Risky Leverage

You can use leverage in your stock market brokerage account, but you pay for the privilege and can have that dreaded "margin call" hit you hard. Real estate leverage normally is through the use of a mortgage, leveraging a \$40,000 down payment to control a \$200,000 property as an example. The property is fully insured, so you aren't going to be devastated by a disaster.

You're also building more leverage as you pay down mortgages. Investors who accumulate rental properties over many years are paying down the mortgages at the same time the properties are appreciating in value. As their equity grows, they have funds available to increase their holdings and buy more properties. An example with our \$200,000 home:

\$160,000 mortgage at 5% interest with reasonable taxes, insurance, and expenses held for 10 years. With an \$1,100/month payment, using an amortization table:

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96	\$858.91	\$285.37	\$573.54	\$137,365.12
Year 8		\$3,347.31	\$6,959.61	
97	\$858.91	\$286.56	\$572.35	\$137,078.56
98	\$858.91	\$287.75	\$571.16	\$136,790.81
99	\$858.91	\$288.95	\$569.96	\$136,501.86
100	\$858.91	\$290.15	\$568.76	\$136,211.71
101	\$858.91	\$291.36	\$567.55	\$135,920.35
102	\$858.91	\$292.58	\$566.33	\$135,627.77
103	\$858.91	\$293.79	\$565.12	\$135,333.98
104	\$858.91	\$295.02	\$563.89	\$135,038.96
105	\$858.91	\$296.25	\$562.66	\$134,742.71
106	\$858.91	\$297.48	\$561.43	\$134,445.23
107	\$858.91	\$298.72	\$560.19	\$134,146.51
108	\$858.91	\$299.97	\$558.94	\$133,846.54
Year 9		\$3,518.58	\$6,788.34	
109	\$858.91	\$301.22	\$557.69	\$133,545.32
110	\$858.91	\$302.47	\$556.44	\$133,242.85
111	\$858.91	\$303.73	\$555.18	\$132,939.12
112	\$858.91	\$305.00	\$553.91	\$132,634.12
113	\$858.91	\$306.27	\$552.64	\$132,327.85
114	\$858.91	\$307.54	\$551.37	\$132,020.31
115	\$858.91	\$308.83	\$550.08	\$131,711.48
116	\$858.91	\$310.11	\$548.80	\$131,401.37
117	\$858.91	\$311.40	\$547.51	\$131,089.97
118	\$858.91	\$312.70	\$546.21	\$130,777.27
119	\$858.91	\$314.00	\$544.91	\$130,463.27
120	\$858.91	\$315.31	\$543.60	\$130,147.96

We see that at the end of 10 years, you would have paid the loan down to just over \$130,000.

Using this simple calculator and assuming a conservative 3% appreciation annually in value, we see that at the end of 10 years, the home is worth almost \$269,000.

Now we have around \$269,000 - \$130,000 = \$139,000 in equity. Borrowing against that for the down payment on another rental property can then give you more cash flow and start the equity accumulation clock on that property as well.

Get Started & Grow Your Real Estate Rental Portfolio

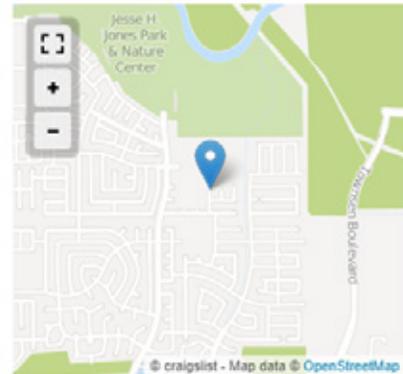
You can move your current retirement account into a self-directed IRA or 401k to get more control over your investing. In doing so, you can buy and hold rental property in the account, accumulating the cash flow tax-free as it grows.

However, to keep things simpler, we'll do our examples in a normal situation, such that you are doing your real estate investing outside of a tax-deferred retirement account. We'll also assume that you have that first \$40,000 +/- to invest in your first rental home. If you do not, read the sections in here related to wholesaling and fix & flip to see how to accumulate that much cash quickly.

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★ \$195000 / 3br - 1650ft² - New home for sale by owner (Humble) 🇺🇸

image 1 of 23



20407 Red Canyon Creek
[\(google map\)](#)

3BR / 2.5Ba 1650ft² available now

saturday 2018-04-21

- house
- w/d in unit
- no smoking
- attached garage



PRICED TO SELL QUICKLY!! HIGH AND DRY! MINUTES FROM BUSH AIRPORT! Make the Move! Conveniently located near the beltway, FM 1960 and 59. This outstanding home features a large master bedroom complete with Large Bath and walk-in closet. The spacious kitchen with granite countertops and all appliances stay! Has community trails, tennis courts, playground, and pool!

Community amenities near the airport could make this a good rental. If it really is priced to sell quickly and you can negotiate a lower price, you could have a flip that would put a nice profit in your pocket quickly. Buying this home for \$190,000 with a \$150,000 mortgage at 5% would amount to around \$1,000/month including taxes and insurance in escrow.

Now let's look at potential rents.

Similar results nearby

Within 4 miles and similar in price

2 Days Ago 

HOUSE FOR RENT
\$1,750/mo 4 bds • 2.5 ba • 3,192...
17827 June Forest Dr, Humble, TX

2 Days Ago 

HOUSE FOR RENT
\$1,650/mo 4 bds • 2.5 ba • 2,30...
10311 Whisper Bluff Dr, Humble, TX

Over at Zillow, we can see comparable rentals, and there should be some nice cash flow if all of the numbers work.

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Look at many of these, and a few will rise to the top.

We're looking at around \$700/month in positive cash flow. However, to be conservative and allow for some repairs along the way and vacancy losses, let's use \$600/month, or \$7,200/year in cash flow.

If you could find extra income, or if you've been saving around \$300/month for that investment account, then find some other money through short-term real estate investing and buy one of these homes every 5 years. Not considering the variables of inflation that would increase rents, but may do the same for interest rates, in 10 years, you'd have three of them generating \$1,800/month in cash flow.

At the end of that 10 years, you borrow against the equity you've accumulated in one or two of these and buy another one. Now you have four of them and \$2,400/month in cash flow. Depending on your age, you could end up with around 10 of these properties generating around \$6,000/month. That helps a retirement out a lot.

Use the 1031 Tax Deferred Exchange to Grow Your Holdings

Instead of borrowing against your properties, you may see changes in the rental marketplace that make other, perhaps more expensive properties with higher rents a better investment. Or if selling one would fund out of profits the purchase of two more lower priced rental homes, why not?

The 1031 Tax Deferred Exchange is a tax benefit for an investor in real property that allows them to sell and roll their profits into other property and avoid capital gains taxes the year of the sale. They're deferred forward until final liquidation. There are some tight rules, but nothing that many investors aren't doing every year.

Now let's look back at that first home that we managed to build \$139,000 in equity over ten years. If we sold it outright and rolled our profits into three rental homes, we've tripled our monthly cash flow and avoided capital gains taxes!

We could take this out as far as you want, but even being conservative, if you could do that just one more time before retirement, you'd have NINE houses by selling those three and buying three more with the proceeds of each. You could possibly pull that off in 20 years or less, so even a 50-year-old can retire with a cushy cash flow with real estate. And, that's without any other income used to buy homes.

Move Up to Multi-Family

Some investors are well on their way to a portfolio of single-family homes when they realize that there may be a better way to invest in rental real estate. Instead of having single-family homes spread out around the area, multi-family apartment investing is a more efficient solution.

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Economy of Scale



A number of properties in one location, often under one roof, provides a number of benefits for the investor owner due to economy of scale. Money is saved, and profits and cash flow increased due to:

- Fewer outdoor structural repair issues (single roof, fewer exterior walls per unit, etc.).
- Lower maintenance costs due to negotiating reduced rates for more work at one location.
- Lower management costs with multiple properties at one location.
- Often there are utility savings with one large account for water and sewer instead of multiple small accounts, each with minimum billing charges.
- Lower insurance cost per unit.
- Lower cost per living unit.
- Lower mortgage payments per unit.

Instead of driving around town to check out your rental properties, you can see them all at one location. These economies go to the bottom line.

Financing is Different

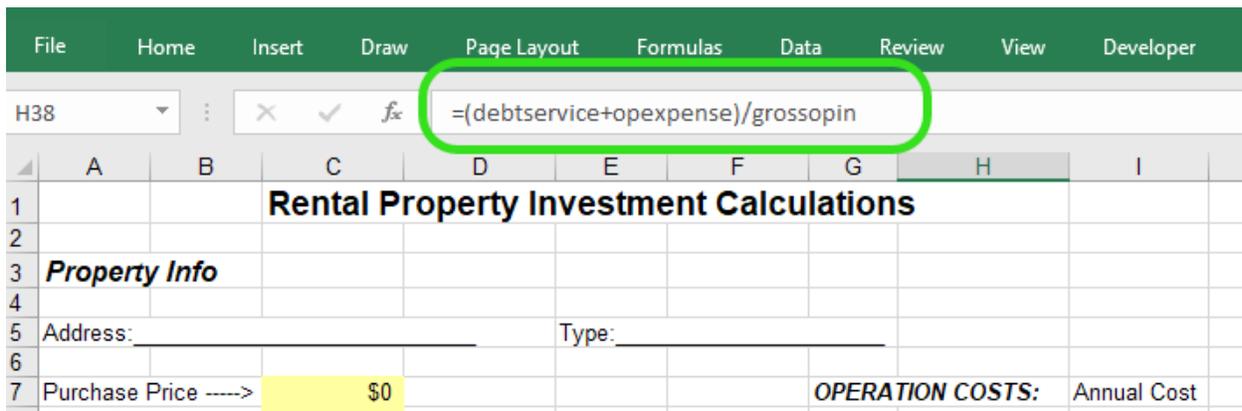
Each time you buy a rental home, your credit score, bill-paying history, assets, and liabilities all come into play. You'll also usually pay a higher mortgage interest rate than if you were occupying the home. Some lenders consider all of the rental income in the lending decision, while some do not.

In commercial and multi-family lending, the lender looks mostly at the financial data, income, and expenses. Will the property generate enough consistent cash flow to pay the mortgage and leave a profit for ownership? There is another calculation that comes into play in this situation, the Break-Even Ratio.

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Rental Property Investment Calculations						
Property Info						
Address: _____		Type: _____				
Purchase Price ---->	\$0			OPERATION COSTS: Annual Cost		
Down Payment ---->	\$0			Management	\$0	
Other Acq. Costs -->	\$0			Accounting	\$0	
Cash In -->	\$0			Legal		
Calculations						
INCOME FROM OPERATIONS:			Potential	Annual	Occupied	Annual
	# of Units	Monthly Rent	Annual	Occup %	Income	
	0	\$ -	\$ -	100	\$0	
	0	\$ -	\$ -	100	\$0	
	0	\$ -	\$ -	100	\$0	
	\$ -	\$ -	\$ -	100	\$0	
	\$ -	\$ -	\$ -	100	\$0	
	\$ -	\$ -	\$ -	100	\$0	
	\$ -	\$ -	\$ -	100	\$0	
	\$ -	\$ -	\$ -	100	\$0	
Vacancy & credit loss % as whole # will convert to % -->				0		
Gross Potential Income ----->			\$0			
Gross Operating Income ----->			\$0	Total Operating Exp ----> \$0		
Gross Rent Multiplier or GRM ---->			#DIV/0!	Net Operating Income --> \$0		
Cash Flow Before Taxes (CFBT)				Capitalization Rate --> #DIV/0!		
Net Operating Income -->			\$0	ST/Fed Income Taxes \$0		
Enter Debt Service ---->			\$0	Cash Flow After Taxes (CFAT) ----> \$0		
Capital Expenditures -->			0	Break-Even Ratio --> #DIV/0!		
Loan Proceeds In ---->			0	Return on Equity Year One -----> #DIV/0!		
Interest Earned In ---->			0			
CFBT ----->			\$0			

This spreadsheet allows the investor to quickly reach many of the real estate investment calculation results needed to make decisions. Notice at the bottom right the Break-Even Ratio. [You can download the spreadsheet here.](#) The formula is:



$$\text{Break-Even Ratio} = (\text{Debt Service} + \text{Operating Expenses}) / \text{Gross Operating Income}$$

For a small 6-unit apartment project, it may look like this:

1. Determine the [debt service](#) for the property.

In this case, we'll assume an annual debt service of \$32,000

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- Determine the annual operating expenses for the property.

In this case, we'll assume that management and direct operating costs annually are \$47,000.

- Calculate the annual **gross operating income** of the property.

We'll assume a gross operating income of \$98,000 annually.

- Add Debt Service to Operating Expenses and divide by Operating Income:

$$\text{\$32,000} + \text{\$47,000} / \text{\$98,000} = \text{.81 or an 81\% Break-Even Ratio.}$$

Your expenses in this example are 81% of gross operating income, leaving 19% as a cushion and profit. Lenders decide their bottom line requirement here but getting up around 90% is not good for getting a loan. You want a lower ratio. Going to sites like Loopnet.com, you can find multi-family units for sale, and you can run your own numbers to see how it may stack up to buy a small apartment project instead of buying and holding multiple single-family homes. Here's one example:




6519 Sloan St
Houston, TX 77087

8 - Unit Investment Opportunity

Apartments	5,236 SF Bldg	8 Units	8.76% Cap Rate
------------	---------------	---------	----------------

[Contact](#)

\$550,000

1/5

Unit Mix Information

Description	No. Units	Avg. Rent/Mo	Sq. Ft.
1+1	8	\$750.00	654

Financial Summary (Pro forma - 2018)

	Annual	Annual Per SF
Gross Rental Income	\$72,000	13.75
Other Income	\$1,200	0.23
Vacancy Loss	\$0	0.00
Effective Gross Income	\$73,200	13.98
Taxes	-	-
Operating Expenses	-	-
Total Expenses	\$25,000	4.77
Net Operating Income	\$48,200	9.21

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It will take a lot more analysis to see if this is a good investment at the price, but this is the kind of information you can get on the Internet to get to a short list.

For this project, the Break-Even using these numbers isn't possible until you have a mortgage, these numbers do not include that. However, if you could buy it for \$500,000 and finance 80%, the mortgage payments would be \$2,147/month, or \$25,764/year.

$$(\$25,764 + \$25,000) / \$73,200 = .693 \text{ or } 69.3\%$$

This should work out for a loan based on this, but a lot of other factors will come into play. However, you may be able to pay less and get an even better return on your investment.

The move from single-family to multi-family isn't right for all investors, but it can work well to build a luxury retirement.

You Have the Answers It's Time to Take Action

Now that you've been through these questions and answers, you should at least have an idea of where you'd like to start and the beginning of a plan to build wealth and a luxury retirement.

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