

The Two Most Common Questions New Real Estate Investors Ask (Part 1)

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Folks who are interested in learning more about REI (Real Estate Investing) often ask two common questions. These are the same questions we all ask in the beginning.

1. How do I find houses that I can buy for fifty cents on the dollar?
2. Where do I get the money to do a deal?

Sadly, not knowing the answers to these two questions keeps most people from ever trying to buy their first investment property, a property that would have begun their journey down the road to financial independence.

Ever wonder why we write this weekly column? Think about it for a second. By writing this column, by having the second largest REIA (Real Estate Investors Association) in Georgia, by teaching monthly REI seminars, by offering REI manuals, Kim and I are creating an incredible amount of competition for ourselves. Are we nuts?

Let me answer that by asking *you* a question. You are driving down the road and begin to cross a long bridge. Just in time you notice that a section of the bridge is missing! You stop just short of going over the edge. What do you do? Do you pull to the side of the road and watch the cars following you plunge into the abyss? Or do you jump up and down in the middle of the road waving a flashlight trying to warn the other drivers of the danger that looms just ahead?

Since becoming an adult - a milestone my wife still wonders whether I have achieved – I've had two jobs. For eighteen years I sold Electrolux vacuums door-to-door. Next, I worked for Home Depot for two years. Both were good jobs that paid the bills, but neither job would have brought financial independence. Like you, Kim and I didn't want to "work for the man" for the rest of our lives.

As it has done for many people before us, REI has brought us the financial independence that we all seek. This is why we write this column. This is why we jump up and down in the middle of the proverbial bridge. We want you to know that the bridge ahead is out, and that you may want to seek a new way. Driving blindly forward is not the answer.

Years from now, when you are sitting on your front porch in a rocking chair looking back on your life, do you want to wonder what could have been? Regretting life's decisions is a terrible thing. Instead, look back with pride on the fact that you didn't let the above two questions stop you. You learned the answers, continued on your journey to becoming a successful Real Estate Investor, and achieved financial independence.

Off the soapbox and back to today's topic: How do you find houses that you can buy for fifty cents on the dollar?

The first step is to get in front of as many people who are trying to sell their homes as possible. How do you find them? Our most effective way is knocking on sellers' doors. If someone has a "House For Sale" sign in the yard, we knock on their door.

Here are several other methods we use to find sellers: Working with Real Estate Agents; calling the "House for Sale" ads in the newspaper; running a small "We Buy Houses" ad in the paper.

Finding people who are trying to sell their houses isn't the hard part. But making an offer at fifty cents on the dollar, now that's pretty tough. When you are a new Real Estate Investor, this will scare you to death.

Just think of it like a yard sale. You see something you are interested in, you make an offer for less than the asking price, and the owner decides whether to accept or reject your offer. The key is, *you must make a lot of written offers!*

Next week we'll talk about where to find the money to do a deal.