

The Anatomy of a Wholesaling Flip in Real Estate!

Anyone Can Do It, No Money Needed! No Credit Needed!

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Daily Cash Flow – The Money Steward – American Payday Services

You put out some signs, maybe one that says, “I Buy Homes!” Or, using my template here, you create blogs and position them in your local search engine searches.

Sign Example:

My blog: <http://wewillbuyyourhome.blogspot.com/>



A guy calls you, and says he has a home worth maybe \$220,000, if fixed up, but he has let it get run down. You check out values and decide he is very right on about the value based on area comparable sales less than 6 months old. Zillow.com can be helpful with that process. After you look it over, you decide it needs \$10,000 in repairs. Even a good repair person you have look at it confirms the repair estimates. But, to flip it, you must buy it at a discount and you decided to offer him \$170,000, but then deduct the \$10,000 in repairs so your net offer is \$160,000. The man accepts your offer, and he has saved a real estate commission and a complex marketing time by the local real estate agents. You have 15 days to get situated and are not bound to the agreement until you research everything, like flooding, and zoning, etc. Within a few days, you contact an investor contact, one who pays all cash for deals. There are people like this all over, and you can Google one hundred of them in your area instantly. You have the home tied up for \$160,000 for 15 days.

You tell the investor that you will assign the agreement over to him and step aside for \$7,000 in cash. He accepts for \$7,000, at closing, to you, and \$160,000 to the owner. He will actually then buy the house directly from the seller, and he will fix the home up himself, at his expense and he will pay you \$7,000. What you have just done is wholesale an investment piece of real estate. Your time in the deal? Maybe 3-4 hours. Your hourly wage: \$7,000 divided by 4 hours = \$1,750 per hour. The investor put \$10,000 into the house and paid you \$7,000. He is into the home about \$177,000. ($\$160,000 + \$10,000 + \$7,000 = \$177,000$) He sells it for \$220,000. Is he happy? You bet. He made \$43,000. Is the original owner happy? You bet. Your investor paid him off. Are you happy? You bet, you made \$1,750 an hour for 4 hours, which is \$7,000. This is WIN/WIN/WIN! You did this with no cash of your own, and no credit.

You have a legal right to claim to the public that you buy homes, even if you have NO MONEY OR GOOD CREDIT. You have a legal right to bow out of the agreement in the 15 days with no risk. You have a legal right to assign the agreement to anyone you wish.

So what would it take for you to do this? You would need to know about 4 or 5 investors in your area who are hungry for deals. Yes, they are easy to find. And once they get to know you, they will love you for what you bring them and you will use them as your assigning sources. It takes no money. You get no loan, so you need no credit. So you just go find and meet 4 or 5 investors. Then all you do is stay on the look-out for fixer upper properties to be flipped. You are the wholesaler. You can use signs, blogs, handout business cards, and let friends know that you are doing this, and then they will send you people that they meet. Many great investors have begun as property wholesalers. It is very “no muss no fuss,” “keep your hands clean” kind of work. There is no limit to how many you can do. I know wholesalers who have made \$50,000 just for the few hours’ work. Divide the hours into that number. This works on commercial properties, apartments, and multi-million dollar homes. Would you have the confidence to go out and tie up in contract a \$2,000,000 fixer upper, knowing that you were going to flip it? This is how to get the real big fees. All the principles remain the same no matter what the price. Don’t pay sellers over 70% of final, after repair value, and preferably, only 65%

In the product section, I share the anatomy of the end investor scenario. I show how he/she does what he/she does, because he/she makes more than you as a wholesaler. You can also do this without money and credit. It does take work, desire and a knowledge of basic repair and rehab, or, at least the common sense to obtain bids and hire good people.

Greg Nichols, Owner/Mentor

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