

Where Do You Get the Money to Do A Deal? (Part 1)

As real estate investors, these are the three most common questions we are asked:

1. How do I find real estate investing deals?
2. Where do I get the money to do a deal?
3. Once I have bought an investment property, what do I do with it?

The goal of our columns is to continually – *in one form or another* – answer these three questions.

Today, let's look at question number two: **Where do I get the money to do a deal?**

You may have heard the old saying: *If the deal is good enough, the money will find you.* Frankly, when Kim and I first got into real estate investing, we really hated this expression. Fact is, we didn't want to make any written offers. After all, what if a seller accepted our offer? What were we supposed to do then, buy their house? With what money? We didn't have \$100,000 sitting in our bank account.

So if we didn't have the money to buy a property, why should we have gone out making a lot of written offers? But if we didn't go out and make a lot of written offers - how were we supposed to reach our goal of becoming successful, wealthy real estate investors?

This was our quandary, our Catch 22.

To help new real estate investors avoid this problem, we came up with this advice: In *most* cases, we recommend that **NEW** investors **NOT** buy the first few properties they get under contract. Instead, we recommend that they bird-dog these deals to more experienced investors.

What is *bird-dogging*? It is when a real estate investor finds, negotiates, and gets a deal under contract, but then instead of buying the investment property himself, he assigns (i.e. bird-dogs) the contract to another real estate investor.

The best part is, the bird-dog is paid an **assignment fee** by the person who buys his contract.

The second *best part* is that the bird-dog has no skin in the game, just his sweat equity. In other words, he didn't have any of his own money in the deal, just his hard work, time and determination. Wouldn't you agree that it is hard to lose money when you don't have any invested in a deal?

Now that I think about it, there is a third *best part* about beginning as a bird dog. Bird-dogging allows new investors to negotiate an **unlimited** number of deals. Most experienced real estate investors agree that the best way to become a successful real estate investor is by making a lot of

written offers on a regular basis. As a bird dog, you are free to make as many written offers as you wish.

One last thing to share: If you think only new real estate investors are bird dogs, you would be mistaken. Why? As more and more folks know that you are a real estate investor, you will get more and more deals. This leads to a serious problem– too many deals on your plate at one time!

What do you do when you have too many deals on your plate? You bird-dog your excess deals to other investors, of course. Most of the real estate investors we know bird-dog deals to each other on a regular basis.

You are probably thinking, “OK, Bill, but what about answering my question, ‘Where do I get the money to do a deal?’” No problem – but unfortunately I am out of writing room. See you next week at this same “bat” time and on this same “bat” channel!

If you want to learn more about real estate investing, or would like to be mailed a **FREE** copy of our 20-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, please visit our website at **www.REIoutpost.com**.