

Learn How to Pull a Wholesale Deal OFF

Written by Marcel Umphery
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I love watching David Blaine he takes it to the edge every time and 90% of the time manages to pull off his stunts. Pulling off a profitable wholesale

real estate deal in thirty to forty five days is not always the easiest task, but it can be richly rewarding. The two main things you have to have to pull off a wholesale deal are a motivated seller and a buyer for a property. How you go about finding these two parties is just the beginning part to closing a wholesale deal successfully.

So how do you find property to wholesale? One way is to create an ad. For example I have used the following, indicating that you Buy Houses, Settle Fast, We Buy Houses no matter what condition with a contact number or website attached. Whether you use actual signs or the classified ads, you have to get your name out there. A lot of the responses will be from property owners in financial distress, or they may need formidable repairs. Let's use an example to clearly illustrate the process. You may come across a house that would be worth \$200,000 after it's repaired. It needs \$30,000 in repairs, the homeowners still owe \$60,000, and they need \$8,000 to relocate. In this situation you would negotiate a purchase contract for \$68,000 and agree to pay off the mortgage deficiency. Now you control a property worth a lot more than the \$68,000.

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So now that you have the property under contract, how do you find a buyer? Again, local advertising is one way of building up some interest. Write up an advertisement that says, "handyman special," or "Motivated Seller." While planning for your price, make sure that you leave enough profit in there for the rehabber or buy and hold investor who will resell the property or rent it out for a positive cash flow. If, for example, you sell the property for \$78,000, you can pocket \$10,000 in profit. The rehabber will then invest the \$30,000 in repairs, and have up to \$92,000 in profit potential! Now that way everyone is making money and you can sell the property quickly! And trust me when you start wholesaling houses to investors and they end up making almost 100k on their retail flips word will spread very fast that you have the best deals in town.

As equally important as finding a buyer is screening your buyers. You will want to make sure that your buyers actually have the cash to purchase your property. One way to do this is have them submit a Proof of Funds document. That way you will know that your potential buyer can go to close with no issues. The last thing you want to be doing is going to a closing and find out that your buyer doesn't have the cash. So stick to buyers that have cash or pre-approvals from their lender. Otherwise you're wasting your time trying to close deals where there is no money.

So long as you can find a motivated seller and can come to an agreement on price, and a buyer with funds, you can close a wholesale real estate deal. It doesn't matter your credit score, nor does it matter how much funding you have behind you. Just make sure that you always leave enough "spread" for yourself to stay in business, and deliver profitable deals to your clients.

Take Care,

Marcel