

## What it Takes to Get a Deal

The misconception about buying investment real estate is this: Most folks think we see a house for sale, make an eighty-five cents on the dollar offer, haggle a bit back and forth, the seller agrees to the deal, we apply for a thirty year fixed rate mortgage, then thirty to forty-five days later we close on the property.

Frankly, the above example is so far away from how we buy investment property that it belongs in a different time zone.

To give you an idea about what it takes to get a deal, let's look at one of our recent deals.

**WARNING:** If you want to believe the TV commercials that claim you can be a real estate investing millionaire in thirty days and only work ten minutes a day doing it, then don't read this column! I don't want to wake you from your wonderful dream.

The property's address is 113 Mission Hills Drive in Cartersville, Georgia. It is in Mission Estates subdivision off of Mission Road. The property's CARV (conservative after repaired value) is \$224,900. It needs \$19,500 in rehab. We bought the property for \$140,000. With raw equity of \$65,400, this is a killer deal.

In looking at the profit from this deal, many will say, "Bill, you are so lucky!" Fact is, luck had nothing to do with it. Persistence, perseverance, and Kim's dogged determination made this deal happen.

Early last summer, this property was advertised in the legal section of the newspaper for foreclosure. Because of the amount of equity, many real estate investors were after this property. The day this property hit the paper, we knocked on the homeowner's door. Our goal was to help the homeowner avoid foreclosure. No one was home.

We left a note on the door, and then knocked on several of the neighbors' doors. We learned that the lady who owned the property had recently died. Her son, who lived in Florida, had inherited the house. After promising the neighbor a \$250 finder's fee if she put us in contact with the son **AND** we bought the property, she gave us Jason's number.

That evening Kim called Jason, the son, and explained that the property was in foreclosure. She explained there were five ways a foreclosure could be stopped. Jason agreed to drive to Georgia and meet with us.

A few days later we were sitting with Jason and his wife at the dining room table. Jason said he just wanted to get the house sold and get back to Florida. The property had a \$90,000 mortgage. Our offer to Jason was \$120,000, and we would close in three days. He and his wife agreed to our offer.

As Jason was about to sign the contract, there was a knock on the front door. It was another investor who lived in the neighborhood. She knew us, had seen our car in the driveway, and stopped in to say hi. It was really bad timing.

After she finally left, Jason changed his mind. He was tired, had to get ready for a yard sale the next day, and wanted to think about it.

For the next two days Kim helped Jason and his wife with their yard sale. Why? When Jason was ready to sell, she wanted to be there with contract in hand. Unfortunately, Jason decided to try to sell the house himself.

No problem, our first job is to help people solve their real estate problems. Kim called the mortgage company, explained Jason's situation, and stopped his foreclosure. She also put him in touch with our realtor, Bonnie Mullinax.

Over the next nine months Jason never listed his property for sale.

For a second time the property went into foreclosure. Jason called and said again he wanted to sell to us. Kim stopped the foreclosure only to have Jason again change his mind. It was frustrating, I lost more hair.

On Wednesday, April 12, 2006, we got another call from Jason. He said he was finally ready to sell. We agreed to a \$140,000 price - \$20,000 higher than before. We signed a contract Thursday morning and promised to close by the next day. Yep, a one day closing.

Friday morning, April 14, I was on my way to the closing with money I borrowed from one of our private money lenders. Kim called me from Lee Perkins' office (our attorney). Turns out that a few minutes earlier, Jason and his wife had gotten in an argument at a local hotel. He had hit his wife. He had been arrested! The closing was off. Double drats! More hair fell out!

Don't ever tell Kim something can't be done. On Monday, April 17, Lee Perkins did a **jail house closing** for us. First a one day closing, now a jail house closing – all over Easter weekend – you can bet Lee is really loving us!

**Bottom line:** Many real estate investing deals have road blocks. Don't get discouraged. Stay focused on the solution, not the problem. Oh, and it really helps to be married to Kim!

If you want to learn more about real estate investing, or would like to be mailed a **FREE** copy of our 16 page monthly real estate investing newsletter, or would like information about our 1,500 member real estate investors group that meets monthly at the Holiday Inn in Cartersville, then please visit our website at **[www.REIoutpost.com](http://www.REIoutpost.com)**.