FLIPPING HOUSES

EXPOSED

34 WEEKS IN THE LIFE OF A SUCCESSFUL HOUSE FLIPPER

DANNY JOHNSON

FLIPPINGJUNKIE.COM
Flipping Houses Exposed

34 weeks in the life of a successful house flipper.

By Danny Johnson - FlippingJunkie.com

Follow along for 34 weeks and read about the analysis of 495 leads and the 10 house flips that were a result. See all the marketing involved to find the deals, before and after pictures of the flips, and the final numbers for each flip.

Find out what insider information I've shared that many other investors have tried to dissuade me from sharing for fear of increasing their competition.

Most of the information available on flipping houses concerns the process and theory. This book is my attempt to show you the implementation, what it's really like to get out there and hunt for deals, analyze, buy and flip them....for big profits. Enjoy.
I dedicate this book to my family because they put up with my craziness and constant tapping away at my computer. **My family is my life and I wouldn't be where I am without them.**
Why?

Why expose my house flipping business so that everyone can see what my wife and I have been doing to successfully flip houses for over 10 years?

That's a question I've often asked myself when I consider how much I'm giving away to my competition. We are still flipping houses and the competition has become fierce again. Showing all my cards can't be smart can it?

The reason behind my sharing everything we did in our business for 34 weeks was originally done on my blog, FlippingJunkie.com. The reasoning was that I needed to get my butt back in gear after taking it easy for a while. I had been reading real estate investing forums and came across several threads where people talked about getting started and wanted everyone to hold them accountable. They intended to share what they were doing but never seemed to last very long. People would make one or two updates and then disappear.

What a great way for me to ramp my house flipping back up. I could share what I was doing with everyone so that they could follow along and learn what the real world of house flipping is like and this would provide me motivation.

This turned into an incredible series of posts that went further to help other people understand how house flipping works and what is really involved than any other source out there. I wanted to create this book to help those of you interested in learning how to flip houses to do so by being able to watch over my shoulder as I showed everything I was doing week to week.

This business has allowed a lot of people to create a life that they had always wanted, to be their own boss, to call the shots, to be able to vacation when, where, and for as long as they want, to have a creative outlet, to really enjoy life and escape the rat race and the trading of hours for dollars, but...it's not a get-rich-quick, working 4 hours a week in your underwear type of business. It takes hard work and dedication, but it can be fun and very well worth it. This book will show you what I mean by that statement.

The Story

Below is the story that I shared about why I was exposing the business:
How would you like to learn how to flip houses? Well, here's your chance.

This is not an easy thing for me to do. I am really putting myself out there by doing this.

I am turning all of my attention to re-invigorating my house flipping business and letting everyone in on it. (No, I am not "locking myself and 5 other investors in a hotel room in Chicago for 3 days" - Is it just me, or do all the "gurus" use this?)

I'm getting my act back together and would like to show anyone that is interested how I am doing it.

My wife and I have been real estate investing for over 10 years in San Antonio, TX. For the last several years, we've typically bought and sold between 25 and 30 houses a year. Our exit strategy is mostly to fix and flip retail, but also wholesale houses and sell some with owner financing for long term cash flow.

Here's what happened and what I am doing about it:

Last summer my family took a vacation to the west coast. We went from San Diego to Seattle over three weeks, stopping in the major cities and San Simeon. What a beautiful place (the west coast in general).

Seeing Howard Hughes' "Spruce Goose" was on my list of things I wanted to do and so we visited the Air and Space Museum in McMinnville, OR. Seeing this place really rekindled my desire to learn how to fly. I've wanted to learn for the last several years since I had flown with another investor down the shoreline of Lake Michigan. What an absolutely amazing experience.

So, as soon as we got back, I started researching flying schools and taking flights with different instructors. For several months, all I was doing was thinking about flying. Investing took a back seat and I was playing "semi-retired".

I ended up passing my check ride in November and immediately realized (now that my brain was starting to allow other thoughts) that we had quite an inventory of houses waiting to be rehabbed. I would never wish rehabbing 6 houses at one time on anybody. We had some that were already finished also that were just sitting on the market.

The market got really slow over the new year and I was hesitant to pick up anymore, especially because I was so wore out from dealing with contractors
and rehabbing issues (the hardest part of this business in my opinion).

Fast forward to the present, the houses are all finished and on the market and we are getting them under contract. I now need to fill my deal pipeline again.

I feel like I am starting over (I know it is not completely starting over) because what you experience today is usually a result of what you did the last 3-6 months.

I was needing motivation and was thinking about ways to make the process more exciting. Light bulb! The result is that I have decided to share, with whoever is interested, the process. I am going to show how I am marketing, documenting the leads that come in, my analysis, purchase, rehabbing and selling of the properties for others to read about and learn from.

This is a great opportunity to see how a successful real estate investing business operates. At the same time, you guys will be holding me accountable to get things done. To actually get my butt back in gear.

In the following chapters, I am going to be documenting:

- My Marketing
- Analysis of Leads
- Which Leads I Schedule to See and Why
- Offers I Make
- Houses I Put Under Contract
- The Rehab Process
- The Sale Process
- The Final Flip Analysis With Detailed Deal Numbers
The First Week

This week begins the opening up of my business for you guys to see how my wife and I operate our real estate investing business.

Let me mention something upfront. You may notice that I pass up on some deals that other investors would go after. This is because I really am only interested in the better deals. I do not want to get busy rehabbing 5 dumps in war zones and miss the home run deal that would make more than all 5 of those houses combined (and not have to worry about getting mugged in the process). I do make money from some of these junkers and I will show you how.

These are the things I did this week:

Marketing

Total Leads This Week: 8

1. Bandit Signs - [Leads This Week: 5]

As you can see, BANDIT SIGNS KICK BUTT! Had my contractor put out 40 bandit signs in a certain target area of mine. I target houses that retail (value they should sell at after repairs are made) for between around $85,000 to $150,000. I choose these price ranges because they are where the majority of qualifying people in San Antonio are buying.

I paid him $2 per sign to put them out at busy intersections along the main thoroughfares. If you are just starting out, putting them out yourself the first couple of times will give you a good idea of where the best locations to place them are, and will quickly show you why it is worth it to pay someone else to do it for you.

I use the 24x18 horizontal flute (so that they do not bend in the wind) corrugated plastic signs, nailed to posts (disclaimer: check for local restrictions regarding these signs).

Here is a picture of the signs I use (I use roofing cap nails post them):
I changed the phone number in the picture. I wish I had that number.

2. **Yellow Pages** - *Leads This Week: 1*

I've had a dollar-bill-sized ad in the yellow pages for the past 4 years. This form of marketing isn't the cheapest, but it does pay for itself. Every year I question whether to keep it, because of the near $1,000/mo price tag. But, after looking at my results for the year, it is always a no-brainer to keep it.

Here is a picture of my yellow page ad (again, changed phone number):

![Yellow Page Ad](image)

Maybe it's a little over the top, but it sure does grab your attention. I decided to set myself apart from all of the other 'We Buy Houses' ads in the phone book.

3. **Buying Website** - *Leads This Week: 1*

My buying website pulls a decent amount of leads every month. Well worth the small investment. I was a software developer when I had a J.O.B. so I set it up myself. I usually include my website in my other forms of marketing (not bandit signs - you want them to call you immediately from the signs).

[UPDATE: So many people have asked me where they could get a website for getting leads online that I decided to provide them. You can get a website just like mine here: http://leadpropeller.com]

4. Drive For Dollars - [Leads This Week: 1]

FROM A LETTER SENT TO THE OWNER OF A VACANT LOT THAT I MAILED TWO YEARS AGO.

Learn how to Drive For Dollars in the Free Guide below

Bonus Gift

Click Here to Get a FREE Copy of My Top 5 Motivated Seller Marketing Guide

You can also visit http://flippingjunkie.com/top-marketing-methods to get your copy

What you will learn in this FREE 17 page guide:

1. A quick discussion on the importance of getting leads where there is much less competition
2. Which 5 marketing methods allow you to generate great leads for your real estate investing business
3. How to best execute each method with detailed steps
4. The mistakes to avoid with each marketing method
5. Resources for where to get what is needed for the recommended marketing

**Leads Analyzed**

1. **Two Rental Houses**
   [Source: Yellow Pages]

   Received a call from a landlord with two rental houses he wanted to unload. Both houses were 3/1's and in a "run down" part of town (not quite a war zone, but close). Tenant in the first house has been paying $575/mo and paying his own utilities and has been living there for 12 years. He said the rents in the area support $700/mo. I love hearing that one. If they support it, why didn't you get it? The other gets $625/mo and has only been there since January.

   He wants $6,500 down for the first one and will allow someone to buy the house subject to the existing mortgage with Chase ($24k principal balance at 8.5% - $384/mo payment). The other he wants $8,000 down and take over another Chase loan ($22k balance at 8.5% - $350/mo payment).

   These look like decent cash-flowing properties. They do need some repairs. I did not go and seem them and I will tell you why. At this point in my life, I do not want any more rental properties, unless they are in better parts of town and can be bought super cheap. I'd rather be buying houses and making money with my time, than constantly chasing people and demanding rent all the time (not to mention the constant demands for repairs).

   I don't throw them away either. I call a landlord/wholesaler that I have built a relationship with and let him run with it. If he buys, he pays me a birddog fee (usually $1,500 and up, depending on the deal. This is always discussed upfront). All I do is get the lead and pass it on. I am looking at a check on my desk right now that he dropped off for me today. All I did was send an email with the details to him several weeks ago. He contacts them, signs up the deal, closes and sends me a check. Why let anything
go to waste? Don't throw away those leads you don't want!

I've already rambled on long enough about this one, so I will tell you about the super easy way I evaluate rentals for myself on another day. Remind me if I forget, and you really want to know.

2. **Newer House In Older Neighborhood**  
   [Source: Website]

   This one was a 3 bedroom, 2 bath newer house built in the middle of a neighborhood of older, run down houses. Here are the numbers:

   - **Asking Price:** $Wanted Me To Make Offer
   - **Amount Owed:** $30,000
   - **Repairs:** $Unknown
   - **After Repaired Value:** $75,000
   - **Max Offer:** $48,750 (65% of After Repaired Value) minus Repairs

   You can tell there are some gaps in that data. It's because, as you get more leads coming in, you have to be able to filter the time wasters from the true prospects. This seller would not name a price and generally seemed like he just wanted to see if he could get full price. When this happens, I just determine the basics and call back with a ballpark. This really weeds out the time wasters.

   With this one, based on what he told me about the condition of the house, I told him I would probably be able to offer somewhere between $40,000 and $45,000 cash. Usually I am not so conservative when giving the ballparks because I don't want to scare the seller off too easily. If I have to negotiate it down, it is easier done face to face with the seller. So, if they really have any motivation at all, they will allow me to come and look at it to give them a firm offer. If they don't, they simply weren't motivated enough. I do call and follow up after a week or so to see if they had thought anymore about selling at the lower price.

3. **Another House In The Semi-Hood**
This one was a 3 bedroom, 1 bath run down house, only 912 square feet, near the two rental houses above. Here are the numbers:

- Asking Price: $40,000
- Amount Owed: $10,000
- Repairs: $Unknown
- After Repaired Value: $50,000
- Max Offer: $25,000 - Repairs

This is the same sort of situation as the last one. The Max Offer is lower than 65% because I have a minimum of $25,000 profit required for any deal I do. 65% would have only allowed a $17,500 profit. I told him $15,000 to $20,000 would be my ballpark. He was not interested. I will follow up with this one. If the motivation develops, I will pass it along to a wholesaler and make a quick buck.

4. Small House but Decent Area

This one is the kind of lead I am looking for. This one was a 2 bedroom, 1 bath, 1.5 car garage, 907 sf, house built in 1995. Here are the numbers:

- Asking Price: $30,000
- Amount Owed: $5,000 (taxes)
- Repairs: $10,000
- After Repaired Value: $70,000
- Max Offer: $32,000 ($42,000 (60%) - $10,000)

What I like about this one should be obvious. He was asking a very reasonable price from the get go. He inherited the house and only owes the taxes. He didn’t want the house and he really doesn’t need the house. This happens a lot with inherited properties. A lot of people just don’t want to deal with the hassles of selling a house that is not in good shape.
You may have noticed that I chose 60% of After Repaired Value for my maximum offer. This was because the house is a small 2/1 (do not sell as well as the standard 3/2) The Comps used were 2/1's also, so the After Repaired Value is correct. Just accounting for longer days on market.

I immediately scheduled to see this property and made an offer of $25,000, on the spot, after walking through it. (See how I did not offer my Max Offer. You need room to negotiate. You can always go up on your offer, but rarely can you go down.) The seller wanted to talk it over with his wife that evening. He called me that night and accepted. I got the house under contract this morning and will close mid April. :)

5. Weird Conjoined House
[Source: Bandit Signs]

Two houses on separate lots...joined together by a previous owner. Both houses had 2 bedrooms and 1 bath, combined for total of 2300 sf with two kitchens. Here are the numbers:

- Asking Price: $65,000
- Amount Owed: $0
- Repairs: $Unknown-A LOT-HOUSE ALMOST TOTALLY GUTTED
- After Repaired Value: $75,000
- Max Offer: $45,000 (60%) - Repairs (Estimating at least $20k) - $10k wholesale fee

This house was gutted and destroyed by vandals. The seller says the wiring was ripped out of the walls, the sheet rock tore off the studs throughout, and other miscellaneous damage from vandals over the last 5 years. Due to the hassles with this one, I know I would need to get it super cheap because I would wholesale it to a rehabber that would need it super cheap. So I offered $15,000. He wasn't having it. Next.

6. Duplex Close To Downtown
[Source: Bandit Signs]

Vacant duplex in a neighborhood that I do not invest in. I passed this one
on to a wholesaler.

7. **War Zone Full Value House**  
   [Source: Bandit Signs]

   You will get a lot of call from people that want to, and in many cases need to, sell their house at full value. This one was in a bad part of town and owed what it was worth. This was quickly determined by the fact that they had just bought the house (with owner financing at 12%) a couple of years ago (only $1,000 paid towards principal). You should not spend a lot of time of the phone with these sellers. It's always tempting to try to help them because you feel bad, but there is not realistic way to do that. Do not waste your time or theirs. Get off the phone.

8. **Vacant Lot (mailed to 2 years ago)**  
   [Source: Drive For Dollars]

   This is proof that your marketing builds and the leads you get in now are a result of what you did in the past. The leads don’t always come right away. This seller received a letter from me over two years ago about this lot. He seemed a little motivated, but was trying to hide it (this always shows when you do not seem interested in their property). The lot is in the middle of an older neighborhood. It has utilities. He wants $18,000 for a lot that is probably only worth about $12,000 to $15,000.

   Lots are nice in that holding costs are minimal and you really don’t have to go to the property to let anybody in. There weren’t any comparable sales for lots in the area for the last 2 years that I could find. I had sold one over there that was bigger about three years ago and figure my estimate is fairly accurate. Without solid comparable sales, I would not want to buy this lot for more than $3k-$5k. It would be pretty hard to screw that up. He was not interested at all. He responded with, "you cannot buy a lot for that amount anywhere in the country!" I could have debated that very quickly, but thought better of it.

**Summary**

I am always amazed at how quickly a small investment in bandit signs produces results. Signs went up and a deal was put under contract within 5 days. It's
Another thing that I hope is taken from this week's post is that you really need to learn how to quickly filter out the non-deals. *Don't get caught up in trying to make deals out of non-deals.* This happens when you do not have enough leads coming in. Work on getting more leads and get used to saying, "Next!"

Plans For Next Week

- Get list of 500 absentee owners.
- Drive for dollars in target neighborhoods. *I am going to provide a primer on this.*
- Distribute $20 marketing cards everywhere I go.

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Have a long commute to the job each day? Going for a run? Why not make that time even more productive by listening to the Flipping Junkie Podcast. Each week I interview a new real estate investor and dive down into the details to bring you what works right now.

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Click here to listen to the podcast on Stitcher
The Second Week

These are the results of my second week of opening up of my business for you guys to see how my wife and I are building our house flipping business back up.

These are the things I did this week:

Marketing

Total Leads This Week: 14

1. Bandit Signs [Leads This Week: 4]

   I did not put up anymore bandit signs this week. These leads were from the ones that are still up from last week (gotta love it when they stay up longer than a week :)).

2. Yellow Pages [Leads This Week: 2]
3. Buying Website [Leads This Week: 7]
4. Realtors [Leads This Week: 1]

   I have built relationships over the years with Realtors that will notify me when a deal comes a long that they think I would be interested in.

5. $20 Marketing Cards [Leads This Week: 0]

   These are cards you leave all over the place and they have your marketing message on them. The ones I use look like folded twenty dollar bills. If that doesn't catch someone's eye, I don't know what will. You can have lots of fun with these. Here's what mine looks like:
I got these from DollarCardMarketing.com. You should seriously consider getting these!

6. **Drive For Dollars** *Leads This Week: 0*

My wife and I went driving for dollars this week. We really enjoy doing this together. It's relaxing. We collected addresses for 75 houses that appeared to be vacant. This took a total of about 3.5 hours spread over two days. That's about 21 addresses an hour.

I've put together a primer on driving for dollars that contains lessons learned from years of doing this. Kind of a 'best practices' article. You can view the primer online here: [Driving For Dollars](#).

**Leads Analyzed**

1. **4-Plex**

   [Source: Website]

   Tired landlord wants to get rid of 4-plex with all 1/1 units. 2 are rented $375/mo (tenants in for 1 year and 4 years). One unit being filled next week for $325 and one vacant. All separate utilities, so tenants are responsible for their own utilities. All units are less than 500 sf and the structure was built in 1920. The seller wants $59,000.

   As I've stated before, I do not want this type of rental at this point. I feel that money can be made on this one (monthly rent is far greater than 1%
of the purchase price - simple rule of thumb to be used to figure out whether you should even mess with the lead) for the landlord that is willing to make the repairs and deal with the tenants. Therefore, this one was sent to my 'go to' guy (wholesaler/landlord).

**Note:** If you do not have someone to send these types of deals to yet and feel like money can be made, you should consider just getting an option contract on them. This gives you an option to buy at an agreed to price, but also allows the seller to continue to sell it himself (most aren’t trying that hard to sell it). Just make sure that whoever you tell about the deal doesn’t try to go around you and deal directly with the seller (hint: don’t give out the sellers' contact info.) This should really be a whole other post. Hopefully soon.

2. **House in Decent Neighborhood**
   [Source: Bandit Signs]

   This one was a 3 bedroom, 2 bath, 1200sf house that was built in 1984.

   Here are the numbers:

   - Asking Price: $60,000
   - Amount Owed: $46,000
   - Repairs: $Unknown
   - After Repaired Value: $75,000
   - Max Offer: $48,750 (65% of After Repaired Value) minus Repairs

   With this one, based on what she told me about the condition of the house, I would need to get it for no more than about $40,000. They owe more than that and are not behind on payments (I don’t try short sales anyway as they are just too much work, unless there is huge potential for profit). This is the type of deal that some people are tempted to try and make work because if you just bend your criteria a little, you can squeeze enough profit out to make it a "deal". DON’T DO IT. Move on to the next one.
3. **House In Neighborhood Next To The Last One**  
[Source: Website]

This one was also a 3 bedroom, 2 bath, 1300sf house that was built in 1984.

Here are the numbers:

- **Asking Price:** $85,000
- **Amount Owed:** $45,000
- **Repairs:** $10,000 (estimated from listing pictures)
- **After Repaired Value:** $90,000
- **Max Offer:** $48,500 ($58,500 (65% of ARV) - $10,000)

This one was listed on the MLS. I was able to see pictures and make a rough estimate of the repair costs. The seller is out of state which gave me reason to see if he would consider such a low offer. He wasn't interested and I thought he was starting to go into the "you're trying to steal the house speech", but he didn't. Turned out to be a nice guy but was not willing to go below $75k. I will follow up to see what he does.

4. **Owl House**  
[Source: Bandit Signs]

This one was also a 3 bedroom, 2 bath, 1338sf house that was built in 1978.

Here are the numbers:

- **Asking Price:** $99,000
- **Amount Owed:** $75,000
- **Repairs:** $Unknown
- **After Repaired Value:** $100,000
- **Max Offer:** $Who cares

This one is a definite no go. Divorce situation and they refinanced two
years ago. They flat out owe too much. Next.

5. **House Backs Up To Busy Road**  
   [Source: REO]

The listing agent called me on this 4 bedroom, 1 bath, converted garage, 1200 sf house.

Here are the numbers:

- **Asking Price:** $56,000
- **Amount Owed:** $0
- **Repairs:** $14,000
- **After Repaired Value:** $90,000
- **Max Offer:** $40,000 (60% ARV minus $14k for repairs)

**Here's a quick breakdown of the repairs:**

- **Paint Inside/Outside:** $2,400 ($1/sqft inside and outside)
- **Siding:** $500
- **Windows (glass only):** $200 (~$35/window)
- **Cabinets/Countertops:** $1,800 (small kitchen, get prices at Home Depot)
- **Flooring:** $2,000 (~$1.50/sf cheap, but nice carpet, ceramic tile)
- **Bath:** $1,000 (new tile tub surround, new vanity and toilet)
- **Sheetrock Repairs:** $500 (lots of patches)
- **Landscaping:** $500 (tree trimming, red mulch and lawn care)
- **AC:** $2,000 (just in case - looks old and no power to run it)
- **Doors:** $700 (front door, back door and several interior doors)
- **Lights:** $500 (again, check Home Depot prices for builder specials)
- **Trash Removal:** $500
- **Miscellaneous:** $1,400 (about 10% added to total)
Coming up with these repairs estimates to show you was sort of difficult because I subscribe to Ron Legrand's method of determining repair estimates. With this, I can walk in and out of a house with an estimate in 10 minutes. Some people call it crazy, but I know it works. Basically, you will never get the estimate exactly right. No matter how detailed you get, you will never be exactly right with the actual costs. Go in and determine whether the job will cost $5k (kinda hard these days), $10k, $15k, $20k, etc. Some will seem like $7k and you will just round up to $10k.

This is usually hard for new investors to do. To help get an idea, the best way is to take an experienced investor with you. If you don't know any that would, take a contractor. Just be careful to not over do it. You are not going to live in the house. Be mindful of the price range of the house as well. Don't go putting granite in a house that will retail for $60,000 (or $125,000 for that matter). Spend lots of time at Home Depot or Lowe's, getting an idea of what materials cost.

You will make mistakes, but don't worry so much. You should be buying the house cheap enough that you should never have to worry about burning up all of your profits. You shouldn't lose money, just make less than you figured.

Speaking of mistakes, I remember one argument I had with a contractor when I first started. I actually argued with him over the cost of quarter-round trim. He was trying to tell me they were $60 (I don't remember the exact numbers) and I told him that I just saw them at Home Depot for 75 cents for 8' or 10' lengths and that did not add up to $60. We argued for about 5 minutes and I got my way. Well....I was walking through Home Depot a couple days later and had to take a look. I was shocked to find out that I was looking at the cost per foot! An apology was made immediately. How embarrassing.

The problem with this house is that it backs up to a busy road (reason for the 60% used for maximum offer calculation - and the house was just hideous). This really does affect resale value and needs to be taken into account when figuring out values. Another thing to watch out for is junkie neighbors. This really affects how quickly a house will sell. I don't know
how many times I've ignored this and my wife has chewed me out upon arriving to see this "great deal" for the first time.

6. **Value Is In The Lot**  
   [Source: Bandit Signs]

   This one was a 3 bedroom, 1 bath, 600sf house that probably needs to be torn down.

   Here are the numbers:

   - Asking Price: $15,000
   - Amount Owed: $0
   - Repairs: $Unknown
   - After Repaired Value: $55,000 owner financed or lease option
   - Max Offer: $For me, $1,000

   This one is a great contender for an owner finance property. Buy the house, fix it and sell it on owner financing or lease option. I did not analyze further because I am not interested in such a small house in a bad area. Passed it on to another investor.

7. **Pre-Foreclosure**  
   [Source: Website]

   This one was a 3 bedroom, 2.5 bath, 2000sf house that is facing foreclosure. House is only 6 years old.

   Here are the numbers:

   - Asking Price: $115,000
   - Amount Owed: $115,000
   - Repairs: $Few Cosmetic
   - After Repaired Value: $120,000
   - Max Offer: $78,000 minus repairs

I took this call while helping my brother move. Always take your calls.
Don't be like your competition. Actually pick up your phone when people call you. You will stand out.

This is not a deal for me because of what is owed and the fact that the house does not really need repairs. *If you are a short sale investor that wants these leads, please contact me.* I've done some, but really would rather not spend much time on them (Do you see a trend here? No, not laziness.).

8. **Too Many Houses For Sale**  
[Source: Website]

This one was a 3 bedroom, 1 bath, 1120sf house that was inherited.

Here are the numbers:

- **Asking Price:** $75,000
- **Amount Owed:** $0
- **Repairs:** $Unknown
- **After Repaired Value:** $65,000
- **Max Offer:** $40,000 minus repairs

This house is in an area that I don't really care for and there are A LOT of houses for sale right now in the near vicinity (about 1/2 mile radius). I passed this one on.

9. **Out of Town Owner**  
[Source: Website]

This one was a 3 bedroom, 1 bath, 1100sf house in a neighborhood close to downtown.

Here are the numbers:

- **Asking Price:** $40,000
- **Amount Owed:** $0
- **Repairs:** $Unknown
- **After Repaired** $65,000 (without central air) $75,000 (with central
Value: air
Max Offer: $48,000 (65% of $75k) minus repairs

I received this one on my website and the phone number was missing one number. I have sent a couple emails and am waiting for a response.

10. Too Far Out Of Town
[Source: Bandit Signs]

This one was a 3 bedroom, 1.5 bath, 1300sf historic house about an hour from where I live.

Here are the numbers:

Asking Price: $80,000
Amount Owed: $65,000
Repairs: $Unknown
After Repaired Value: $110,000
Max Offer: $71,000 (65% ARV minus repairs)

I cannot see making this one work for me. There is a tenant living in the house and it is just so darn far. I've talked to plenty of investors that deal with out of town properties and it seems like they are constantly spending half a day checking on 1 house. Not good. I passed it on to a wholesaler.

A good point to make with this one is to ask what is the least they are willing to take. They were asking $105,000 and when I asked what their rock bottom price was, they told me about $80,000. That's a big price drop with one simple question. Use it.

11. Area I've Agreed To Stay Away From
[Source: Yellow Pages]

This one was a 3 bedroom, 1 bath, 1200sf house that was inherited.

Here are the numbers:
Asking Price: $Told To Make An Offer (I hate this)
Amount Owed: $0
Repairs: $Unknown
After Repaired Value: $50,000
Max Offer: $See comments below

This house is in an area that I agreed at the request of my wife to never buy in again. This was immediately passed on.

12. **Mobile Near Lake**
[Source: Website]

This one was a 3 bedroom, 2 bath, manufactured home north of town.

Here are the numbers:

Asking Price: $120,000
Amount Owed: $63,000
Repairs: $Unknown
After Repaired Value: $80,000
Max Offer: $Not worth calculating

Even if I bought for what they owe, I would not be able to make this deal work. I'm not really a mobile guy either.

13. **Rough Neighborhood**
[Source: Website]

This one was a 3 bedroom, 2 bath, 1600 sf home in a war zone.

Here are the numbers:

Asking Price: $45,000
Amount Owed: $0
Repairs: $Unknown
After Repaired Value: $x amount of crack
Max Offer: $Not worth calculating

I might be interested in this one if I was a junkie in the true sense of the word. Seriously, this is a really rough neighborhood and there are investors that will buy here. I am sending this one to them.

14. Another War Zone
[Source: Yellow Pages]

This one was a 3 bedroom, 1 bath, small house in a different but similar war zone.

Here are the numbers:

- Asking Price: $45,000
- Amount Owed: $0?
- Repairs: $Unknown
- After Repaired Value: $?
- Max Offer: $Not worth calculating

See explanation for lead above.

Summary

There were quite a few leads this week. Nothing really great, but that just means I am getting closer to the good ones. :)

I was not able to get the list of Absentee Owners this week because we switched title companies recently and I had log in information from the old title company. I am getting in contact with someone at the new title company to get this set up. This will be explained next week.
The Third Week

Note: There may be some confusion as to whether I go to see all of the houses. For the most part, I only go to see the houses for which I give the repair estimate. I don't waste my time going to see all of the houses. The first week, I only went to see the house I put under contract. This week, I saw 4 or 5 of the houses.

These are the things I did this week:

Marketing

*Total Leads This Week: 13*

1. **Bandit Signs** - *[Leads This Week: 2]*
   
   I had 40 more signs put out this week. There were not as many calls and it may be because I had them put out in a different area. Some parts of town are more proactive in taking the signs down and I did not drive the area to make sure they were still up. After the next batch, I will definitely check to make sure they were put up and stayed up.

2. **Yellow Pages** - *[Leads This Week: 0]*
3. **Buying Website** - *[Leads This Week: 9]*
4. **Realtors** - *[Leads This Week: 1]*
   
   One lead from a REO Realtor that I called this week. Next Tuesday we will be having lunch with one of the biggest REO Realtors in town and I will have the Realtor pay for the meal. Just kidding...come on.

5. **Referral** - *[Leads This Week: 1]*
   
   One lead from a private lender of ours. She has an owner financed property she wants to sell.

6. **$20 Marketing Cards** - *[Leads This Week: 0]*
   
   I put more of these around town. This kind of marketing doesn't bring
leads in right away. It takes time. You can see an image of the card on the 'Second Week' post.

7. Drive For Dollars - [Leads This Week: 0]

We got 75 addresses of vacant properties in our target neighborhoods last week. One of our friends is handwriting letters on yellow notepad paper and hand addressing the envelopes. The letters should be in the mail tomorrow. We will probably pay about $75-$100 for this. This is a great job for a teenager, and they will probably do it for even cheaper. I know I don’t want to do it anymore. Sounds like a great idea to save money and do it yourself, but after about 10 you are dreading the decision.

Leads Analyzed

1. Town home Rental
   [Source: Bandit Signs]

   Tired landlord wants to get rid of a 3 bedroom, 2 bath, 978sf town home. The seller wants $59,000.

   Here are the numbers:
   - Asking Price: $65,000 -> $40,000 (went to $40k after asking how much for cash, 'as-is' offer)
   - Amount Owed: $0
   - Repairs: $Unknown - Needs mostly cosmetic
   - After Repaired Value: $50,000
   - Max Offer: $15,000 ($50k ARV - $25k profit - estimated. $10k Repairs)

   This is really a rental property at best because there are several houses that just aren't selling and I don't think I'd be able to sell it retail unless it was to a landlord. I am passing this one on.

2. War Zone Owner Finance
   [Source: Referral]
A lender wants to sell a property in a bad neighborhood. The sales price is too high and the neighborhood is baaaad (yes, it deserved more than 1 'a'). Asking $40k but I know most investors buy properties for in the teens in the area. Next, please.

3. Great House, But Can't Do It
[Source: Website]

Homeowner selling a 3 bedroom, 2 bath, 1500sf house, built 1993.

Here are the numbers:
Asking Price: $119,000
Amount Owed: $116,000
Repairs: $Unknown - Needs mostly cosmetic
After Repaired Value: $120,000
Max Offer: $78k - Repairs

I shouldn't have to explain why this one will not work. But, this is the kind of house I am looking for. Not that old, in a middle class neighborhood with good Days On Market figures. Unfortunately, they owe too much. Maybe I will get another lead...

4. Good Central Location
[Source: Website]

This house is a 3 bedroom, 2 bath, 1200sf house that was built in 1955.

Here are the numbers:
Asking Price: $Make an Offer
Amount Owed: $0
Repairs: $23,000
After Repaired Value: $85,000
Max Offer: $32,000 ($55k - $23k Repairs)

Here are the Repair Numbers:
Paint: $2,000
Sheetrock: $1,000
Foundation: $1,500 (part of one side around a corner)
Roof: $1,000 (back patio cover)  
Brick Repair: $500  
Re-Wire: $2,500  
AC: $4,500  
Kitchen: $2,000  
Baths: $2,000  
Flooring: $1,500  
New Windows: $2,000  
Rotted Wood: $500  
Landscaping: $1,000  
Miscellaneous: $1,000  
**Total:** $23,000

This house is one that I am interested in. It does require a lot of repairs, but I feel it would sell very quickly once finished. It is most definitely the ugliest house on the street (this is what you want). The owner lives out of town and has talked with other investors so I offered close to my Max. I offered $30,000 with a quick closing and he said he would call me. This is where you need to try to get them to make a faster decision so that they don't go and call a thousand other investors. Some will no matter what, so you don't want to force the matter. Just politely request that they inform you soon because you are looking at several properties and need to know where your funds are going to be allocated. I will call him soon to follow up if I don't hear from him.

5. **Way Out Of Town**  
[Source: Website]

This house is over 4 hours drive from where I live and they owe too much (just bought it a couple years ago with little down payment). You will occasionally get these leads on your website (even though it clearly states "San Antonio and surrounding areas" - I guess surrounding areas is sort of vague).

If the sellers seem motivated, you can push these properties to other investors on online forums and see if anyone is interested.
6. Duplex Near Our Old House  
[Source: Website]

This house is a 1910 duplex with 1/1 on each side.

Here are the numbers:
- Asking Price: $30,000
- Amount Owed: $0
- Repairs: $40,000
- After Repaired Value: $90,000
- Max Offer: $14,000 ($54k [60% ARV because of amount of work] - $40k Repairs)

This house is near where we used to live. My wife and I bought a run down historic house and rehabbed the whole thing. It had been vacant for about 20+ years and sort of had the whole Fight-Club-Paper-Street-House thing going on. We finished the inside and moved in. The outside was still a wreck.

One time, my wife and a friend went downtown for a ladies night out. They had taken a cab and upon returning, in a different cab of course, the cabby kept asking "Are you sure you want to be dropped off here? This house?" It looked like a giant vagrant-filled el dumpo.

Here's a before and after (click to view larger image):
This house (the lead) NEEDS A TON OF WORK. Everything from the roller-coaster foundation, to the gas water heater with no vent in the kitchen
(they are living there and I had to tell them that was dangerous). Oh, did I mention the fire that burned the back bedroom completely?

I made the offer but they are sort of delusional about the value of the place (they were told by someone that the lot was worth $75k+).

The lesson to take away from this one is that the seller was visibly embarrassed about the state of the house. In these situations you really do need to make sure to only mention the potential the house has and that you know how hard it is to keep up an old house. DO NOT RIP THE HOUSE APART. Have sympathy.

7. **Area Not Interested In**
   [Source: Bandit Signs]

This house is a 4 bed, 2 bath, 2 car garage 1300sf house in a neighborhood that is not so great.

Here are the numbers:
- Asking Price: $Make an Offer
- Amount Owed: $0
- Repairs: $11,000
- After Repaired Value: $85,000
- Max Offer: $40,000 (60% ARV - Repairs)

Here are the Repair Numbers:
- Paint: $2,000
- AC Cleaning/Repair: $1,000
- Kitchen: $1,500
- Flooring: $1,500
- Bath (remodel): $1,500
- Lighting: $800
- Pool Maintenance: $1,000
- Miscellaneous: $1,700

**Total:** $11,800

I was contacted by the executor of the estate (basically, it is an inherited
property - you will probably get a lot of these - or at least you should hope to). Told him ball park would probably be in the $30's and he seemed OK with it. But there are two other brothers that need to be OK with the price. I want to try to buy this one cheaper so I can wholesale it.

I set my maximum at 60% of ARV, which will allow me to wholesale if I want to. The house also has a pool and sometimes the costs creep up really fast. I am offering $35,000 and have to wait to see what the brothers say.

8. Small House with Central Location
[Source: Website]

This house is a 2 bed, 1 bath 900sf house.

Here are the numbers:
- Asking Price: $25,000 then mentioned $20,000
- Amount Owed: $22,000
- Repairs: $Unknown
- After Repaired Value: $40,000
- Max Offer: $15k - Repairs

If you noticed, I mentioned the seller was willing to consider taking less than what they owe. They would have to come to the table with money (or convince the lender to take less). That spells motivated to me. It's a shame the area the house is in is not better.

I passed this one on to see if someone could make a deal out of it.

9. Good Inherited House
[Source: Website]

This house is a 3 bedroom, 2 bath, 1272sf house built in 1974, just the way I like 'em.

Here are the numbers:
- Asking Price: Make An Offer (darn)
  - $0 - I really cannot believe my luck lately with nothing
owed. :)

Repairs: $16,800
After Repaired Value: $80,000
Max Offer: $35,500
Here are the Repair Numbers:
Paint: $2,000
Sheetrock: $1,000
Foundation: $5,000
Roof: $3,500
Garage Doors: $500
Lighting: $800
Baths: $1,500
Kitchen: $1,000
Flooring: $1,500
Total: $16,800

There is a lot for sale in this neighborhood. I was conservative with the ARV to account for it. This house was inherited and the seller is just wanting to be done with it so she can move before a planned surgery.

The house showed signs of settling and I just included an estimate to cover having most of the perimeter leveled if need be (It didn't seem to slope much, but is hard to tell when full of furniture). I offered $30,000.

10. **Town home In Good Location**
[Source: Website]

This house is a 2 bedroom, 2.5 bath, 1700sf town home built in 1972.

Here are the numbers:
Asking Price: $115,000
Amount Owed: $92,000
Repairs: about $5,000 from the sounds of it
After Repaired Value: $130,000
After Repaired Value: $130,000
Max Offer: $84,000 (65% ARV) - Repairs

Too much is owed on this property for me to be able to buy. I am going to send this out to some people to see if they can make it work and pay me a birddog fee if it does. :)

11. Property Saved From Foreclosure
[Source: Website]

This house is a 3 bedroom, 2 bath, 1600sf house built in 1986, and this one is has the smell of money.

Here are the numbers:

<table>
<thead>
<tr>
<th>Asking Price:</th>
<th>Make An Offer (OK because situation is ripe for good price)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Owed:</td>
<td>$900</td>
</tr>
<tr>
<td>Repairs:</td>
<td>$Unknown</td>
</tr>
<tr>
<td>After Repaired Value:</td>
<td>$100,000</td>
</tr>
<tr>
<td>Max Offer:</td>
<td>$65,000 - Repairs</td>
</tr>
</tbody>
</table>

This is a couple of doors down from a house we did a few years ago. That is one of the things I love about this business. We can drive around in most parts of the city and point out properties we have done. It doesn't seem like a whole lot when you are doing them, but it really adds up. Especially in the neighborhoods we like. We tried to get one on every street in one neighborhood.

The seller of this house lives out of town and saved the house from foreclosure for his ex-girlfriend. I've never had this situation before, but it represents a good opportunity. I was scheduled to see it today, but the tenant was not available to show it. Now have an appointment for Saturday morning.

12. Foreclosure With A Pool
[Source: REO]
This house is a 3 bedroom, 2 bath, 1700sf house built in 1960, with a converted garage.

Here are the numbers:

- **Asking Price:** $117,000
- **Amount Owed:** $0 - Bank Owned
- **Repairs:** $35,000 (this place needs everything)
- **After Repaired Value:** $155,000
- **Max Offer:** $65,000

This bank-owned home has a pool that has not been taken care of. I guess you could say the whole house wasn't taken care of. It needs new kitchen cabinets, counter tops, appliances, sheet rock repair, painting, flooring, light fixtures, new HVAC, pool work, new doors, new flooring, demo, etc.).

I've offered quite a bit below asking price ($60k). Don't be afraid to do that with bank-owned properties. If you are building a relationship with an REO Realtor you don't want to make them submit an offer this low if the house was just listed or they tell you it is a waste of time. Do NOT waste their time. If a Realtor calls you with a deal, try to drop everything and head over and then get back to them as soon as possible. If you hustle, even if you don't buy the property, chances of them calling you with another are better. (Note: Do not try to make a deal out of a non-deal just to build a relationship with a Realtor. If you go out of business, your relationship won't matter one bit.)

My offer was not accepted and I will keep an eye on this one.

13. **Facing Foreclosure**

[Source: Website]

This house is a 3 bedroom, 2 bath, 1700sf house built in 1977.

Here are the numbers:

- **Asking Price:** $137,000 (but know they won't get that)
- **Amount Owed:** $77,000
- **Repairs:** $Says Cosmetic
After Repaired Value: $140,000
Max Offer: $91,000 - repairs

The sellers are facing foreclosure but say they have the ability to avoid it. They just want to see about selling it and collecting some of their equity. Not sure why they let it go into foreclosure if they have money to make the payments...

I told them I would give them a ballpark because I am still trying to feel them out for their level of motivation. Told them I would probably be in the 80's depending on repairs. This is worth following up on. Time tends to change people's minds.

Summary

Had some good leads this week. Nothing under contract, but I feel one of these will be given some time.

Still working on getting the absentee owner list. Should have something early next week.

I ordered 200 more bandit signs from supercheapsigns.com.
The Fourth Week

Didn't get to fly to Carlsbad Caverns because of 35+ MPH surface winds that do not bode well for small airplanes. I wasn't really phased though as I also got the best news this week. I am going to be a dad again! My wife and I have 4 beautiful girls (2 are twins) and now we are expecting another (maybe a boy... not that I wouldn't be happy with another a girl :)).

Note: I am only going to be showing repair estimates for houses I bought as I cannot go into enough detail for the ones that I am making offers on. It would just be too time consuming to explain that the kitchen repair estimate only includes repair two drawers, installing a new dishwasher, replacing the back splash, providing a roll of paper towels, etc. for every property I analyze. If you are learning how to flip houses, it will be more easily understood this way.

These are the things I did this week:

Had lunch with one of the top REO agents in San Antonio on Tuesday. We had a great time and got to hear some good stories. In the near future we are going to have an interview with her about how to contact and deal with REO agents. This will be a great way for people to see their point of view (the most important). A lot of courses tell people to just call them up and tell them you pay cash and they will send you all kinds of deals and it just does not work that way. This interview is available online here.

Got a list of 487 address for absentee owners. I got an account set up through the title company we use for REISource.com. The title company had already worked out pricing for accounts through them. I called to see if anyone could get an account and they said you could. You just need to call sales and talk with an account manager to set up pricing. The title company we used to use went through propertyinfo.com which is another list provider company. PropertyInfo was free if I remember correctly, but REISource seems to allow for more targeting with loan amounts.

To narrow down the list, I chose to only receive absentee owners, with 3 bedroom or more single family homes and 30% equity or more with property value below $150,000. This criteria narrowed it down from 33,000 properties to 487.
This list is highly targeted. When you target your list like this you should be confident in spending more money sending repeat mailings (which is where you will get the most calls - repeat mail!).

**Marketing**

*Total Leads This Week: 9*

1. **Bandit Signs** - *[Leads This Week: 3]*

   40 signs were put out last week (none this week).

2. **Yellow Pages** - *[Leads This Week: 2]*

3. **Buying Website** - *[Leads This Week: 4]*

4. **Drive For Dollars** - *[Leads This Week: 0]*

   Sent the 75 letters out to the owners of the vacant houses 2 days ago. No calls yet.

**Leads Analyzed**

1. **Investor Selling As-Is**
   [Source: Bandit Signs]

   Investor wants to get rid of a 3 bedroom, 2 bath house that he has partially rehabbed.

   Here are the numbers:

   - Asking Price: $57,000
   - Amount Owed: $0
   - Repairs: $Complete Rehab - Probably about 20k.
   - After Repaired Value: $80,000
   - Max Offer: $48,000- Repairs

   Investor trying to find the greater fool. There is no way I would buy this house any where near his asking price, even if it didn't need as much repairs as I am guessing.
2. **House Bought Few Years Ago**  
   [Source: Yellow Pages]

   Family wants to sell a house they bought a few year ago with very little put down. They just don't have any equity. I could not help them.

3. **Great Wholesale**  
   [Source: Bandit Signs]

   Homeowner selling a 2 bedroom, 1 bath, 1200sf house, built 1950.

   Here are the numbers:
   - Asking Price: $12,000 - Gotta love reasonable asking prices :)  
   - Amount Owed: $0 (some back taxes)  
   - Repairs: $Unknown  
   - After Repaired Value: $45,000  
   - Max Offer: $20,000 - Repairs

   This is an inherited house that needs repairs. The neighborhood is a rough one but I'm sure I could wholesale it.

4. **Bad Neighborhood - House Looks Decent on Google**  
   [Source: Website]

   This house is a 3 bedroom, 2 bath, 1400sf house that was built in 1956.

   Here are the numbers:
   - Asking Price: $20,000  
   - Amount Owed: $0  
   - Repairs: $?  
   - After Repaired Value: $50,000  
   - Max Offer: $Not For Me To Figure Out

   Another inherited house. This one is in a neighborhood that I do not buy in. The seller is asking a reasonable price and this one is going to my go to guy. He can probably work it and give me something for my referral.
5. **Tiny House - Bad Neighborhood** [Source: Bandit Signs]

This house is a 2 bedroom, 1 bath, 624sf house that was built in 1925.

Here are the numbers:

- Asking Price: $20,000
- Amount Owed: $0
- Repairs: $?
- After Repaired Value: $40,000
- Max Offer: $Not For Me To Figure Out

This one is also in a neighborhood that I do not buy in. I am birddogging this one also.

6. **Duplex - Bad Neighborhood**  
   [Source: Website]

This house is a duplex with both 3 bedroom, 1 bath, units. Total 1772sf and was built in 1938.

Here are the numbers:

- Asking Price: $30,000
- Amount Owed: $They are not sure - inherited
- Repairs: $?
- After Repaired Value: $Landlord Determines
- Max Offer: $Not For Me To Figure Out

Repeat. Nothing new. I am birddogging this one also.

7. **Decent Area - Owe Little Too Much**  
   [Source: Website]

This house is a 3 bedroom, 2 bath, 1300sf house that was built in 1985.

Here are the numbers:

- Asking Price: $75,000
Amount Owed: $75,000
Repairs: $? (probably 5-10k)
After Repaired Value: $105,000
Max Offer: $68,000 (65% ARV) - repairs

I would have gone and seen this one if he had owed a little less. It's tempting to try to work the numbers to make it work, but you just can't. This lead is going to another investor to see if he can make it work.

8. A PO Box
[Source: Website]

This house is a PO Box.

It's the first time this has happened. Someone actually put their mailing address for the property address. I have sent an email and awaiting information on the property they want to sell. [update - not a deal, the P.O. box needed too much work (lots of dents) - but seriously, it was not a deal.]

9. Wanting to Move Overseas
[Source: Yellow Pages]

This house is a 3 bedroom, 2 bath, 1200sf house that was built in 1951.

Here are the numbers:
Asking Price: $75,000
Amount Owed: $0
Repairs: $? (said minor repairs)
After Repaired Value: $90,000
Max Offer: $58,000 (65% ARV) - repairs

I made a ballpark of about $50,000 on this one because they did not seem at all motivated. They will call me if they decide that number is reasonable for them. A note to follow up with them is already in my planner.

Summary
I have been birddogging a lot out the last few weeks. So far 3 are under contract and I will get paid finder's fees for each when they close. One of them is supposed to pay a $5k finders fee (that's what I requested).
The Fifth Week

With it warming up the fleas are getting out of control again. I don't know what causes it, but a house can have a pet with fleas and they don't seem to take over. But as soon as that house goes vacant, they multiply like crazy and there are billions of them. Shouldn't be a big deal though as most people like fleas, right?

These are the things I did this week:

Found owners of properties that I 'starred' when driving for the dollars the other week. Basically, the ugliest and most obviously long-time vacant properties get a star marked next to the address. These are the ones that I am not only going to send letters to, but I am going to try and track down the owner's phone number and new address if possible. I was able to find 80% of the owner's phone numbers with whitepages.com. Half of the numbers were disconnected. One seller did not want to sell (he lived there). One of the houses was a fire-damaged house and the owner was interested in getting an offer. Left messages for the rest.

Sent list of 487 absentee owners to Office Depot to print post cards. I researched some of the online printing and mailing websites and determined it was cheaper to have them printed and put actual postage stamps on them. This should cause the recipient to feel that the postcard was not sent to thousands of other people (usually metered). The reason for Office Depot is because my brother-in-law works there and I get a 10% discount. Figured that I am saving about $100 this way for the 487 postcards. Hopefully I can pick them up today.

Called some REO Realtors to just keep my name fresh in their mind.

Had 50 more bandit signs put out and I was livid when I drove the area and saw that they were all put along roads far away from any intersections. This guy had put them out before and put them exactly as I had told him (AT INTERSECTIONS!!!! You know, where people are actually stopped and have time to either write down the number or dial it!!!!) He got an earful from me. As I drove to view a couple properties this week, I saw some more of them and had to laugh at how awful it was that I just barely caught a glimpse of them as I drove 45 MPH past them. Oh well. Good thing I checked on his placement of
the signs. I think the number of calls from signs this week reflects the poor placement.

**Bonus online article:** The Top 5 Things To Do When Getting Started Flipping Houses.

Closed on the house I put under contract in week one. I will be posting pictures and the scope or work for the rehab next week.

## Marketing

*Total Leads This Week: 17 :)*

1. **Bandit Signs** - *[Leads This Week: 3]*
   
   50 signs were put out this week.

2. **Yellow Pages** - *[Leads This Week: 0]*
3. **Buying Website** - *[Leads This Week: 6] [Click here to get a website]*
4. **Drive For Dollars** - *[Leads This Week: 5]*
   
   This is 5 calls from the 75 letters sent out. That's about a 7% response rate. Not bad for the first letter. I think 4 were also returned by the postman. I should be putting one of these under contract this week. See below.

5. **REO** - *[Leads This Week: 2]*

   Got more leads on REOs.

6. **Wholesale Deals** - *[Leads This Week: 1]*

   Got more leads than this, but this was the only one worth analyzing.

## Leads Analyzed

1. **Neighborhood I Know Well**
   
   [Source: Driving For Dollars Letter]
Homeowner wants to get rid of a 3 bedroom, 1 bath house that is vacant.

Here are the numbers:

- Asking Price: $65,000
- Amount Owed: $0
- Repairs: $18,000
- After Repaired Value: $95,000
- Max Offer: $44,000 (65% of ARV - 18,000)

House needs a lot of repairs and the seller wants to sell because he has remarried and moved to another house. He has a choice to fix up this house or work on the hot rods that he owns. Which would you choose? I hope you said the house. :) He is hung up on 65k but I could only offer him $40,000. I will definitely follow up with him as I know he wants to work on those cars.

2. **House on 2 Acres**
   [Source: Website]

   House that is about 45 minutes away on two acres with a tenant. Owner lives too far away and is tired of dealing with it. It is too far away for me as well and they want more than I would consider to try and wholesale, so I am birddogging this one.

3. **Just Bought**
   [Source: Driving For Dollars]

   Homeowner called from our yellow letter we sent to the owner of a vacant house we found driving for dollars.

   Here are the numbers:

   - Asking Price: $92,000
   - Amount Owed: $92,000
   - Repairs: $?
   - After Repaired Value: $110,000
   - Max Offer: $71,000 - repairs
The seller just bought the house recently and got the $8,000 tax credit. If he sells now (within 3 years) he will have to pay it back. Too much is owed. I will have to pass.

4. **You've Gotta Be Kiddin Me**
   [Source: Website]

Homeowner called with a 3 bedroom, 2 bathroom house in a suburb of San Antonio.

Here are the numbers:
- **Asking Price:** $89,000
- **Amount Owed:** $89,000
- **Repairs:** $\? Mostly Cosmetic
- **After Repaired Value:** $110,000
- **Max Offer:** $71,000 - repairs

Seller wants to move back to Dallas but owes too much on the house. When I mentioned having to buy it for around $70k I could hear the husband in background saying "YOU'VE GOTT A BE KIDDIN ME!" Not gonna do it.

5. **Probate Deal From Drive For Dollars**
   [Source: Driving For Dollars]

Homeowner called with a 3 bedroom, 2 bathroom house in area close to my house.

Here are the numbers:
- **Asking Price:** $\text{Make an Offer}$
- **Amount Owed:** $0$
- **Repairs:** $20,000$
- **After Repaired Value:** $105,000$
- **Max Offer:** $48,000$ ($68,000 - \text{$20,000$ repairs}$)

Executrix of the estate called me from a letter we sent (found driving for
dollars). The deceased was a hoarder and they are in the process of cleaning out the house. First, I told them to stop cleaning it out. I will buy it with all the junk in it and save them the hassle. They said they were in the middle of probate and were going to be there the next day. I went to see it and offered $42,000. They are thinking it over and will let me know. I am following up frequently to try and get it under contract.

Update: I called to follow up on my offer and they informed me that 2 of the heirs were complaining that the offer was low and they felt they could get more (This always happens when there is more than 1 heir!). They informed me that 2 more investors were coming to make an offer on Saturday. The only thing to do here is to be polite and tell them to call after the others have made their offers to see what you could do.

The power of envisioning what you want truly works. I was focusing my thoughts on getting this one throughout the day yesterday. This morning (before I was even awake) they called me. The executrix informed me that they had had a conference call and decided that they would do the deal for $45k. I should be getting this under contract tomorrow (seller will be at doctors office all day today).

If you have never seen 'The Secret', you should find it and buy it. It will change your life.

6. Out of Town Property
[Source: Website]

Homeowner called with a 3 bedroom, 2 bathroom house in area about an hour away.

Here are the numbers:
- Asking Price: $189,000
- Amount Owed: $151,000
- Repairs: $Unknown
- After Repaired Value: $200,000
- Max Offer: $Don't Know

This property is just too far for me and in an area that is just not active.
Days on market are ridiculous. I will have to pass.

7. **Lost Job**  
[Source: Bandit Signs]

Homeowner called with a 4 bedroom, 2 bathroom house in a good area.

Here are the numbers:

- **Asking Price:** $195,000
- **Amount Owed:** $136,000 (first $128k, second $8k)
- **Repairs:** $Unknown (Says no repairs needed. I've heard that before...)
- **After Repaired Value:** $220,000
- **Max Offer:** $143,000 - Repairs

Took this call in my new (used) car with bluetooth link up to my Droid phone. My wife was with me and was able to take down the information as I was asking the seller the questions and the seller was answering them. Much nicer than when I would have to give her the phone and ask the questions and write while trying to hold the phone or me driving, talking on the phone and repeating everything the seller says. Gotta love technology.

Probably need to get this for no more than what is owed. He did not sound very interested in my ball park of around $150k less repairs (quick calculation in my head while talking to him to feel out motivation - he is not behind on payments). I will call him in a week or so and see how he is doing.

8. **REO in Bad Part Of Town**  
[Source: REO]

REO agent called with a 3 bedroom, 1 bathroom house in a bad area. I didn't want to even bother with this one. So I didn't. But I told the agent I was not interested in this one right away. You have to be decisive.

9. **Small REO in Decent Area**  
[Source: REO]
REO agent called with a 2 bedroom, 1 bathroom house in a blah area.

Here are the numbers:
Asking Price: $14,000
Amount Owed: $0
Repairs: $20,000
After Repaired Value: $55,000
Max Offer: $10,000

This is the time of year that I dread going into nasty houses. The reason being, the FLEAS!!! I hate those darn little things that you don't even notice until you have been back in your car for 5 minutes and realize that you are covered in them. Then comes the dance in the middle of the street trying to get them all off for 30 minutes because you don't want to bring any of them home with you. Luckily there were only about 5 of them on me today.

This is a great neighborhood for selling on owner financing but not so much for selling retail. I'm really not interested in this property but will make the offer anyway and see what happens. Will attempt to wholesale if I get it under contract and will owner finance as last resort.

10. **Crispy Burn House**
   [Source: Driving For Dollars]

I called the homeowner of this badly burned 3 bedroom, 2 bath house in a good area.

Here are the numbers:
Asking Price: $Wasn't Going To Sell But Now Might Consider It
Amount Owed: $0
Repairs: $60,000+
After Repaired Value: $125,000
Max Offer: $15,000 (75k - 60k)

This was a property my wife and I saw while driving for dollars the other
week. It had a roll off dumpster in front that looked like it was filled months ago. Nothing was happening at the house and there was a code compliance notice posted on the door. I found the owner’s name from the county appraisal district’s website and then found his phone number on whitepages.com.

He told me he was getting estimates from contractors but was not having a easy time. Contractors usually don't make for easy times. I told him we might be interested in buying it and that I would make him an offer if he would consider selling it.

I've made an offer of 12k and will have to follow up to see if he changes his mind about doing all that work to fix the place up.

11. **Property Already Under Contract**  
[Source: Bandit Signs]

Homeowner called with a 3 bedroom, 2 bath house in a not so good area. Here are the numbers:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asking Price:</td>
<td>$45k and down to $40k when asked least would take</td>
</tr>
<tr>
<td>Amount Owed:</td>
<td>$26,000</td>
</tr>
<tr>
<td>Repairs:</td>
<td>$Unknown</td>
</tr>
<tr>
<td>After Repaired Value:</td>
<td>$70,000</td>
</tr>
<tr>
<td>Max Offer:</td>
<td>$45,000 (65% ARV) - Repairs</td>
</tr>
</tbody>
</table>

The homeowner called from a sign and mentioned that she already has it under contract but that it had been well over a month and that there was lock box on the house. After a little digging, found out that another investor is trying to wholesale it and is dragging it out because they cannot find a buyer. She was not sure of the closing date on the contract, but I need to find out if it has expired. If not, the next step is to call the title company and see if it was ever receipted with earnest money.

12. **Medical Center House**  
[Source: Website]
Homeowner called with a 4 bedroom, 2.5 bath house in a great area.

Here are the numbers:
Asking Price: $Make Offer (Darn)
Amount Owed: $10,000
Repairs: $Unknown (about 10k based on conversation)
After Repaired Value: $200,000
Max Offer: $120,000 (65% ARV - Repairs)

Caller’s sister-in-law’s house. She wants to move out of state. Not very motivated. I made a ballpark offer of $115k-$125 to feel him out. He said he would talk to his sister. I will follow up.

13. Manufactured Home In New Braunfels
[Source: Website]

Homeowner called with a manufactured home north of town on 3 Acres. This is more my father’s turf, so I told her to call him.

14. Rental In Not So Good Part of Town
[Source: Website]

Homeowner called with a 3 bedroom, 1 bath rental with mother-in-law 1/1 rental in back. Decent rents of $1,000/mo and owes $55k so a deal could probably be made. I passed this on to a wholesaler that has a lot of landlord buyers.

15. Newer House Owe Too Much
[Source: Bandit Signs]

Homeowner called with a 4 bedroom, 2.5 bath house in a good area.

Here are the numbers:
Asking Price: $136,500
Amount Owed: $127,000
Repairs: $None
After Repaired Value: $130,000
Max Offer: $Not Gonna Do It
Too much is owed and the seller was told this immediately so as to not waste their time. These types of calls you really need to quickly get off the phone. There is nothing you can do with this, so why waste their time?

16. **Wholesale House**  
[Source: Wholesaler]

Wholesaler called with a 3 bedroom, 2 bath house, 1000 square foot house in a somewhat OK area.

Here are the numbers:
- **Asking Price:** $48,000
- **Amount Owed:** $?
- **Repairs:** $8,000
- **After Repaired Value:** $78,000
- **Max Offer:** $50,000 - Repairs

Days on market are pretty high and nothing has sold in the immediate area in a while. The ones that sold last year were rehabbed very nicely (read more expensive than an $8,000 rehab). I called and said I would have to buy for close to $40k depending on actual repair numbers. I did this before going out there because I am not going to waste my time until there is room to have the wholesaler come down on his price. If it was a good price, I would not try to beat up a wholesaler as I want them to send me more deals. This is just where the numbers are at for me.

17. **Out of Town Owner**  
[Source: Driving For Dollars]

Got a text late last night from an owner in California. He is interested in getting an offer on the property I had sent a letter to him about. The house was found driving for dollars the other week. I am waiting for him to find a way to allow me to get access to the property.

**Summary**
Lots of leads this week. I've been making a decent amount of offers and nothing has been sticking. It is important to understand that this will happen. You will always have flat spots where nothing seems to be working and then all of a sudden you will get a flood of sellers accepting your offers. Sometimes the sellers you've made offers to months ago will call and want to deal all of a sudden. Keep the faith. I don't let this discourage me. It just makes me try harder.
The Sixth Week

These are the things I did this week:

**Sent Postcards**

Sent out the 480 postcards to absentee owners. Got my first call the next day. The caller was polite for the introduction of who she was and then just started yelling at me for about 5 minutes. She explained how she fought for years to have the city, mayor, councilman, congress, the president, the mailman, etc. etc. do something about the flooding problem in the neighborhood.

They finally fixed it. "And now you want to come in and get a good deal on it after we did all the work. I will never sell you the house and I feel sorry for anyone that does. You are stealing houses now that we have done all the work! Where were you when there was a problem?"

Wow! I didn't even know the neighborhood used to have a flooding problem (I sent to a big area with multiple neighborhoods).

After her rant, I politely informed her, "I didn't know I was supposed to help with the flooding." She hung up. Maybe it was wrong, but I had to say something after her long rant. I left out most of the words I can't type here that she called me. I tried to call back to get the address so I could take her off the list, but she would not pick up.

You will get calls from people like this and you must do your best to be polite. I listen to them without saying a word and when they are finally done, I can sense that they regret a little what they had just done without even knowing me or letting me say anything. You never know, one of these callers may call you in the future to sell a property. It surely adds a little excitement. I never got calls like that when I was working as a software developer.

**Talked With Realtors**

Called some REO Realtors to just keep my name fresh in their mind. This kind of thing takes time.

**Put Out Bandit Signs**
Had 50 more bandit signs put out. This time the placement was good and bad. Good in that they were placed at intersections like they should be, but bad because most were put in neighborhood that decided to have a sign sweep this weekend. Basically, as my guy was putting the signs up, the neighborhood was coming behind him and taking them down. I know this happened because I got a long message on my phone left by the neighborhood association president. It was a friendly message, but he did inform me they were taking them down and that any they missed may seen by code compliance and I could be fined. This is watch you have to be careful of when putting signs out. This area will no longer see my signs. Others will though.

Drove For Dollars

Went driving for dollars two days ago and got about 40 leads in a little less than 2 hours.

Hidden Iron House Details

This is the house I closed on last week. Already have contractor started. I got my contractor to give me an bid and also got a new contractor to give me a bid. The new contractor came in over twice what my contractor came in at. He asked if I wanted him to fax it over and I told him not to bother. He immediately came down half. My guy is getting the job and this guy knows to give me a good estimate next time. :)

My guy is doing the things in the scope of work for about $4,000. Carpet still needs to be bought and installed. Landscaping. We need a new complete AC condenser and I’m sure there will be other miscellaneous.

House Details

[Source: Bandit Signs]

This is a 2 bedroom, 1 bathroom, 907sf house that was built in 1995.

The Numbers

Purchase Price: $25,000
Settlement Fees: $1,400 (title policy, closing fee, insurance, loan fee)
Estimated Repairs: $8,000 (estimated 10k, but I think we can do it cheaper)
Resale Price: $70,000
Estimated Profit: $35,600 minus holding costs and selling costs

Scope of Work

Exterior

- Replace rotted/damaged soffit/trim and rotted exterior wood.
- Power wash the exterior.
- Install new light fixtures in front and back (see material specs).
- Install new front door (see material specs – prehung and with new interior trim) with silver doorknob and deadbolt.
- Scrape, caulk and paint exterior trim and garage door (see material specs).
- Repair fence (replace any rotted and extremely warped boards and fix post in back).
- Repair mailbox.
- Haul off construction debris and trash.

Interior

- Remove carpet and haul off.
- Remove blinds and curtains throughout house. Install new white mini blinds in front bedroom and bathroom.
- Install new vinyl stick tile ($25 per 45 sqft at McCoys) in kitchen, pantry, entry, utility and bathroom. About 326 sqft.
- Patch all cracks and imperfections in walls and ceilings. Match texture.
- Replace rotted baseboards with matching. (about 40ft)
- Clean and secure air registers.
- Remove and replace door from bedroom to bathroom with new prehung door.
- Replace door trim where necessary.
- Install new bathroom vanity light and faucet (see material specs)
- Install correct light bulbs in bathroom and where needed throughout.
- Secure bedroom fan cover and remove stickers from windows and walls.
- Remove medicine cabinet and install mirror (sku will be given $50 at home depot)
- Remove towel rings and add silver towel bar above toilet.
- Remove trim around tub and patch the walls.
- Make sure all switch and plug plates match throughout the house. Replace broken ones.
- Install new white toilet seat.
- Check attic for debris and any open wire junction boxes or just anything that would not pass inspection.
- Install new chandelier in dining room ($69 at home depot SKU will be provided)
- Prep interior for professional painting (remove all nails and things attached to walls and neatly caulk and sand) Paint interior (see material spec)
- Install door stops, smoke detectors where necessary.

**Material Specifications**

(not much on this one - the prices may not be accurate as I haven't checked with Home Depot in a while)

**Paint Colors**

**Interior**

- Walls – Realist Beige SW 6078 FLAT
- Trim – Extra White SW 7006 SEMI-GLOSS
- Ceiling – Ceiling White FLAT

**Exterior**

- Trim – Tony Taupe
- Garage Door – White

- Bath Sink Faucet: Glacier Bay Builders SKU 247-368 $24.86 (brushed nickel)

**Light Fixtures**

- Exterior Light Fixture Black SKU 245746 $8.97
- Chandelier for Dining Room SKU 884-272 Commercial Electric $65
- Bathroom Vanity Light – Hampton Bay Brushed Nickel Finish 3-Light Bath Bar SKU # 837895 ($10)

You can see the 'before' pictures online here: [Hidden Iron House](#)
Negotiating Another Deal

I'm still negotiating with the seller on one of the deals from last week. The seller lives an hour away and does not have transportation. I faxed an agreement with the agreed to price to her. I really should have just drove to her and had it taken care of. I've followed up for 3 days and she finally called this morning to tell me she was taking it to her attorney.

Geez. I hate when they do that because attorney usually try to negotiate the deal instead of verifying the legality of the agreement and that there is no funny business. This was mentioned to the seller in hopes that she would not call back with demands. Well...she did...several times. I ended up having to pay more earnest money and pay title policy. Then I get home and the signed agreement is on my fax machine. Now it includes me paying all closing costs. NO WAY!!

I immediately called and talked it over. They are not budging, so I informed her that I needed to look the house over again. My gut was telling me to recheck comparable sales as well and I feel I may have been off by at least 5k (house is smaller than I thought). So, Saturday I am going back to view the house again and am going to make my final decision.

You really need to listen to your gut in these situations. Mine is starting to tell me it is no longer a deal. The biggest thing to learn here is to try and stay in control of your deals. I should have driven the agreement to her and had her sign it as soon as we agreed over the phone. You should always be willing to walk away from a deal. I'm not going to try to make this a deal if it really not one. Sometimes it hard to walk away from one that is so close to being a deal, but you have to stick to your numbers. You get into trouble down the road when you don't. If I don't buy, I will try and make sure it is someone I know that does.

Marketing

Total Leads This Week: 13:

1. Bandit Signs - [Leads This Week: 5]
50 signs were put out this week.

2. Yellow Pages - [Leads This Week: 1]
3. Buying Website - [Leads This Week: 4]
4. Drive For Dollars - [Leads This Week: 0]

Nothing sent out for these lately.

5. REO - [Leads This Week: 0]

Things are slow here. But, I have faith.

6. Wholesale Deals - [Leads This Week: 1]

Got more leads than this, but this was the only one worth analyzing.

7. Absentee Owner Mailing - [Leads This Week: 2]

Both leads from absentee owner postcard mailing stunk.

**Leads Analyzed**

1. **Divorce Situation**
   [Source: Yellow Pages]

   Homeowner wants to get rid of a 3 bedroom, 2 bath house has a partially converted garage. House built 2004.

   Here are the numbers:
   
   Asking Price: $What is Owed Plus Something
   Amount Owed: $64,000
   Repairs: $Unknown
   After Repaired Value: $80,000
   Max Offer: $52,000 minus repairs

   Seller cannot afford the house payment. This seems to happen a lot with divorce situations where they could afford the house with two incomes, but cannot with just one. She mentioned that the garage conversion was
never completed. This is a newer house that was built in a junky older neighborhood when the real estate market was really heating up. Not such a good buy now.

Too much is owed and I really feel this would be pretty hard to sell.

2. **Owe What It's Worth**  
   [Source: Bandit Signs]

   Homeowner wants to get rid of a 3 bedroom, 2 bath house in decent part of town. Got married and now have two houses. This house is the vacant one. Left alone, cold in the rain. They owe what it's worth though. Nothing I can do.

3. **Facing Foreclosure In One Week**  
   [Source: Bandit Signs]

   Homeowner facing foreclosure on a newer house with 3 bedrooms and 1.5 baths. Said only thing it needs is AC repair. The after repaired value is about $75k and they owe $55k. With the repairs and short fuse, this is not a deal for me. I birddogged this one to another investor in hopes of making something work.

4. **Another Owing What It's Worth**  
   [Source: Website]

   I think I spoke too soon in talking about how lucky I've been that there has been a lot of equity in the houses lately. Seems most calls now owe what they are worth. Same for this 4 bedroom 2 bath house that was built just a couple of years ago. Military family needs to sell before transfer. I wish I could help them.

5. **Here's The Situation**  
   [Source: Bandit Signs]

   Homeowner wants to get rid of a 3 bedroom, 1 bath house in an older neighborhood.

   Here are the numbers:
   - **Asking Price:** $What is Owed Plus Something
   - **Amount Owed:** $42,000 Home Equity Loan
Repairs: $Unknown
After Repaired Value: $65,000
Max Offer: $40,000 minus repairs

This seller started with the very common, 'Here's the situation. Let me start from the beginning.' This usually means, grab a bag of popcorn and put your feet on your desk, you're going to get the full story. :)

So here's the situation. Seller lives in Corpus Christi (on the gulf coast) and owned this house in San Antonio. When he moved, he signed the house over to his mom. She passed away and title went to caller's brother. Brother got a home equity loan on the house (August 10, 2009) and then signed the house back over to caller (August 14, 2009). The lender was not happy with this, but is happy enough with the payments being made, that they have not done anything about the title transfer (due on sale clause should have been triggered). This is like what happens with Subject To investing where the bank could care less as long as the payment is being made. [I checked the Bexar county clerk's website to confirm deeds, deed of trust and dates.]

Too much is owed for me to mess with this one. The house is vacant and they are motivated, so I passed this one on to another investor to see if I can't get a birddog fee for it. The investor I sent it too called back to tell me the guy was 'cuckoo crazy'!

6. **Works For Government and Transferred**
   [Source: Website]

Homeowner wants to get rid of a 3 bedroom, 2.5 bath house in a newer neighborhood. Built 2001.

Here are the numbers:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asking Price</td>
<td>$106,000 (then down to $70,000 when asked least they would take!)</td>
</tr>
<tr>
<td>Amount Owed</td>
<td>$68,000</td>
</tr>
<tr>
<td>Repairs</td>
<td>$Unknown</td>
</tr>
<tr>
<td>After Repaired Value</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
Max Offer: $65,000 minus repairs

This one is in an area that I really don't like to buy in. Days on market is high and there are a lot of foreclosures to compete with. Add that they owe just over what I want to buy for and I just don't want to do it. I'm sure another investor will be interested and so I passed this one on.

7. Giant Historic House
[Source: Bandit Signs]

Homeowner, facing foreclosure, needs to sell a 5 bedroom, 2.5 bath, 4300sf house in a historic neighborhood.

Here are the numbers:
Asking Price: $300,000
Amount Owed: $275,000
Repairs: $Unknown
After Repaired Value: $350,000-400,000 (depends on the quality of the rehab)
Max Offer: $225,000 - repairs

Talk about a short fuse. There is just 7 days before the auction. This is a lot of money to scrape together that fast. I love these older houses, but they can be huge money pits. By the way, if you have never seen 'Money Pit' with Tom Hanks, you really should. This house also faces a very busy road and it makes me question my ARV. This would only work if the foreclosure was postponed and a short sale worked out. The work involved to even try it, is keeping me from wanting to do this deal. Too much risk.

8. Wholesale That Missed the Mark
[Source: Wholesale]

Wholesaler pushing house that needs 12-15k in repairs.

Here are the numbers:
Asking Price: $47,500
Amount Owed: $?
Repairs: $12k-15k not confirmed
After Repaired Value: $75,000
Max Offer: $45,000 - repairs

This is just across a busy street from an area I buy in. The area this house is in has a lot for sale and they have high days on market. I was told the ARV was around $92,500 but think that is just flat wrong. If it were correct, I'd go and see the house. But I'm fairly certain, well certain enough, that it is not, so I did not go and see it.

9. **Bad Part of Town**  
[Source: Bandit Signs]

Homeowner with a house in poor condition, in a bad neighborhood. I do not buy in this neighborhood. The sellers were only asking $16k + couple grand back taxes so I passed this on to a wholesaler that has buyers in the neighborhood.

10. **House In My Father's Territory**  
[Source: Website]

Homeowner selling house in a town outside San Antonio, where my Father lives and invests. I passed this one on to him.

11. **Rental Property With 8 Year Tenant**  
[Source: Absentee Owner Mailing]

Landlord (used to be their primary residence) has a 4 bedroom, 2 bath, 2000sf house they might sell.

Here are the numbers:

- Asking Price: $Make an Offer - Strike One
- Amount Owed: $? - Wouldn't Say - Strike Two
- Repairs: $Maybe a Roof
- After Repaired Value: $145,000
- Max Offer: $94,000 (65% ARV - repairs)
This is the issue with some of these types of mailings. This is from the absentee owner postcard I sent out. You will get a lot of unmotivated sellers calling you. This one is a tire kicker and I did not spend a lot of time analyzing. I gave ballpark in the 80's and they were not even remotely interested. Their tenant has paid religiously for 8 years. They don't need to sell.

12. **Rehabbed House**  
    [Source: Absentee Owner Mailing]

    The house was just rehabbed and is going on the market. This is where absentee owner stuff does not work as well because I have never seen the property. Just not a good lead. Wants full market value obviously.

13. **First Russian Property**  
    [Source: Website]

    WOW. Got a lead from Russia. Need I say anything else.

    Update. This turns out to be from a software developer in Russia that has been given the task of designing a site with the same functionality as mine. He was entering info in to see how it worked.

**Summary**

Still trying to put another one under contract. I did close another one this week, but it was one I had put under contract before starting this 'follow my journey' thing. It will not be included here as I only want to have what I've gotten from the start.

**Plans For Next Week**

- Call more REO Realtors.
- Check on rehabs.
- Get probate leads from the courthouse.
Listen and Learn Weekly with the Flipping Junkie Podcast

Have a long commute to the job each day? Going for a run? Why not make that time even more productive by listening to the Flipping Junkie Podcast. Each week I interview a new real estate investor and dive down into the details to bring you what works right now.

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**Click here to listen to the podcast on Stitcher**
The Seventh Week

These are the things I did this week:

Hidden Iron House Completed and on the Market

You can view the 'after' pictures here: Hidden Iron House After

Bonus online article (written by my wife): Does your bookkeeping consist of a box of receipts?

Sent Postcards

Sent out 80 postcards to the owners of the properties that we found driving for dollars several weeks ago. This will be the second contact we've made with these prospects.

Got Some Probate Leads

Finally made it downtown to the county courthouse to go through probate records. I look for probate files where the deceased had real property. If property was owned, I get the executor (or executrix in the case of a female) of the estate's name and address so that I can send them a letter.

Decided Against the Deal From Last Week

I backed out of the one where the attorney was RE-negotiating terms. If they call me back and agree to my offer, I will accept, but I will not accept their new terms. They said they have two other people interested, but I have to stick to my guns and not cross the maximum offer line that I calculated for myself. Sometimes this is very hard to do, but do it we must.

Marketing

Total Leads This Week: 21 :)

1. Bandit Signs - [Leads This Week: 10]

   No more were put out this week, but we sure got a lot of calls from the
ones that are still up.

2. Yellow Pages - [Leads This Week: 2]
3. Buying Website - [Leads This Week: 2]
4. Drive For Dollars - [Leads This Week: 0]

Just sent out postcards yesterday. The new list of 40 we gathered last week have not had letters sent to them yet. I want to get some more first.

5. REO - [Leads This Week: 2]

Both duds, but just made offers anyway.

6. MLS - [Leads This Week: 1]

I found one that I could see why viewing another property.

7. Realtor - [Leads This Week: 1]

Realtor told us about another house owned by an investor that was for sell cheap (investor's private residence and man was it a mess).

8. Wholesale Deals - [Leads This Week: 0]

None worth analyzing.

9. Absentee Owner Mailing - [Leads This Week: 3]

All leads from absentee owner postcard mailing stunk. I'm starting to remember why I haven't done these in a long time...

Leads Analyzed

1. Want to Move to Another School District
   [Source: Bandit Signs]

   Homeowner wants to sell a 3 bedroom, 2.5 bath, 2500 house.

   Here are the numbers:
   Asking Price: $130,000
   Amount Owed: $122,000 Darn it.
Repairs: $Not much - cosmetic (unconfirmed)
After Repaired Value: $140,000
Max Offer: $91,000 minus repairs

Seller wants to sell to move to another school district. They need to by August. They are not that motivated and it doesn't matter because they just owe to much for me to be able to buy this house.

2. **One Bath House in Decent Area**  
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 1 bath, 1000sf house.

Here are the numbers:
- Asking Price: $65,000
- Amount Owed: $40,000
- Repairs: $cosmetic/minor plumbing (unconfirmed)
- After Repaired Value: $79,000
- Max Offer: $51,000 minus repairs

Days on market in this neighborhood seem pretty good. 30-90 days which is good nowadays. This one only has 1 bath so I had to be conservative on the ARV. She did not seem motivated so I just gave her a ballpark figure of about $45,000. She said immediately that this would not work and the absolute minimum she would take would be above $60k. So, no go.

3. **Town home in Good Area**  
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 1 bedroom, 1.5 bath, 1000sf condo.

Here are the numbers:
- Asking Price: $95,000
- Amount Owed: $50,000
- Repairs: $cosmetic-flooring (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 minus repairs

The caller has a rental property that she got a postcard from me about. Her brother wants to sell his condo (town home) so he can move closer to his sister. Too much owed and the condo market is not very active. Days on market are pretty high and I could not find a one bedroom comp sold over the last year.

4. **Turd That Could Be Great in Good Area**  
   [Source: Realtor]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2000sf house.

Here are the numbers:
- Asking Price: $120,000
- Amount Owed: $?
- Repairs: $55,000 Everything
- After Repaired Value: $195,000
- Max Offer: $71,000

A Realtor called me about this house. It needs foundation work, flat roof repair, AC work, redo kitchen and baths, new flooring, etc. etc.. I need to get this one cheap. I ended up offering $60,000 on this one because of the amount of work involved. It turned out that this one was owned by an investor. This is his personal residence. For obvious reasons, I will not be posting the pictures of the house.

My wife and I had looked at the house two houses down from this one several months ago. When I got back home, I sent the seller of that house an email asking if they ever sold it. It appeared to still be vacant. I'll let you know if something comes of that.

5. **Want to Buy A Bigger House**  
   [Source: Absentee Owner Postcard]

Homeowner wants to sell a 3 bedroom, 2 bath, rental house.
Here are the numbers:

Asking Price: $make offer
Amount Owed: $unsure but only 4 years left, so not much.
Repairs: $unknown
After Repaired Value: $120,000
Max Offer: $78,000 minus repairs

Seller got a postcard from us about his rental property. He is considering selling it and his primary residence to buy a bigger primary residence. The rental has had the same tenant for 10 years and pays $895/mo. This is not the time of situation that makes someone motivated to sell at the price I would need to buy at. Now if he finds his dream home and has to sell this house quickly in order to get it, he might be a little more motivated. I will stay in touch. Just to let him know, I did mention the figure would be around 80k minus repair costs.

6. Tiny El Dumpo Shotgun House
[Source: Bandit Signs]

This is what you would call a shotgun house. It's tiny and in a bad area. Passed on to landlord to see if he wanted it. I don't.

7. Another Tire Kicker?
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 1 bath, vacant house.

Here are the numbers:

Asking Price: $make offer
Amount Owed: nothing
Repairs: $unknown (cosmetic - unconfirmed)
After Repaired Value: $85,000
Max Offer: $55,000 minus repairs

Seller has a house that was a rental and is vacant. It needs cosmetic work and he wants to see if he can sell it As-Is. Gave him a ballpark and he
wasn't havin' it...

8. **Realtor Owned Fixer**  
   [Source: Bandit Signs]

Realtor/Owner wants to sell a 3 bedroom, 1.5 bath, vacant house that needs quite a bit of work.

Here are the numbers:
- Asking Price: $55,000
- Amount Owed: ?
- Repairs: $20,000+
- After Repaired Value: $80,000
- Max Offer: $48,000 - $20,000 = $28,000

This is a case where a Realtor came across a good deal and snatched it up in hopes to sell it for profit. It needs quite a bit of work and it's hard to get a good idea for the ARV on this house because the neighborhood has 'pockets' (differing areas street by street). Comps showed a little higher but the square-footage this house had was mostly in garage conversion and very poorly done back porch enclosure. Be very careful with additions to houses. If they were done bad and not up to code you should deduct from the after repaired value rather than increase it for the extra square-footage.

9. **Buying Another House and Need To Sell The Old One**  
   [Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, house with a converted garage (I hate converted garages).

Here are the numbers:
- Asking Price: $87,700
- Amount Owed: 89,000
- Repairs: $unknown (cosmetic - unconfirmed)
- After Repaired Value: $85,000
- Max Offer: $55,000 minus repairs
Seller is buying another house and needs to sell this one quick. They simply owe too much. He mentioned their Realtor was talking about a short sale. I asked if they were behind on payments and he said no. The conditions just aren't there for this one. Next.

10. My Realtor Stinks
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, house in a neighborhood I've bought a lot of houses in.

Here are the numbers:
- Asking Price: $95,700
- Amount Owed: 22,000
- Repairs: $unknown (cosmetic - unconfirmed)
- After Repaired Value: $105,000
- Max Offer: $68,000 minus repairs

Seller inherited the house. He is living in it and was complaining about how his Realtor was not doing anything. "No showings, no nothin'!" Then I find out why. He seems to have a seriously warped opinion of what the house is worth. His idea is that it is worth at least 50% more than it really is. I told him a I usually buy in the neighborhood for in the 40's and 50's and he did not seem too keen on it. Actually, not at all.

11. Art Studio in Back
[Source: Bandit Signs]

Homeowner wants to sell a 2 bedroom, 1 bath, house in a neighborhood I've bought a lot of houses in (same as last lead).

Here are the numbers:
- Asking Price: $Make Offer
- Amount Owed: $55,000
- Repairs: $Says None
- After Repaired Value: $79,000
Seller wants to sell the house to buy another house. Not usually a motivating situation enough to sell at the prices I need to buy at. They owe too much to make it work and so I had to pass.

12. **This house has everything.**
   [Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, house in a good neighborhood.

Here are the numbers:
- **Asking Price:** $120,000
- **Amount Owed:** $100,000
- **Repairs:** $Unknown
- **After Repaired Value:** $120,000
- **Max Offer:** $78,000 - Repairs

Seller inherited a house. Her nephew lives there right now. This seller went on and on about every little detail. Usually this is a bad sign that the seller is absolutely, not motivated. Too much is owed anyway. Next.

13. **House in Area I'm Not Interested In**
   [Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 2 bath, house in a bad neighborhood.

Here are the numbers:
- **Asking Price:** $62,000
- **Amount Owed:** $0
- **Repairs:** $Unknown
- **After Repaired Value:** $62,000
- **Max Offer:** $37,000 - Repairs
Seller wants to sell house because he just doesn't want it anymore. I'm not interested in it due to its location, but may work for someone else. Therefore, I am passing this one to see if I can get a birddog fee.

14. **Want What It's Worth**  
   [Source: Absentee Owner Postcard]

   Homeowner wants to sell a 3 bedroom, 2 bath, with converted garage house in a good neighborhood.

   Here are the numbers:
   - Asking Price: $85,000
   - Amount Owed: $60,000
   - Repairs: $Unknown
   - After Repaired Value: $85,000
   - Max Offer: $55,000 - Repairs

   Seller was interested to see how much I would pay for the house. They have long time tenants and no real desire to sell. Next.

15. **That's My Bottom Line**  
   [Source: Bandit Signs]

   Homeowner wants to sell a 4 bedroom, 2.5 bath, 2000 sf house.

   Here are the numbers:
   - Asking Price: $130,000
   - Amount Owed: $Wouldn't Say
   - Repairs: $Says None
   - After Repaired Value: $135,000
   - Max Offer: $87,000 minus repairs

   I wonder if this guy is motivated....Just kidding. He is far from it. He wouldn't tell me how much he owes and says that $130,000 is his bottom line. I still called with a ballpark. He wasn't happy with it. Next.
16. I'm Sick of Taking Care of the House
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 1 bath, 800 sf house in a not so good area.

Here are the numbers:
Asking Price: $Make Offer
Amount Owed: $Nothing
Repairs: $Foundation Repair and other (unconfirmed)
After Repaired Value: $55,000
Max Offer: $30,000 minus repairs

Son is tired of taking care of his mother's house. She is the owner and is still alive. He is trying to get an idea on price, but I am going to pass this on in hopes of getting a birddog fee because I don't like the area. Ones like this I am tempted to try and buy to wholesale, but I make a decent amount when birddogging and for a lot less work. Plus some of the people I pass on to are able to make lemonade out of lemons.

17. My Ex Offered Me X Amount
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $90,000
Amount Owed: $65,000
Repairs: $Says A Lot
After Repaired Value: $95,000
Max Offer: $61,000 minus repairs

I like this neighborhood because I sold a house very fast here last year. It's too bad the owner owes too much and is stuck on her outrageous price. The house needs a lot of work (according to her) and she owes 65k and
says her ex husband offered 20k over that. So she wants 5k more than that and there is no way I will ever be able to do that. Next. (I wish I could say 'More of the Same' here instead of 'Next').

18. Good REO
[Source: REO]

Bank-Owned 4 bedroom, 2 bath, 1600 sf house.

Here are the numbers:

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Asking Price:</td>
<td>$85,000</td>
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<tr>
<td>Amount Owed:</td>
<td>$REO</td>
</tr>
<tr>
<td>Repairs:</td>
<td>$21,000</td>
</tr>
<tr>
<td>After Repaired Value:</td>
<td>$110,000</td>
</tr>
<tr>
<td>Max Offer:</td>
<td>$50,000 (65% ARV - Repairs)</td>
</tr>
</tbody>
</table>

This one has been on the market for over 2 months and is ready for a price change. I'm offering $45,000 (don't be afraid of the low ball). Hopefully the low offer will hit them at the right time. I think this house has a lot of potential.

19. Listed Fixer
[Source: MLS]

Vacant 4 bedroom, 2 bath, 1100 sf house, built in the 70's.

Here are the numbers:

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<tbody>
<tr>
<td>Asking Price:</td>
<td>$60,000</td>
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<tr>
<td>Amount Owed:</td>
<td>$REO</td>
</tr>
<tr>
<td>Repairs:</td>
<td>$20,000</td>
</tr>
<tr>
<td>After Repaired Value:</td>
<td>$85,000</td>
</tr>
<tr>
<td>Max Offer:</td>
<td>$31,000 (60% ARV - repairs)</td>
</tr>
</tbody>
</table>

This house is a true piece of junk and the neighbors are a little junky (reason for the 60% ARV instead of 65%). The house has settling issues (most in San Antonio do) and the owner looks to have just quickly patched
and painted over the cracks. Another low ball. I always try to make an offer on every house I look at, even if I don't want it. If I don't want it, I just offer lower in order to be able wholesale it. If you spend time looking at a house, you should make an offer, even if it ridiculous. Don't let your time go to waste. You never know what somebody will accept.

20. Another REO
[Source: REO]

Bank-owned 3 bedroom, 1.5 bath, 1400 sf house, built in the 80's.

Here are the numbers:
Asking Price: $70,000
Amount Owed: $REO
Repairs: $20,000
After Repaired Value: $105,000
Max Offer: $43,000 (60% ARV - repairs)

This house had a horrible layout. Most houses in the area are 2 full baths as well. This one gets into the same thing as the last one, where I really don't want it, but will make an offer anyway. It's been on the market a while (if it was a new listing, I would not waste the Realtor's time).

21. Hour Away - Falling Down House
[Source: Website]

Homeowner wants to sell a vacant, falling down 3 bedroom, 1 bath house on almost 5 acres. He owes taxes and about to lose the house. He says a tree fell on the house and has pretty much destroyed it. I need to make time to go and see this one. It's pretty far and from the satellite images, the neighbors look like junkyards.

Summary

What do I have to do to put another one under contract? I know the next one will be under contract soon. Lots of leads. The absentee owner leads really stunk. Know I remember why I haven't sent them in a long time.
Plans For Next Week

- Get another one under contract. :
- Call more REO Realtors.
- Check on rehabs.
- Get more probate leads from the courthouse and send letters.
- Have more bandit signs put out.
- If time: drive for dollars again.
The Eighth Week

These are the things I did this week:

Prepared List of Addresses For Drive For Dollars Mailing

Our next batch of drive for dollars handwritten letters is ready to be written, folded, stuffed and stamped. 50 Addresses.

Sent Probate Letters

Sent out 18 probate letters and got 16 more probate leads.

Dealt With A Cold All Week

My family has been dealing with a cold all week. Not fun. I stop for nothing though. This is not a pity party. :)

Had Bandit Signs Put Out

Only got 25 up and code compliance decided to finally call and set me straight. I will wait a couple of weeks and put out some more... in a different area.

Got Another Angry Call

Got another angry call. This guy was so angry he called several times and paged me. I called back to get an earful for a couple of minutes. It was from a probate letter and I completely understand where he was coming from. Doesn’t justify it, but I understand it. You have to be ready for these types of calls when you mail to probate. They are guaranteed.

Marketing

Total Leads This Week: 23 :)

1. Bandit Signs - [Leads This Week: 4]

   25 new ones put out. Code compliance is cracking the case.
2. **Yellow Pages** - [Leads This Week: 2]

3. **Buying Website** - [Leads This Week: 14]

   What's different this week? I don't know. I didn't do anything different.

   >> Click here to get a lead generation website just like mine <<

4. **Drive For Dollars** - [Leads This Week: 1]

   This is from the postcards that were sent to the first batch of driver for dollars addresses (the second mail piece they've received from me).

5. **REO** - [Leads This Week: 1]

   Made an offer on it, but I am just a little too low.

6. **Probate Mailing** - [Leads This Week: 1]

   One decent lead.

7. **MLS** - [Leads This Week: ?]

   Didn't receive them, but I found several to look at.

8. **Wholesale Deals** - [Leads This Week: 0]

   There was actually about 5, but a 1 minute review made it possible to ignore them. So I didn't count them.

9. **Absentee Owner Mailing** - [Leads This Week: 0]

   Nothing.

---

**Leads Analyzed**

1. **Separation Situation**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2.5 bath, 2300 sf house.

   Here are the numbers:
Asking Price: $175,000  
Amount Owed: $164,000 Darn it.  
Repairs: $Not much - cosmetic (unconfirmed)  
After Repaired Value: $190,000  
Max Offer: $130,000 minus repairs

Seller wants to sell because she is separating from her husband. Sounds like a pretty permanent separation. Too much is owed. Next.

2. Condo  
[Source: Website]

Homeowner wants to sell a 2 bedroom, 2 bath condo.

Here are the numbers:  
Asking Price: $72,000  
Amount Owed: $58,000  
Repairs: $cosmetic (unconfirmed)  
After Repaired Value: $65,000  
Max Offer: $40,000 minus repairs

Seller is graduating from college and moving to Kansas City. He's already talked to a Realtor and was wanting to see about selling quickly. This sort of situation rarely results in a deal. There's also the matter of him owing too much. Can't do it.

3. Tiny, Tiny House  
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 600 sf house.

Here are the numbers:  
Asking Price: $35,000  
Amount Owed: $0  
Repairs: $cosmetic (unconfirmed)  
After Repaired Value: $50,000
Max Offer: $25,000 minus repairs

Seller is having a baby and needs a bigger house. They have received an offer from another investor for $30k but want $35k. I wouldn't want it for more than about $20k. Pass. Tiny houses are hard to sell and this one is in a neighborhood with very, very long days on market. This property would be good to sell with owner financing, but I would still need to get for around $20k.

4. **Facing Foreclosure (No Date Set)**
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 1.5 bath in a neighborhood one of the stories from the '7 Crazy Real Estate Investing Stories' Ebook takes place in.

Here are the numbers:
- Asking Price: $What's Owed Plus Something
- Amount Owed: $47,000
- Repairs: $cosmetic (unconfirmed)
- After Repaired Value: $70,000
- Max Offer: $45,000 minus repairs

Seller is behind on payments and will be facing foreclosure. The date has not been set yet, so there is plenty of time. I told the seller I would need to be below what they owe and before I could mention 'short sale', she came in with 'It's OK. I know the house was valued at $90k. So forget it.' and hung up. Next.

5. **Health Problems**
   [Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 2000sf, 1998 house in a good neighborhood.

Here are the numbers:
- Asking Price: $140,000
Amount Owed: $0
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $159,000
Max Offer: $103,000 minus repairs

Seller bought the house cash several years ago from her parents who were losing it. She now has health problems and the house needs repairs. She wants to see how much she can get for it 'As-Is'. They were not interested in my offer of $85,000. I am following up with this one though.

6. Investors Giving The Run Around
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, house in a bad neighborhood.

Here are the numbers:
Asking Price: $35,000
Amount Owed: $0
Repairs: $sewer line collapsed
After Repaired Value: $50,000
Max Offer: $10,000 minus repairs

Seller has moved from the house and there are family problems so they want to sell it. They've already had investors offering 30k and a wholesaler put it under contract for $33k and backed out after 2 weeks. I am not even going to really analyze this one. It is going to another wholesaler to see if he has buyers in the area.

7. Military, Relocating
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 2000sf house in a new neighborhood.

Here are the numbers:
Asking Price: $150,000
Amount Owed: $140,000
Repairs: $very minor
After Repaired Value: $145,000
Max Offer: $94,000 minus repairs

Seller in the military and relocating. He owes too much though.

8. Moving Out Of Town
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2.5 bath, house in a good neighborhood.

Here are the numbers:
Asking Price: $118,000
Amount Owed: $75,000
Repairs: $cosmetic
After Repaired Value: $115,000
Max Offer: $75,000 minus repairs

Seller has had this house listed for about a year. It has price-changed repeatedly and so I discounted the ARV a little because, based on the pictures, there does not seem to be anything wrong with it. Just priced too high.

9. Lives Out Of Town
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, converted garage house in a bad neighborhood.

Here are the numbers:
Asking Price: $43,000
Amount Owed: $42,000
Repairs: $foundation, roof, etc.
After Repaired Value: $60k
Max Offer: $nothing

This neighborhood has very few solds in the MLS. Mostly rentals in this area. The house needs too much work and with what is owed, is just not doable. Next.

10. Divorce Rental
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, rental house in a good neighborhood.

Here are the numbers:
Asking Price: $130,000
Amount Owed: $116,000
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $125,000
Max Offer: $81,000 minus repairs

Divorce situation and this is the last thing they own together. Too much is owed however. Next.

11. How Much Can I Get
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1900sf house in a good neighborhood.

Here are the numbers:
Asking Price: $135,000
Amount Owed: $100,000
Repairs: $Unknown (says none)
After Repaired Value: $130,000
Max Offer: $84,000 minus repairs
This seller is buying a new home. This usually is not reason enough to be motivated to sell at a steep discount, but sometimes can become a reason to. I’m not really interested though as too much is owed.

12. Tiny Stripped House
[Source: Bandit Signs]

Homeowner wants to sell a 2 bedroom, 1 bath, 700sf house in a bad neighborhood.

Here are the numbers:
Asking Price: $13,000
Amount Owed: $0
Repairs: $Unknown - A Lot
After Repaired Value: $Only Rental Or Owner Finance
Max Offer: $None

The sellers says the house has been vacant for a long time and has been 'stripped'. At least they are asking a realistic price, though I am sure it will need to be had for under 10k. This one is being bird dogged.

13. Good Owner Financing Neighborhood
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 2 bedroom, 1 bath, 1000sf, built in 1930 house in a decent neighborhood.

Here are the numbers:
Asking Price: $Make An Offer (1st sign not motivated)
Amount Owed: $0
Repairs: $Unknown (these are old houses - there will be repairs needed)
After Repaired Value: $55,000
Max Offer: $30,000 minus repairs
The seller actually saved a postcard I had mailed to them over a year ago. They said they had others so there will be competition. This neighborhood does have buyers that can qualify for new loans but they are very few and hard to come by. This house would make a good owner financed property. Told them I would probably need to buy in the 20's to see if they were motivated at all. They said they would call me back. I will follow up.

14. **Full Market Value CASH - As Is**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath house for full market value, cash, as-is, close quickly. It's a dream come true. Come on...

15. **Second House From Seller**  
   [Source: Bandit Sign]

   Homeowner wants to sell a small house just outside of San Antonio. Well it’s about 45 minutes to an hour away. Too far for me and the market stinks out there. He doesn’t owe anything though and seems somewhat motivated so I am passing this one on as a birddog.

16. **Big Historic House**  
   [Source: Probate Letter]

   Homeowner wants to sell a 4 bedroom, 2 bath, 2700sf, built in 1939 house in a historic neighborhood.

   Here are the numbers:
   
   - **Asking Price:** $Make An Offer
   - **Amount Owed:** $0
   - **Repairs:** $60,000 roughly
   - **After Repaired Value:** $250,000
   - **Max Offer:** $100,000

   The house is vacant and is already being worked on. The kitchen still needs complete updating, the wiring needs complete updating, the pool needs complete updating. With these houses the repairs can double very quickly, so if I get this house, it will be wholesaled because it's just easier.
I am going to offer around $90,000 and see what happens.

17. **Old House With Family of 5 In Back 1 Bedroom Apt**  
   [Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 1 bath, 933sf, built in 1936 house with garage apt.

Here are the numbers:
- Asking Price: $Make An Offer
- Amount Owed: $0
- Repairs: $unknown
- After Repaired Value: $70,000
- Max Offer: $40,000 minus repairs

Seller’s son is moving out of the house. There is a garage apartment (tiny) with a family of 5 living there for 350/mo all utilities paid because no separate meters. The house needs work. I’ve schedule to see the house Saturday morning. This business doesn’t stop at 5 on weekdays. In fact, I took a call for a lead at 10:00 last night. Saturday was the earliest she could show it. She seemed to be somewhat motivated, so I am going to go and see if the house has any potential.

18. **Decent Newer House**  
   [Source: REO]

Bank-owned 3 bedroom, 2.5 bath, 2200sf, built in 1998 house in an area I don't care much for.

Here are the numbers:
- Asking Price: $80,000
- Amount Owed: $0
- Repairs: $5,000 (paint and carpet)
- After Repaired Value: $115,000
- Max Offer: $70,000
I don't care much for this area because there are a lot of newer house foreclosures affecting the resale values of the houses. It is sometimes hard to compete with bank owned properties that are priced great for homeowners that need very little. I offered $67,000, but this is a new listing and chances are pretty slim. I still made the offer anyway. We'll see.

19. **Divorce Situation**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500sf, house in a decent neighborhood.

Here are the numbers:
- **Asking Price:** $99,000
- **Amount Owed:** $95,000
- **Repairs:** $Cosmetic
- **After Repaired Value:** $100,000
- **Max Offer:** $65,000 minus repairs

Divorce situations can be pretty motivating, but there is no equity.

20. **Don't Want It Anymore and Need the Money**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300sf, built in 1915 house in a historic neighborhood.

Here are the numbers:
- **Asking Price:** $70,000
- **Amount Owed:** $0
- **Repairs:** $cosmetic (unconfirmed)
- **After Repaired Value:** $85,000
- **Max Offer:** $55,000 minus repairs

Seller lives out of town and needs the money so they are selling this house. I put in a call to schedule a way for me to see the house and
awaiting their call.

21. I Got Really Excited About This One
[Source: Website]

Homeowner wants to sell a 1 bedroom, 1 bath, 1000sf, house ON AN AIRPORT.

Here are the numbers:
Asking Price: $79,000
Amount Owed: $0
Repairs: $None
After Repaired Value: $???
Max Offer: $???

I'm excited and confused about this one. I would love to own a house on an acre in a flying community where you can taxi out to the runway. The problem is there are no comparables and the house does not have a hangar. What I'll have to do is calculate what I would need to buy this for to make it cash flow as a rental. That way I can make money on it until I decide what I want to do with it. The seller did mention that everybody wants to rent it, but he doesn't want to be a landlord. Man, wasn't I just talking about not getting emotional about a deal? That is why I am putting the analysis of this one off until tomorrow.

22. Was A Rental
[Source: Website]

Homeowner wants to sell a 4 bedroom, 1.5 bath, 1200sf, house near a community college.

Here are the numbers:
Asking Price: $52,000 ($43,000 when least would take was asked)
Amount Owed: $29,000
Repairs: $Unknown
After Repaired Value: $75,000
Max Offer: $45,000

This seller called late last night. Of course, I picked up the phone. She seems pretty motivated. Appointment is set for tomorrow morning.

23. **Another Oldie**  
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3 bath, 1500sf (not sure how that is possible), house in a good owner financing neighborhood.

Here are the numbers:
- Asking Price: $60,000
- Amount Owed: $0
- Repairs: $Unknown
- After Repaired Value: $69,000
- Max Offer: $39,000 minus repairs

This is an inherited house owned by someone that lives out of town. The house is currently rented for 500/mo. Same tenant for 10 years. This is a very old house and I'm sure it needs repairs. Trying to set up an appointment to see it.

**Summary**

I'm almost certain one of these leads will become a deal. That's all I have to say about that.

Managing leads when you start to get this many can be a daunting task. I've developed software that allows you to keep track of your leads, setup follow up reminders, do deal analysis and all sorts of other awesome things....and it's all accessible on your mobile devices!

>> Click here to check out **REIMobile** <<

**Plans For Next Week**

- Make Lots Of Offers
- Send Letters For New Drive For Dollars Addresses
- Send More Probate Letters
The Ninth Week

These are the things I did this week:

FINALLY! Got Another One Under Contract

Finally, got another property under contract. This one should be a sweet deal. Unfortunately, I won't be sharing the details of it until after it is sold because I will be attempting to wholesale it first. Don't want to show all my cards. You understand. I will, however, show the details once I've sold it.

This is a case where I did not think the seller would be very motivated being that he already had contractors working on the house. I went by and looked it over and decided on a figure. Honestly, I was ready for him to get angry with my offer, but I made it anyway. He went on to inform me that he had hoped to get X (which was just 10k more than what I was offering). I hadn't expected it and was very interested in the house at that price.

Just to make it seem more like a negotiation, I told him I would need to go and see it again to see if I can come up to his number. The next morning I was there at the house and so was he. I told him I would come up 5k at most, which was 5k below what he wanted. He told me he would have to think about it.

Here is a very important lesson that everyone should learn. When someone gives you a number that you like right from the get go, do NOT immediately take it (unless there is a lot of competition and you are at risk of losing it). People need to feel like they got the most they can possible get. Sometimes if they don't, they regret how the negotiations went and can get cold feet and back out of the deal. Even if it's just a couple thousand dollars or terms, you should really negotiate.

He ended up calling me back that evening and was ready to deal. I tried to meet him right away to get the contract but he was already out of town and would be back in the morning. So I scheduled to meet him first thing in the morning.

The seller didn't tell me this, but his attorney was to meet us there also. The attorney proceeded to try and negotiate everything, including price, which of course had already been agreed upon. After he talked about all that 'he' wanted,
I told him I was not there to negotiate. The seller and I had already agreed on the deal and that I was paying for some things that I do not normally pay for.

After a brief spell, he came at me with, "you know, you are not the only person that buys houses." To which I responded, "And this is not the only house for sale. So I guess we are in the same position, aren't we?"

After realizing that there would be no bullying, we had a good time. All went well.

**Mailed Drive For Dollars Mailing**

49 drive for dollars handwritten letters were mailed today.

**Sent Probate Letters**

Sent out 16 probate letters, but did not get any new probate leads this week.

**Air park Seller Called Back**

I had made a pretty low offer on the house that is on an airport. He didn't take it and said he had higher offers. He called back yesterday and left a message to call him. Thought this was going to be another situation where they call back accepting your offer after some reflection. He instead asked me if I knew 'Billy' (real name kept secret), an investor in town. I told him I did not and asked why he was asking me. He mention that good old' 'Billy' had offered much more than everyone else and he could not get a hold of him now. This is typical. It's easy for someone to spout off a number, but when it comes time to follow through, they fall apart and disappear. Please do your home BEFORE making an offer. I guess after he gives up on trying to track down this maker of bad offers, he could call me. Who knows. I'm not going to wait around. But, if he does call me and wants my offer, you can be sure that I will be confident in driving to meet him and signing it up right away.

**Went To Abilene To See Properties**

Flew with one of our lenders to Abilene to see some of the properties he is working on up there. He's a pilot and I wanted to go just to go flying. That is one of the best things about being your own boss and setting your own hours. The fact that I was able to get a call this morning and then end up running out to the airport and taking the day off really makes everything worth while. We did end up getting stranded out of town about an hour away due to weather though.
Forecast was much better, but didn't happen. Had to have someone drive out to pick us up. At least we didn't get stuck in Abilene. That place is about 5 hours away by car.

## Marketing

*Total Leads This Week: 10*

1. **Bandit Signs** - [Leads This Week: 0]
   
   None have gone this week and I'm sure most of the others were removed with the sweep last week.

2. **Yellow Pages** - [Leads This Week: 1]
3. **Buying Website** - [Leads This Week: 9]
   
   None were very good.

4. **Drive For Dollars** - [Leads This Week: 0]
   
   The new letters went out today, so we should have some leads from this next week.

5. **REO** - [Leads This Week: 0]
   
   Nothin'. I haven't called any in a couple weeks but am supposed to meet up another for a visit in her office (she really just wants to see my youngest daughter again).

6. **Probate Mailing** - [Leads This Week: 0]
   
   Nada, but the new letters were just sent out today.

7. **MLS** - [Leads This Week: 0]
   
   Made offers on several that have been on the market a while.

8. **Wholesale Deals** - [Leads This Week: 0]
   
   There were some, but they all stunk and I didn't bother to count them.
9. **Absentee Owner Mailing** - [*Leads This Week: 0*]

   Nothing.

**Leads Analyzed**

1. **Another Separation Situation**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2.5 bath, 1000 sf house.

   Here are the numbers:
   
   - **Asking Price:** $Make An Offer
   - **Amount Owed:** $53,000
   - **Repairs:** $Not much - cosmetic (unconfirmed)
   - **After Repaired Value:** $90,000
   - **Max Offer:** $59,000 minus repairs

   Seller wants to sell because she is separating from her partner. If the house does in fact need just minimal cosmetic repairs, I might be able to buy this. I told them I would probably be buying right above what they owe. She was really, really anxious about getting rid of the house. She said she would have to think about it as she had hoped to get a lot more. I am following up.

2. **New Construction in Bad Area**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath 1300 house built in 2009.

   Here are the numbers:
   
   - **Asking Price:** $60,000
   - **Amount Owed:** $0
   - **Repairs:** $cosmetic (unconfirmed)
   - **After Repaired Value:** $69,000 Owner Financed
   - **Max Offer:** $35,000 minus repairs
Seller is needs money and wants to sell this house. Sounds like a good house, but its location is not so good. This might make a good owner-finance house (sell side) if it barely needs any repairs. Told him my offer would be in the 30's. Gave a ballpark because he did not seem that motivated and his asking price was sort of high. He is going to consider something that low and call me. I will follow up.

3. **Small House Weird Situation**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 850 sf house.

Here are the numbers:
- **Asking Price:** $I'm Confused
- **Amount Owed:** $53,000
- **Repairs:** $cosmetic (unconfirmed)
- **After Repaired Value:** $70,000
- **Max Offer:** $45,000 minus repairs

Caller was not the seller, but calling on behalf of the sellers. He put me on speaker phone and I had to ask them to repeat everything ten times because I could not understand them. Very annoying. Weird situation and I'm not sure if I fully understand. The sellers bought the house to allow the person living there to remain in the house (was getting foreclosed on). Now the sellers are paying $1,500/mo on this house and cannot afford. The person they are trying to keep in the house IS NOT PAYING! AND THEY ARE ASKING ME TO BUY IT AND KEEP HIM IN THERE! WHERE IS THE LOGIC?!?!?! WOW. Not sure how that happened. Too much is owed and I am not spending anymore time trying to figure it out.

4. **Expensive Commercial Property**  
[Source: Website]

Homeowner wants to sell a 3 acre commercial lot on one of the best strips of highway outside San Antonio.

Here are the numbers:
- **Asking Price:** $1,200,000 (asked what would be the least and he knocked...
Price: off a quarter of a million dollars - so $950,000
Amount Owed: $?
Repairs: $doesn't matter
After Repaired Value: $???
Max Offer: $??? don't know

This one got me really excited when I saw it. Through a mishap, I was informed the seller was facing foreclosure and owed $215,000 and that is all they wanted. I would have stopped everything and put that under contract. When asked, the seller said he was in no hurry to sell and the price is $1,200,000. Big difference. This appears to be retail, but I don't know for sure. If anyone is reading this and deals with commercial properties like this in SA, give me a call.

5. Out of Town House
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 2300sf, 2002 house in a town 45-60 minutes away.

Here are the numbers:
Asking Price: $74,000
Amount Owed: $55,000
Repairs: $finish out (built 2002, never finished)
After Repaired Value: $80,000
Max Offer: $50,000 minus repairs

Seller lost job and wants to get rid of the house because he can't afford to finish it. This is just too far and he owes too much. Have to move on to the next one.

6. Facing Foreclosure
[Source: Website]
Homeowner wants to sell a 4 bedroom, 3.5 bath, house in a good neighborhood.

Here are the numbers:
- Asking Price: $220,000
- Amount Owed: $210,000
- Repairs: $nothing
- After Repaired Value: $225,000
- Max Offer: $146,000 minus repairs

Too much is owed. Next.

7. Another One Outside Town
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1700sf house outside of town (Pleasanton).

Here are the numbers:
- Asking Price: $Make An Offer
- Amount Owed: $43,000
- Repairs: $very minor (unconfirmed)
- After Repaired Value: $???
- Max Offer: $??? minus repairs

Seller is facing divorce and has no job. Things just aren't going well for him. Passed this one on to a wholesaler because it is just too far away and the numbers weren't looking beneficial.

8. Town home in "Really Bad Neighborhood"
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1700sf town home in gangland.

Here are the numbers:
Asking Price: $Make An Offer
Amount Owed: $0
Repairs: $A LOT she says
After Repaired Value: $35,000
Max Offer: $10,000 minus repairs

Seller is older and has moved in with her children in Austin. She kept mentioning how bad the neighborhood is and is getting. The house needs lots of repairs. Sounds like a bad combination. Next.

9. Nice House, No Hurry
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2.5 bath, house in a great neighborhood. The numbers don't matter because they just want retail price, cash, as-is, close quickly. Yeah, right. Didn't spend more than 3 minutes on the phone and even that was too long. Next.

10. Owe Too Much, Nice House
    [Source: Website]

   Homeowner wants to sell a house in a nice neighborhood. Had tenant that moved out and cannot afford 2 payments. Owe $150k and worth $160k. Might be a good sub2 for somebody, but not me. There needs to be room in there, even if sub2. If you buy sub2 without much equity, give me a call. Next.

Summary

Not as many leads this week. But I did get one under contract this week. So, even though I only had 10 leads this week, this is a better week than the last one.

Plans For Next Week

- Make Lots Of Offers
- Put Out More Bandit Signs
- Get More Probate Leads
• Get Another One Under Contract
The Tenth Week

These are the things I did this week:

Bandit Signs Were Put Out

50 bandit signs were placed in the same areas as the first batch.

Made Offers On Listed Properties

I was spending a lot of time driving out to look at a single property when I got a decent lead. Sometimes it will take an hour round trip to go and see one across town. What I decided to try and start doing is look for some bank owned or otherwise distressed listed properties near the house that I am going to see. Might as well, look at a couple others while I am out and about. I feel this is a better use of my time. It also reminded me of when I tried to train a relative to go and look at REO's for me. He was to fill out a quick checklist about the details of the house and take lots of pictures. I then could analyze the deal from my office and make a 'conservative' offer based on the info. Almost always a bank will counter. If they countered close enough to where I thought we had a chance at getting it, I would then go and see the house myself. There is some obvious risk in doing this, of course.

Made 6 offers on listed properties. Mostly REO. I was targeting properties that have been on the market 45 days or more. Have had some counters, some rejections and some I am still waiting for a response. I will follow up with all of them and resubmit the offers if they are still available. For what I am using to help keep track of the leads and follow up, see the next item.

Worked on Lead Manager Web Application

I spent a lot of time this week working on a project of mine that I have been slowly putting together. What is will do is allow you to enter leads, notes, follow up reminders, and allow you to perform deal analysis. To me the deal analysis part is the coolest part as you can play with the numbers quickly and easily. Sometime over the next week I should have it ready for beta testing and have several FlippingJunkie subscribers set to test it. [This is already available here].
[**UPDATE:** I now have a much improved system that does SO MUCH MORE. Click here to find out more about the software I use to manage my house flipping business]

**Dropped The Price on the Hidden Iron House**

We were not getting very many showings on the Hidden Iron house, so we reduced the price $5k. Some investors hold out to try and get the absolute top dollar and end up spending more in holding costs and problems. If there is no negative feedback about the house, dropping the price is one of the best ways to move it. I started this one a little higher to see if we could get it, so this quick price change is not hard to do.

**Marketing**

**Total Leads This Week: 18**

1. **Bandit Signs** - [**Leads This Week: 2**]

   50 were put out. They disappeared pretty quickly this time. I am going to give it a break for a month or so.

2. **Yellow Pages** - [**Leads This Week: 4**]
3. **Buying Website** - [**Leads This Week: 8**]
4. **Drive For Dollars** - [**Leads This Week: 1**]

   This is from the 49 letters that went out last week.

5. **Probate Mailing** - [**Leads This Week: 1**]

   The guy that I trained to go and get them is not returning my calls (Was he another investor that wanted to get trained and then just get them for himself? I'll never know... - I don't really think so, but it crossed my mind).

6. **MLS** - [**Leads This Week: 6**]

   These are ones I found myself and went and looked at. I did not included them in the weekly total.

7. **Wholesale Deals** - [**Leads This Week: 1**]
Seemed like it might be possible, but he did not call back. I'll check again.

8. **Referral - [Leads This Week: 1]**

My closer called with this one and he was given a certain price. Then, the next day, the seller submitted her info on my website with a lower price.

### Leads Analyzed

1. **Inherited and Wants To Buy Another House**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 1.5 bath, 1300 sf house in a so-so neighborhood.

   Here are the numbers:
   - Asking Price: $80,000
   - Amount Owed: $0
   - Repairs: $Says Not Much (unconfirmed)
   - After Repaired Value: $85,000
   - Max Offer: $55,000 minus repairs

   Seller wants to sell because he inherited it and they want to move to another area. He says they have done a lot of repairs and just need to finish a bathroom. Honestly, most of the time, I do not like to hear that a homeowner has done lots of work. For the obvious reason that they will want more for the house, but also for the reason that the repairs are usually not up to snuff. He didn't seem very motivated and really didn't have any reason to be so I shot him a ballpark figure of $45k-$50k depending on repairs. He said $60k would be the absolute least and even then wasn't sure he'd want to do that. I will follow up.

2. **Manufactured Home In Bad Area**  
   [Source: Website]

   I just don't buy these unless they have land with them, are newer, and I can get them dirt cheap. Of the given criteria, this only matched one of those. It is newer. Next.
3. **Divorcing And Need To Sell**  
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 1.5 bath, 1500 sf house.

Here are the numbers:
- **Asking Price:** $70,000
- **Amount Owed:** $40,000
- **Repairs:** $20k (conservative and includes new AC)
- **After Repaired Value:** $90,000
- **Max Offer:** $38,000

Seller wants to sell due to divorce. House looks good on Google Maps. I went and looked at it and the front of the house was the only thing it had going for it. The house had several additions and a very amateurish apartment garage in the back. He had an inflated opinion of what the house was worth and was not on the same page as me regarding the amount of repairs the house needed.

4. **Tired Landlord**  
[Source: Drive For Dollars]

Homeowner wants to sell a 3 bedroom, 2 bath, 2000 sf house in a good neighborhood.

Here are the numbers:
- **Asking Price:** $No Idea
- **Amount Owed:** $65,000
- **Repairs:** $needs finishing (flooring, counter tops, etc- unconfirmed)
- **After Repaired Value:** $125,000
- **Max Offer:** $80,000 minus repairs

The owner used to rent the house out. The tenants are gone and he started renovation. He does not have the time, nor the energy, to finish the
house and wanted to see what he could get for it. He was not motivated and I gave him a ball park figure of somewhere in the $70's and he immediately said no. I will follow up.

5. **Moving Out Of Town**  
   [Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 3.5 bath, 2500 sf house.

Here are the numbers:
- **Asking Price:** $150,000
- **Amount Owed:** $0
- **Repairs:** $8,000
- **After Repaired Value:** $160,000
- **Max Offer:** $97,000

Seller wants to sell quickly so that she can move back to her hometown. She paid cash for the house a couple of years ago and is negotiable. Even though she was asking close to retail, she seemed motivated, so I went to see the house. This is another tough one. She seemed motivated, but I guess she was not motivated enough to take my $95,000 offer. I would love to buy this one and will follow up.

6. **Out of Town Owner**  
   [Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house.

Here are the numbers:
- **Asking Price:** $70,000
- **Amount Owed:** $0
- **Repairs:** $\text{cosmetic (unconfirmed)}$
- **After Repaired Value:** $75,000
- **Max Offer:** $45,000 minus repairs

Caller is a friend of the seller and has done some work to the house. He
wanted to see if they could sell it as-is and what they could get. Tire kickers. They kicked my tires and then moved on. I offered ballpark of $40k and he said they would call back if they couldn't do anything with it. I'll follow up.

7. Ready To Be Done With It
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3.5 bath, 2900 sf house newer house.

Here are the numbers:
- Asking Price: $300,000
- Amount Owed: $274,000
- Repairs: $none (unconfirmed)
- After Repaired Value: $300,000
- Max Offer: $210,000 (70% of ARV) minus repairs

Seller is in the middle of a divorce and just wants to have everything over with. Doesn't want the house. They just owe way too much. I used 70% of ARV because the house does not need anything based on the MLS pictures. That's another problem. They have it listed with a Realtor. Unless their agreement specifies that they can find a buyer themselves and not pay a commission, someone is going to have to pay the commission. Too much owed anyway. Next.

8. Inherited Condo
[Source: Probate]

Homeowner wants to sell a 1 bedroom, 1 bath, 870 sf condo.

Here are the numbers:
- Asking Price: $60,000
- Amount Owed: $0
- Repairs: $cosmetic (unconfirmed)
- After Repaired Value: $60,000
- Max Offer: $35,000 minus repairs
Seller wants to sell condo in a retirement CO-OP tower. Maintenance is $1200/mo and I'm guessing is also the reason for the super long days on market. It's a great area. He was not going to budge on price and this resulted in a 'No Deal' situation.

9. **25 Acres South of Town**  
   [Source: Yellow Pages]

   Seller wants to sell 25 Acres about an hour from where I live. I would consider this if the price was really good, but it's not. He wants $300,000. Moving on.

10. **Tiny House**  
    [Source: Referral]

    Homeowner wants to sell a 2 bedroom, 1 bath, 700 sf house.

    Here are the numbers:
    - Asking Price: $35,000
    - Amount Owed: $22,000
    - Repairs: $quite a bit based on pictures
    - After Repaired Value: $60,000 Owner Financed
    - Max Offer: $30,000 minus repairs

    Seller wants to sell a tiny house that needs a lot of repairs and in an area that is not selling on new loans. This referral is from my closer. Told him I would probably need to buy for $15k. We'll see. Update: Seller submitted this property on my website now with a lower price (just above what is owed). I am scheduled to see it tomorrow, just for the heck of it.

11. **Large Inherited House**  
    [Source: Website]

    Homeowner wants to sell a 3 bedroom, 2.5 bath, 3000 sf house.

    Here are the numbers:
    - Asking Price: $Make Offer
Seller inherited a house and is trying to avoid using a Realtor. The house is large and needs repairs (mostly updating). Schedule to see it this afternoon. Hopefully we can build a good rapport and help her to decide to sell quickly for cash. Sometimes it hard with these higher dollar properties because the discount has to be so huge. Scheduled to see it this afternoon.

12. **Tired Landlord**  
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house.

Here are the numbers:
- Asking Price: $80,000
- Amount Owed: $67,000
- Repairs: $unknown
- After Repaired Value: $100,000
- Max Offer: $65,000 minus repairs

Sellers have tenants in the house and they live 50 miles away. They are tired of dealing with the hassles. The problem is that they just owe too much. Next.

13. **Wholesale**  
[Source: Wholesaler]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house.

Here are the numbers:
- Asking Price: $45,000
- Amount Owed: $?
Repairs: $AC Roof Cosmetic
After Repaired Value: $85,000
Max Offer: $55,000 minus repairs

Wholesaler wants to sell this house cash. This might be doable, but he has not returned my phone call.

[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 3 bath, 1400 sf house.

Here are the numbers:
Asking Price: $unknown
Amount Owed: $45k
Repairs: $20k
After Repaired Value: $110k
Max Offer: $48,000

Caller is the son of the lady I talked to in 2007. He called on my Yellow Pages ad because he inherited the property. Sadly the mom passed away recently. I was entering the information for the lead into my system and the record already existed. This happens from time to time and is always interesting. I looked at the property back in 2007 and had notes on what I had offered and what I had found out home--vestors (don't want to put the word together because they will track me down and tell me to pull it from my site - had this happen when I submitted an article that had it as a tag - they actually called me and told me to remove it.) had offered. Making the offer today.

15. Cannot Afford Repairs
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in an older neighborhood.

Here are the numbers:
Asking Price: $63,500  
Amount Owed: $62,500  
Repairs: quite a bit (foundation, etc.)  
After Repaired Value: $90,000 (if done with historic charm)  
Max Offer: $58,000 minus repairs

Seller just cannot afford the repairs needed for her house. It's an older house and I am sure the repairs will be at least 10k+ giving them the benefit of the doubt. I did not see the house and don't plan on it because they just owe too much.

16. North Texas Property  
[Source: Website]  
Homeowner wants to sell a 3 bedroom, 2 bath, house in Garland, TX. I do not buy that far away. If you are interested in the lead, contact me. Asking price is 108k. He owes 20k.

17. Mid Texas Property  
[Source: Website]  
Homeowner wants to sell a 2 bedroom, 2 bath, house he built in Blanco, TX. This is about an hour north. The house is on 2 Acres and he wants 100k. Just not interested at that price. Next, please.

18. Wants To Move Close To High School  
[Source: Website]  
Homeowner wants to sell a 3 bedroom, 1 bath, 1000 sf house in an older neighborhood on the south side of town.

Here are the numbers:  
Asking Price: $60,000  
Amount Owed: $33,000  
Repairs: $addition is shifting  
After Repaired Value: $65,000  
Max Offer: $35,000 minus repairs
Seller wants to move closer to the High School because her daughter will be going there next year and she does not have transportation. I'd think it would be easier to find a way to get transportation that to sell a house in this market. Sorry. No can do.

Summary

Got some offers out and am following up. I'm sensing the next one is close. This amount of leads should be sufficient to meet my goals. Just have to keep this going and I'm sure to be able to buy the number of properties we want to this year.

Plans For Next Week

- Make Lots Of Offers
- Follow Ups
- Have Beta testing started for the Lead Manager
- Prepare article on how to talk to sellers.

I want to leave you with a quote from a sign I saw yesterday as I was going to the airport to get some R&R.

Thinking will not overcome fear, but action will.

This should be printed and posted on your computer or mirror in your bathroom. This quote sums up a lot of what keeps people on the sidelines.
The Eleventh Week

These are the things I did this week:

Closing Got Held Up

There are two liens on the property, and one should have paid off the other. The seller so far is not able to find any paperwork on the 2nd loan, to show it actually did payoff the first. He says it did, but unfortunately this is a problem that must be cleared. The attorney for the seller says he is working on it. Hopefully, we can get this closed soon.

Made Follow Up Offers

Called on some follow ups to see if anyone has changed their mind. One has and countered with me again. Still not where I need to be, but much closer. I am going back to the house Monday (earliest she could show it) to make another offer. It is much better to make offers in person as it is too easy for the other person to quickly say no on the phone. In person, people tend to consider things more and do not like to tell people no.

Resubmitted an offer on a bank owned property that I had found in the MLS. The days on market are getting close to 60 and I it should be price changing. I want to hit them right before the price change so that I am not competing with several offers that may come after the price change.

Prepared Letters For Mailing

It has been 3-4 weeks since I mailed some of the drive for dollars prospects. I printed out a batch of letters and signed each one. Just waiting for our mailing person (family friend) to stuff the envelopes and hand address the envelopes.

Questions To Ask Sellers When They Call

When you get a call from a seller, you need to ask the right questions to be able to determine whether you should spend more time working on the lead. These are the questions that I ask when a seller calls.

  • What is the address of the house?
- How many bedrooms and bathrooms does the house have and is there a garage?
- Does the house need any repairs?
- Why are you selling the house?
- How much is owed?
- What are you looking to get for the house?
- Do you know what similar houses are selling for in the area?
- Is there anything that you do not like about the house?
- If they bought the house recently, ask how much they put down (if not much, probably not doable).
- How fast do you need to have it closed?
- If I were to pay cash and close quickly, what is the least you would be willing to take? (You'll be amazed at how much below the asking price they just gave you this will be.)
- How did you find out about me? (You want to keep track of what marketing is pulling best.)

The questions aren't always in this exact order and are intended to be asked in the normal flow of the conversation. You just need to direct the conversation so as to have these questions answered without seeming too much in a hurry and ignoring what they are telling you. They want to know you are really listening to them. Expand on their motivation to sell by asking open-ended questions. Over time you will develop your own style.

# Marketing

**Total Leads This Week: 14**

1. **Bandit Signs** - [Leads This Week: 4]
   
   50 were put out early last week.

2. **Yellow Pages** - [Leads This Week: 0]
3. **Buying Website** - [Leads This Week: 8]
4. **Drive For Dollars** - [Leads This Week: 0]
   
   Once the letters are done, I will be mailing out 72.

5. **MLS** - [Leads This Week: 2]
These are ones I found myself and went and looked at. I did not included them in the weekly total.

6. Wholesale Deals - [Leads This Week: 2]

These were both lame so I did not even include them in the total.

7. Referral - [Leads This Week: 1]

One caller said he got my info from a friend that is a Realtor. I was not familiar with the name, but it was a referral none the less.

8. REO - [Leads This Week: 1]

Just got this last night and am looking at it this morning. Update: Not good. House needs too much and I just don't like it.

Leads Analyzed

1. Under Contract From Federal Tax Sale
   [Source: Website]

   Investor wants to sell contract on a 3 bedroom, 2 bath, 1300 sf house in a so-so neighborhood.

   Here are the numbers:
   Asking Price: $60,000
   Amount Owed: $58,000 (what they have it under contract for)
   Repairs: $Says Not Much (unconfirmed)
   After Repaired Value: $80,000
   Max Offer: $50,000 minus repairs

   Caller's business partner supposedly has this house under contract from a federal tax sale and could not get financing to buy it. I don't want it either for the price they have it for. Looking for the greater fool. Next.

2. Handicapped Son Requires Different Living Arrangements
   [Source: Website]
Homeowner wants to sell their 3 bedroom, 3 bath, 2000 sf house.

Here are the numbers:

- **Asking Price:** $Make Offer
- **Amount Owed:** Nothing
- **Repairs:** $AC out and Cosmetic (unconfirmed)
- **After Repaired Value:** $100,000
- **Max Offer:** $65,000 minus repairs

Seller has a handicapped son in a wheelchair and the house is two stories. She wants to get a new house with wider doorways and single story. The neighborhood has high days on market and only the sub 60k priced houses have sold over the last year. I passed this on as a birddog.

3. **Wraparound Mortgage Gone Bad**  
   [Source: Website]

Homeowner wants to sell their 4 bedroom, 3.5 bath, 2600 sf house in a good area.

Here are the numbers:

- **Asking Price:** $No Less Than $250k
- **Amount Owed:** $290k
- **Repairs:** $None (unconfirmed)
- **After Repaired Value:** $270,000
- **Max Offer:** $189,000 minus repairs

Seller relocated four years ago and sold the house on a wrap. The buyer has defaulted and they are getting the house back. They owe way too much, even if they do bring some money to the table. Next.

4. **Wants To Move Out of State**  
   [Source: Bandit Signs]

Homeowner wants to sell their 4 bedroom, 1.5 bath, 1300 sf house in a so-so area.

Here are the numbers:
Seller wants to move out of state and needs to sell the house. I was attempting to sell this one to a buyer that had bought a rental in the same neighborhood several years ago. We had wholesaled the first one to them and they just called a couple of weeks ago asking for more. I've set an appointment to show them this house (owner lives there), but they drove by the outside and said they were not interested. The house doesn't look bad and I asked why they didn't want it. He started with saying that the shed needed to be tore down. WHAT? The shed is really nice. I guess they are nervous. Will see if they change their mind. I don't want to buy the house for myself as it is really best as a rental. Said the least she would take was $40,000.

5. **City Going to Demolish**  
   [Source: Bandit Signs]

Homeowner wants to sell their 3 bedroom, 2 bath, house in a bad area.

Here are the numbers:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asking Price</td>
<td>$25,000</td>
</tr>
<tr>
<td>Amount Owed</td>
<td>$18,000</td>
</tr>
<tr>
<td>Repairs</td>
<td>$everything</td>
</tr>
<tr>
<td>After Repaired Value</td>
<td>$?</td>
</tr>
<tr>
<td>Max Offer</td>
<td>$Nothing</td>
</tr>
</tbody>
</table>

Seller needs to sell because the city is going to demolish the house. The city informed the owner that if they find a buyer that intends to repair immediately they would stop the demolition. This would be good for me if the house was something I wanted. In the past, I've bought houses like this 'before' the demolition hearing and had to go to the hearing to inform them that I was buying and that I would repair it immediately. This one has already had its hearing and is set for demolition in a couple weeks. Even if it weren't being demolished, what they owe is actually a little much for a
house in this area in the condition that it is in. I passed this one on to an investor that I know buys in the area.

6. Wants A Single Story House  
[Source: Bandit Signs]

Homeowner wants to sell their 3 bedroom, 2.5 bath, 1700 sf house in a decent area.

Here are the numbers:
Asking Price: $100,000
Amount Owed: $95,000
Repairs: $Cosmetic (unconfirmed)
After Repaired Value: $105,000
Max Offer: $68,000 minus repairs

No explanation needed really. They owe too close to what it is worth and are not motivated in the least. Next.

7. Plumbing Problems  
[Source: Bandit Signs]

Homeowner wants to sell their 3 bedroom, 2 bath, 1300 sf house in a decent area.

Here are the numbers:
Asking Price: $Make Offer
Amount Owed: $95,000
Repairs: $Plumbing/Cosmetics (unconfirmed)
After Repaired Value: $100,000
Max Offer: $65,000 minus repairs

Seller wants to move because she is sick of the plumbing problems. They owe too much though, so this was a quick, 'sorry can't do it' call.

[Source: Website]

Pastor wants to sell a church in a bad area. Church has not been active in
a while and the pastor is moving to the Dallas area. This is really a rental area so I am passing this one on to a landlord in the area.

9. Transferring To Houston
[Source: Website]

Homeowner wants to sell their 3 bedroom, 2 bath, 1500 sf house in a decent area.

Here are the numbers:
- Asking Price: $90,000
- Amount Owed: $88,000
- Repairs: $Finish Repairs (unconfirmed)
- After Repaired Value: $105,000
- Max Offer: $68,000 minus repairs

Seller needs to sell because he is transferring to Houston in two weeks. He owes too much and is not behind on payments. Have to move on to the next one.

10. How Does This Work
[Source: Website]

Homeowner wants to sell their 3 bedroom, 2.5 bath, 2000 sf house in a good area.

Here are the numbers:
- Asking Price: $Make Offer
- Amount Owed: $92,000
- Repairs: $Cosmetics (unconfirmed)
- After Repaired Value: $150,000
- Max Offer: $100,000 minus repairs

Seller is having financial problems and wants to see if he can sell before he gets behind. He was a little weary at first and hesitated to give me his address and mentioned that he wanted to know how it all worked. Being that he called from my website, I am assuming he had not read that part. This is common. I just mention quickly that I need to gather some
information about the house and, if everything looks good, I schedule an appointment to see the house. I then walk through the house and can usually make an offer on the spot. From that point on, it is like a normal transaction. I don't go beyond that, but if they want to know more: If we can come to agreement on price and terms, we will sign an agreement. The agreement will then be receipted at a title company. The title company will do the necessary paper work and a closing will be scheduled. At the closing, after you sign the paperwork, they will give you a check for your proceeds.

Back to the lead. I am going to see this house tomorrow and hope to put it under contract. Will be tough because they won't get much from the sale.

11. **Divorce and Foreclosure**  
[Source: Referral]

Homeowner wants to sell their 3 bedroom, 3 bath, 3400 sf house in a good area.

Here are the numbers:
- **Asking Price:** $170,000
- **Amount Owed:** $159,000
- **Repairs:** $Cosmetics (unconfirmed)
- **After Repaired Value:** $?
- **Max Offer:** $?

Seller is getting divorce and facing foreclosure, a double-whammy of sorts. I think what is owed is just a little too high but did not research it fully. This is in an area where my father invests so I passed it on to him. The problem with some of these more rural areas is the some of the houses were built by amateurs. People building their own house. Some are weird, some are built poorly, some are both. This one was built by the seller's father. When asked what other similar houses were selling for in the area, he responded with, "There is nothing else like this around here." Probably not a good thing.

12. **Military Relocation**  
[Source: Website]
Homeowner wants to sell their 4 bedroom, 2.5 bath, 2000 sf house in a good area.

Here are the numbers:
Asking Price: $180,000
Amount Owed: $180,000
Repairs: $Cosmetics (unconfirmed)
After Repaired Value: $180,000
Max Offer: $125,000 minus repairs

Seller is in the military and is relocating. They owe what is worth so there is nothing I can do. I wish I could.

13. Bank Owned
[Source: REO]

REO 3 bedroom, 1 bath, 1500 sf house in a so-so area.

Here are the numbers:
Asking Price: $55,000
Amount Owed: $0
Repairs: $unknown
After Repaired Value: $80,000
Max Offer: $50,000 minus repairs

This is a bank-owned house on a busy street in a decent area that has bad pockets. Didn’t want it. Next.

14. Moving Out Of State
[Source: Website]

Homeowner wants to sell their 4 bedroom, 3.5 bath, 3500 sf house in a great area.

Here are the numbers:
Asking Price: $300,000
Amount Owed: $165,000
Repairs: $10,000 cosmetics
After Repaired Value: $400,000
Max Offer: $250,000

Seller is moving out of state for a great opportunity for her daughter. Her daughter has a great singing voice and has been offered a job teaching kids and singing. They already have a place picked out that they don't want to lose either. They do not want to miss out on this opportunity and were willing to sell at a deep discount. This price range in San Antonio can be hard to move. The days on market is usually a lot higher and holding costs can quickly get you in the red. The seller had already talked with a Realtor and got her opinion of what she could make and understands the trade off. We'll see what happens.
The Twelfth Week

These are the things I did this week:

Got Another One Under Contract!

The marketing is starting to bring steady deals now. New leads are coming in and I am still following up on old leads. This was one I had made an offer on a couple of weeks ago. Honestly, I didn't think she would change her mind but she did. She was originally asking $150k. She does not owe anything except some property taxes. I originally was pretty conservative with the $160k ARV. This house would have sold for $180k two years ago. It still might get $170k and I will try to get that at first. I had offered $95k and she was not all happy with it. Several days later I called and asked if she had thought about it. She asked if I could pay $120k and I told her the most I could do would be $100k. Several days later she called and mentioned that another investor had offered her $105k and wanted to know if I could do $110k. I knew I couldn't but scheduled with her to take my wife by to see it.

The reason I didn't just tell her that $100k was the most I could do over the phone was because it would have been too easy for her to just say no and call the other investor back. I wanted more time in the deal and to discuss it face to face.

My wife and I went back over to the house and my wife got the tour. We sat and talked a little while and then told her that I just could not pay more than $100k. She asked if I could do the $105k the other investor had offered and I quickly told her that I just couldn't. At $100k I knew I could close it and she could consider it a done deal. She thought about it and asked if could close within a week. It turns out that she would have the help of a friend to move the next weekend only and she needed money to move as well. I told her we could close before that weekend and allow her to stay in the house 5 days after closing if we withheld $5,000 at closing until she vacated ($100/day penalty for every day over - this is very important). She accepted our offer. She then told us that she went with us because she trusted us and liked us. I always like to hear that because it makes all the difference in the world. This proves that you can pay less than another investor and still get the deal.
The repairs should not exceed $6,500 for some paint and carpet and small cosmetic repairs. With the repairs I am just over my Maximum Allowable Offer of $97.5k, but remember I was really conservative with the resell value and the house will be on the market within a week. I will post pictures and rehab details once we close and the seller has vacated the house.

This deal came from Bandit Signs.

Closing On Historic House Still Held Up

We are still awaiting Chase to send a release of lien on the property. The seller has informed me that he sent everything they asked for and we are just waiting for them.

Prepared Letters For Mailing

Another batch of drive for dollars prospects has come due for more letters. I printed out a batch of letters and signed each one. Already had this new batch put into envelopes and hand addressed. These will be mailed out on Monday (want to minimize calls this weekend as I need a little break).

Marketing

Total Leads This Week: 12

1. Bandit Signs - [Leads This Week: 1]
   
   50 were put out early last week.

2. Yellow Pages - [Leads This Week: 1]
3. Buying Website - [Leads This Week: 7]
4. Drive For Dollars - [Leads This Week: 3]
   
   Mailed out at the beginning of the week.

5. MLS - [Leads This Week: 0]
   
   Did not look at any listed properties this week.

6. Wholesale Deals - [Leads This Week: 0]
No wholesales sent to me this week.

7. **Referral - [Leads This Week: 0]**

   The seller for the house I put under contract said she told a friend about me and I should be hearing from them soon.

8. **Probates - [Leads This Week: 0]**

   Still looking for someone to gather these for me.

### Leads Analyzed

1. **Vacant For A Year**
   [Source: Bandit Signs]

   Homeowner wants to sell a 3 bedroom, 1 bath, 800 sf house in a bad neighborhood.

   Here are the numbers:
   - Asking Price: $45,000
   - Amount Owed: $0
   - Repairs: $Everything (unconfirmed)
   - After Repaired Value: $50,000
   - Max Offer: $Not For Me

   Seller just wants to unload this house in a bad neighborhood because they don’t need it. It's been vacant over a year and needs a lot of work. It is in a historic district, but this one really has gained any traction and with the economy in the dumps, I just don't see being able to sell this house easily. I passed it on to another investor.

2. **House In Laredo, TX**
   [Source: Website]

   Homeowner wants to sell a 7 bedroom, 4 bath, 3500 sf house in Laredo and willing to take $80k. I do not buy in Laredo. If you do, please contact me and I will pass on the seller's contact info.
3. Lost Jobs Years Ago  
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a neighborhood outside of town.

Here are the numbers:
- Asking Price: $67,000
- Amount Owed: $59,000
- Repairs: $Garage doors, cosmetic work (unconfirmed)
- After Repaired Value: $75,000
- Max Offer: $48,000 - Repairs

Homeowners lost their jobs several years ago and have been living off retirement money they took out. They are now just about out of that and need to sell. The probably is that they simply owe too much. I cannot buy this. A short sale might be possible but would be too much work for a 2 bedroom that is a good distance from where I live and would sit on the market for a while. Next.

4. Wants to Move Out Of Town  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a neighborhood outside of town.

Here are the numbers:
- Asking Price: $55,000
- Amount Owed: $46,000
- Repairs: $Garage doors, Kitchen cabs (unconfirmed)
- After Repaired Value: $70,000
- Max Offer: $45,000 - Repairs

Homeowner just doesn't want to do repairs on the house because they want to move to New Braunfels. Too much is owed and the area really is not one I am interested in. Next.

5. Inherited and Needs Work
Homeowner wants to sell a 4 bedroom, 2 bath, 2000 sf house in a good older neighborhood.

Here are the numbers:
- Asking Price: $100,000
- Amount Owed: $0
- Repairs: $A LOT - Repairs Not Calculated Yet
- After Repaired Value: $Depends on Rehab 160k-225k
- Max Offer: (range of $104k-135k) - repairs

Homeowner inherited the house and has no need for it. It needs a lot of repairs due to deferred maintenance and does not want to deal with the hassle. I was unsure of her motivation because she seemed concerned about how we operate.

These types of sellers need a little extra explaining and talking to so that they are more comfortable with you. If you have subscribed to my blog and received the 7 Crazy Real Estate Investing Stories Ebook, you will recall the guy that thought we set up the attorney's office just for appearance to get him to sign over his house (we had to meet there to sign the contract as I wanted to lend more legitimacy to the whole thing). You know, like in a movie where the guy goes back the next day and it is just a vacant warehouse.

Asking price was reasonable though and so I went to see it this morning. I think the ARV would probably tend to be on the upper end of that scale because the house has a lot of character, but it also needs A LOT of work! I need to figure out a repair estimate for this one and an offer price as I would prefer to wholesale it. So many calls this morning that I have not had a chance to.

6. **Listed For Year and a Half**
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2.5 bath, 2000 sf house in a good neighborhood.

   Here are the numbers:
Asking Price: $165,000
Amount Owed: $150,000
Repairs: $Nothing (unconfirmed)
After Repaired Value: $165,000
Max Offer: $107,000 - Repairs

House has been listed forever and it's because it is priced too high. They have no room to lower it. This conversation lasted all of 2 minutes. Next.

7. **Fixed Up To Sell**
   [Source: Drive For Dollars Letter]

   Homeowner wants to sell a 3 bedroom, 2 bath, 900 sf house in a decent neighborhood.

   Here are the numbers:
   Asking Price: $75,000
   Amount Owed: $50,000
   Repairs: $None (unconfirmed)
   After Repaired Value: $75,000
   Max Offer: $45,000

   He fixed the house with the intention to sell (sounds familiar). I'm not sure what it is with investors, but a lot of times they want to hide the fact that they are investors. I know when selling a house retail, people tend to be less apprehensive if they think they are buying from a homeowner that lived there. Possibly because of the flipping houses shows, people think that we all 'slap lipstick on pigs'. This conversation didn't last long. We were wasting each others time. Next.

8. **Separated 3.5 Years Ago**
   [Source: Drive For Dollars Letter]

   Homeowner wants to sell a 3 bedroom, 2.5 bath, 1500 sf house in a good neighborhood.

   Here are the numbers:
   Asking Price: $113,000
Amount Owed: $113,000
Repairs: bathrooms, siding & cosmetic (unconfirmed)
After Repaired Value: $120,000
Max Offer: $78,000 - Repairs

Homeowner separated from her husband 3 years ago and has been treading water. She simply can’t afford the house anymore and her ex-hubby had taken out a home equity loan right before he split. Too much is owed. This could possibly work as a short sale for someone. I'm not interested in spending the time on it, but if you are, contact me.

9. On the Market One Whole Year
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 1700 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $140,000
Amount Owed: $136,000
Repairs: $None (unconfirmed)
After Repaired Value: $140,000
Max Offer: $91,000 - Repairs

Too much owed. Next.

10. Tiny Gutted House
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 600 sf house in a not so good neighborhood.

Here are the numbers:
Asking Price: $Make Offer
Amount Owed: $0
Repairs: $Everything (unconfirmed)
After Repaired Value: $?
Max Offer: $?
They inherited the house and were in the process of gutting and repairing it to move into. They quickly realized how much work was involved and decided to sell. I told them that, based on what they were telling me about the house, the offer would be around 10k. They didn't get mad, so I told them another investor would call them shortly and passed on the lead to investor that buys in the area. If he does something with it, I'll get paid a referral fee of course.

11. Does Not Want To Rent
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2.5 bath, 3100 sf house in a good neighborhood.

   Here are the numbers:
   Asking Price: $Make Offer
   Amount Owed: $135,000
   Repairs: $Cosmetic (unconfirmed)
   After Repaired Value: $195,000
   Max Offer: $126,000 - Repairs

   Seller moved out of town and rented the house. Tenants trashed it. He moved back and into the house and has been fixing it up again, lost his job and has opportunities out of town. He does not want to rent again for obvious reasons. This one just owes a little too much. The ARV is conservative because there are a lot of foreclosure to compete with in that area. Probably will pass on this one, but will give it a little more thought. Maybe something creative can be worked out.

12. Major Surgery for Husband and Wife
   [Source: Drive For Dollars Letter]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a decent neighborhood.

   Here are the numbers:
   Asking Price: $Make Offer
   Amount Owed: $28,000
Repairs: $Cosmetic (unconfirmed)
After Repaired Value: $90,000
Max Offer: $58,000 - Repairs

House was inherited and they are living there. They both have had surgery recently and cannot keep up with the house maintenance and cleaning. This one seemed really embarrassed about the state of the house and was hesitant to even schedule an appointment. Still ended up saying she wouldn’t know until Sunday which day next week she could show it. I told her that I understand how hard it is to keep up with maintenance on a house even without medical problems. I am only interested in the 'potential' the house has and don’t care what shape it is currently in. She seemed more relaxed immediately. We’ll see what happens.

Summary

Fewer leads this week. Actually only got about 6 before this morning. This morning, before noon (that is morning isn’t it), I got 6 of the leads. Now have 3 under contract awaiting closing so I will be able to get more into the rehabbing and selling side of things. I am still sending out letters and will attempt to drive for dollars again soon. Another priority is to find someone to go to the courthouse for me to research probates.

Plans For Next Week

- Look For Probate Gatherer or Do It Myself
- Follow Ups
- Find time to sign up for Accurint again and find owners of the worst Drive For Dollars properties.
- Close on the property we got under contract this week. (lender is in place, insurance is in place, title commitment already in. Set to go.)
The Thirteenth Week

These are the things I did this week:

Got Really Close to Signing Up Another One

Went and looked at the first house from the first lead for this week (see below). The seller divorced several years ago and the house is now vacant. The ex is remarrying and wants to have the house out of her name, so she wants it sold.

The house was in good shape, it just needed cosmetic repairs for the most part. The master bathroom could use another vanity. Paint, carpet, siding repair, sheet rock repair, new light fixtures, landscaping etc.

After walking through the house, it got really interesting... The seller informed me that the house is haunted. He had seen a young blonde girl that looked like she was straight out of 'Little House on the Prairie' on two occasions. The first was during a party they were having and he was walking to the kitchen to get a drink and happened to look up the stairs and saw her standing there looking at him and she smiled really big. The other time, he was lying in bed and watching TV and she walked in and stood between the bed and the TV and just looked at him for a couple seconds and then turned and walked out of the room. I feel weird just typing this...

He then told me that he had a plumber working on the master bath one day and he and his wife had left the house. The plumber called shortly afterward and asked him if they had left someone at the house with him. The seller then asked if it was a little girl and the plumber said yes, he had noticed a little girl. The seller then told him not to worry about it, that it was just a ghost. The plumber then laughed awkwardly and hung up. When they got home, the plumber had all his tools in his truck and was leaving, with the job unfinished. He never did come back to finish.

Sort of creepy. Out of the 18 years, he only saw her twice and he said it has been a while.

Anyway, the numbers looked pretty good but I needed to offer just above what they owed. I really didn’t think he would at all be interested in this (well maybe
he would have been, after the story he just told me). I had offered $50k and he then told me that he really wanted to get $4k more than that. This was an occasion where I made my offer at the maximum because of what they owed. The extra 4k needed some more consideration, so I told him I would call him later after I considered it some more. After rechecking the comparable sales, I'm sure I can make it work at the 4k but he would have to pay title policy and his part of the closing costs. I'm awaiting his call for us to meet at the house again to discuss it.

Closed on the Deal From Last Week

We closed on the deal from last week and are just waiting for the seller to move out before we begin work (we had given her a week to move after closing). After she moves out, I will post some pictures and scope of work.

I need to come up with names for these houses so that I don't get them all confused while talking about them. This house will be called 'The Def Leppard House' because the seller was a big fan. So from now on, this house house will be forever known as the 'Def Leppard House'. Just got an idea to get an artist to do a mural of one of their album covers on the side of the house, but I bet my wife will completely hate it. Just kidding.

Confused a Wholesaler

Sometimes I like to play small pranks on people. I had seen a bandit sign on a pole near a house I was looking at and decided to call it to talk to the investor. When he called me back (after 5 hours!) I told him that the pole he had his sign on was my pole. He was asking what I meant and I told him that I had paid the city to use that particular pole and it was now mine. He didn't know what to say at that point and I told him I was just joking. I'm sure it doesn't start me out on the right foot with some people, but I can't help it. Gotta lighten up sometimes.

Closing On Historic House Still Held Up

We are still awaiting Chase to send a release of lien on the property. The seller has informed me that he sent everything they asked for and we are just waiting for them. We are checking with them every 2 to 3 days to make sure someone is pushing to get this thing done. Geez. I hate waiting.

Prepared Letters For Mailing
Another batch of drive for dollars prospects has come due for the second letter. I printed out a batch of letters and signed each one (49 letters). My daughters are working on hand addressing these (bribed them with a little money and a trip to Orange Leaf - frozen yogurt place).

Called Accurint for Pricing

They have gone up. It used to be about $150/mo and now they are at $300/mo. This might be a little much. I might be OK with it if I would just pay for a month at a time, but they want a year long commitment.

Hidden Iron House Under Contract

We accepted an offer on the Hidden Iron house yesterday. :) I will be posting the final numbers after we close.

Marketing

Total Leads This Week: 5:(

1. Bandit Signs - [Leads This Week: 0]

   Took a break from these as the city was calling me. I'll probably put some more out in a couple weeks.

2. Yellow Pages - [Leads This Week: 1]

3. Buying Website - [Leads This Week: 3]

4. Drive For Dollars - [Leads This Week: 1]

   Mailed about 50 out at the beginning of the week.

5. MLS - [Leads This Week: 0]

   Did not look at any listed properties this week.

6. Wholesale Deals - [Leads This Week: 0]

   No wholesales sent to me this week.

7. Referral - [Leads This Week: 0]
8. **Probates - [Leads This Week: 0]**

Still looking for someone to gather these for me.

### Leads Analyzed

1. **Divorce Situation**
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2.5 bath, 1700 sf house in a decent neighborhood.

   Here are the numbers:
   
   - **Asking Price:** $Make Offer
   - **Amount Owed:** $Wouldn't Say (this is rare)
   - **Repairs:** $None (unconfirmed)
   - **After Repaired Value:** $89,000
   - **Max Offer:** $57,000 - repairs

   Seller is divorcing and moving in with his disabled parents to help them out. I thought he wasn't very motivated as he was refusing to tell me how much is owed. In this case, I didn't want to waste time so I told him a ballpark figure would be in the $50's depending on what repairs are needed (even if he said none were). He was actually willing to consider it and was going to talk to the ex and let me know if they would be interested the next day. I'll follow up for sure. Followed up and he told me they owe $48k. He told me to come and look at it and we could talk about it. So I did. Working on buying this one. Wish me luck.

2. **Lives Out Of Town And Needs Money**
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf townhouse.

   Here are the numbers:
   
   - **Asking Price:** $70,000
   - **Amount Owed:** $0
Repairs: $None (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

Seller just needs money. They were asking what it was worth though and I just can’t pay that much. If they decide they need the money enough, they will call me back.

3. Inherited Multi-Family
[Source: Yellow Pages]

Homeowner wants to sell a 3 unit apartment house.

Here are the numbers:
Asking Price: $Make Offer
Amount Owed: $24,000
Repairs: $Cosmetic (unconfirmed)
After Repaired Value: $65,000
Max Offer: $40,000 - repairs

Seller inherited the house from her friend. She lives in one of the units. Looked at it this morning and got pictures. I am sending this out to a friend of mine to see if he would be interested.

4. Piece of Junk on Corner Lot
[Source: Driving For Dollars Letter]

Homeowner wants to sell a 2 bedroom, 1 bathroom, 800 sf house.

Here are the numbers:
Asking Price: $35,000
Amount Owed: $0
Repairs: $~20k if I remember correctly (unconfirmed)
After Repaired Value: $60,000
Max Offer: $30,000 - repairs

This seller is an older investor that has been buying and selling for 40 years! She really talked up a big game of how much potential the house
has. I actually went and looked at this house over a year ago and it is a real dump. The corner lot is right on a busy road in a rental neighborhood. She says she turned down an offer for $25k already and I know I will be below that, so I am not going to waste my time. I did ask what her buying criteria was in case I come across something she might be interested in. Didn’t want to let this call be a complete waste.

5. **Small House Facing Foreclosure**
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bathroom, 800 sf house.

Here are the numbers:
- **Asking Price:** $30,000
- **Amount Owed:** $22,000
- **Repairs:** $10,000 (seller’s opinion - unconfirmed)
- **After Repaired Value:** $50,000
- **Max Offer:** $25,000 - repairs

This seller is behind on their mortgage payments 9 months. The house is in a rental area and needs a lot of work. This is not my cup of tea at the moment, so I will pass it on to someone that buys in the area and see if they can make it work.

**Summary**

Very few leads this week and I had to check and make sure my website was still up. This next week will not have much going on because I want to take my kids and a nephew to have some summer fun.

**Plans For Next Week**

- Look For Probate Gatherer or Do It Myself
- Follow Ups
- Get Help Videos done for the Lead Manager Application
- Have fun with some time off.
The Fourteenth Week

These are the things I did this week:

Had A Frustrating Morning

I had two appointments this morning. The first was at a house from a lead this week. Nobody showed up. Got up early this morning to be there and I was pretty tired from being at Six Flags all day yesterday. I called the seller and asked if they planned on meeting me. She informed me that she could not make it and had called her brother, who had the key, to see if he would show up. He had told her no. For whatever reason, she did not feel it necessary to CALL ME! What is wrong with people?

While talking to her, I was trying my best to not say something to that effect and to keep my cool. She then informed me of how bad they need to sell it and asked if I could give them an idea based on the exterior. With this I had to assume most everything inside would have to be fixed/replaced and offered $15k. If I get it, I will either wholesale, or fix up and sell with owner financing.

It is important to not complain to the seller about things they do. They are likely doing this to other investors as well and the ones that get angry and do not try to keep a good rapport will lose out on the deal if it becomes one.

The second appointment was for a seller that had called me back in January. I had gone by to see his house and made him an offer then. He finally called me back (now after 6 months) and said he wants to go ahead and sell it. We agreed to meet at the house at 11:00 today and sign the contract and he would take it to his separated wife and get her to sign.

I got to the house and sat down at the table with him to go over the contract and he was really nervous. Small conversation and chit chat did not seem to help any. He then informed me that he should have waited to call me until after he had talked with his ex. What? You mean you did not talk with her first, during that whole 6 months?! So now I’m wondering about the whole thing. How hard should I push? Not very. I left the contract with him and told him I really need to know something by tomorrow because I have other houses to see and need to know if I can make offers on them as my money might be tied up with his house.
Just have to wait and see what happens.

**Def Leppard House Is Being Rehabbed**

The Def Leppard House is now being rehabbed. The seller moved out over the weekend and I was able to go in with my contractor on Tuesday to go over the scope of work. We agreed on a price today and my contractor is starting work tomorrow.

My guy is doing the repairs in the scope of work below for $3,400. I have a carpet cleaner going by to give me an estimate and to let me know whether he thinks he can make the carpet look like new. If we can clean them, instead of replace them, we will save a lot of money. I'm sure there will be other miscellaneous items that pop up and I will let you know when they do.

**House Details**

[Source: Bandit Signs]

This is a 4 bedroom, 3.5 bathroom, 2500sf house that was built in 2006.

**The Numbers**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price</td>
<td>$100,000</td>
</tr>
<tr>
<td>Settlement Fees</td>
<td>$2,159 (title policy, closing fee, insurance, loan fee)</td>
</tr>
<tr>
<td>Estimated Repairs</td>
<td>$4,000 (estimated 6,500, that will be if we have to replace carpet)</td>
</tr>
<tr>
<td>Resale Price</td>
<td>$170,000 (might have to go down to $160k quickly)</td>
</tr>
<tr>
<td>Estimated Profit</td>
<td>$63,841 minus holding costs and selling costs and likely reduction in sales price</td>
</tr>
</tbody>
</table>

**Scope of Work**

**Exterior**

- Power wash the exterior where necessary
- Paint back wall of house where stained
• Paint front door
• Install new brushed nickel door hardware and kick plate
• Install new full-lite back door with silver doorknob and deadbolt
• Clean windows inside and out
• Clean columns at front of house
• Replace the outlet cover on the front porch with matching
• Install new doorbell
• Add dirt around slab where needed and red mulch in the front
• Water grass and plants when possible
• Haul off construction debris and trash

Interior

• Remove damaged blinds from the breakfast room
• Patch all cracks and imperfections in walls and ceilings. Match texture
• Install correct light bulbs in bathroom and where needed throughout (including kitchen fluorescent lights)
• Make sure all switch and plug plates match throughout the house. Replace broken/painted ones
• Check attic for debris and any open wire junction boxes or just anything that would not pass inspection
• Install new ceiling fans (matching oil rubbed-bronze) in living room (w/down rod) and upstairs den
• Replace light fixture at top of stairs with a flush mount oil-rubbed bronze fixture
• Re-caulk around toilets and where necessary
• Spray garage to remove pet odor
• Prep interior for professional painting (remove all nails and things attached to walls and neatly caulk and sand) Paint interior - All Walls and All Trim and Ceilings only where necessary
• Install vent cover where missing for downstairs half bath
• Clean return air vent and opening and install new air filter
• Install door stops, smoke detectors where necessary

Paint Colors

Front Door: Red Bay SW 6321 SEMI-GLOSS
Interior Walls: Realist Beige SW 6078 FLAT
Interior Trim: Extra White SW 7006 SEMI-GLOSS

View the before pictures online here.

Closing On Historic House Should Happen Any Day Now

Last Friday, the seller for this house that we have been trying to close, called me and was pretty upset. He mentioned that his attorney had found the release of lien we had been trying to get from Chase. It was apparently already recorded at the courthouse. I was floored as well and was wondering why the title company did not find it. It turns out that the recorded doc was not associated with the house.

The seller had a right to be angry as he had spent no less than a total of 15 hours on the phone trying to get the release. Well, now we are having trouble with Chase getting the payoff, but that should not be too bad. Hopefully we will have this thing closed by tomorrow or early next week. Geez.

Free Lead Manager Web Application Has Been Released!

This thing is AWESOME! Check it out online here.

Gathered Some Probate Leads

Was at the courthouse last week and gathered some leads for another probate mailing.

Hidden Iron House Inspected

The inspection for the Hidden Iron house was completed and went well. Mainly minor things like the kitchen faucet leaking, some damaged shingles need replacing, etc. These things will be fixed within the next couple days and we will continue to be on track for our scheduled closing date and our PAYDAY. The numbers should look pretty good on this one and I will share those once we close.

Marketing

Total Leads This Week: 15
1. **Bandit Signs** - [Leads This Week: 0]
   
   Took a break from these as the city has called me. I'll probably put some more out in a couple weeks.

2. **Yellow Pages** - [Leads This Week: 5]

3. **Buying Website** - [Leads This Week: 8]

4. **Drive For Dollars** - [Leads This Week: 2]
   
   Mailed about 50 out at the beginning of the last week.

5. **MLS** - [Leads This Week: 0]
   
   Did not look at any listed properties this week.

6. **Wholesale Deals** - [Leads This Week: 0]
   
   No wholesales sent to me this week.

7. **Referral** - [Leads This Week: 0]
   
   Nothing

8. **Probates** - [Leads This Week: 0]
   
   Should be able to do a mailing this coming week.

**Leads Analyzed**

1. **Unrealistic. Wants more than the crap house is worth.**
   
   [Source: Website]

   Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a bad neighborhood.

   Here are the numbers:
   
   Asking Price: $Make Offer
   
   Amount Owed: $0
   
   Repairs: $10k (based on conversation - unconfirmed)
   
   After Repaired Value: $55,000

147
Max Offer: $30,000 - repairs

Seller inherited the house from his dad and the dad had a crew working to fix it up. The son has the job of making sure the work is done right and the crew is working but is having a tough time. Tough time with contractors, imagine that. :)

There is an inherent clash between investor and contractor whereby the investors want the best work at the cheapest possible cost and the contractor wants the work done to a decent standard (some want perfection) for the highest possible cost. Which is understandable. Each side is right. This obviously can lead to a lot of problems. It's always a balancing act keeping everyone happy and chugging along (hopefully not chugging beer all day - as has happened before with a foundation crew - not good!).

The seller mainly didn't want to deal with the hassles of the property and I think he did not really care for the area. I passed this one on to a wholesaler friend of mine because the guy did not seem terribly motivated. The title for this lead was his response to me about it. Next.

2. Moving Out of State
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 1 bath, 1200 sf house in a so-so neighborhood.

Here are the numbers:
- Asking Price: $74,000
- Amount Owed: $39,000
- Repairs: $15k (guesstimate based on conversation - unconfirmed)
- After Repaired Value: $85,000
- Max Offer: $55,000 - repairs

Seller is moving out of state and needs to sell this house. She has it listed with a Realtor but the listing is going to expire soon. The house was put under contract, but the buyer backed out when the inspection came back
with a mention that the foundation (pier and beam) needs work. The seller got an estimate for a couple grand for the foundation but does not want to spend the money on the house (may not have the money). This is a house that was built in 1920 and does not have central air conditioning. The repairs consist of fixing the foundation and associated damage from that and adding central air and doing updating (saw pictures from the MLS listing). Told her I would need to be in the 40's and she was not at all interested. I will follow up though.

3. **Divorce But Owes Too Much**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1200 sf house in a decent neighborhood.

Here are the numbers:
- **Asking Price:** $125,000
- **Amount Owed:** $125,000
- **Repairs:** $none (house 3 years old)
- **After Repaired Value:** $100,000
- **Max Offer:** $65,000

Seller is divorcing and cannot afford the house on one income. They bought in an area that has had a big drop in home values and are now upside down. This might be a good candidate for a short sale. Anyone interested?

4. **Has Two Houses, Only Wants One**  
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 1 bath, 1500 sf house in a decent neighborhood.

Here are the numbers:
- **Asking Price:** $Make Offer
- **Amount Owed:** $0
- **Repairs:** $15k
- **After Repaired Value:** $65,000
Max Offer: $35,000 - $15,000 = $20,000

Seller has two houses and does not want this one. The problem with this house is it is on the access road to a major highway, albeit the highway is raised. I need to get this one cheap enough to be enticing to a landlord. The house needs about 15k in work to be rent-able or saleable on owner finance. I offered the $20k and he seemed really deflated. He will most likely get estimates from other investors. We'll see if he decided to go with me or not. I won't be waiting around though.

5. **Buyers Remorse?**  
   [Source: Yellow Pages]

   Homeowner wants to sell a 3 bedroom, 2 bath, house on a busy street.

   Here are the numbers:
   
   Asking Price: Least Will Take $42k  
   Amount Owed: $25,000  
   Repairs: $?  
   After Repaired Value: $?  
   Max Offer: $?

   Seller bought this house 3 months ago! He now does not want it. I'm sure there is something he is not telling me, but honestly, I don't care as I am not interested in this house. I sent this one to another investor to try and make a deal of it.

6. **Fire Damaged and Vacant for 3 Years**  
   [Source: Drive For Dollars Letter]

   Homeowner wants to sell a 3 bedroom, 2 bath, 2000 sf house in a good neighborhood.

   Here are the numbers:
   
   Asking Price: $Make Offer  
   Amount Owed: $? (Still waiting to find out)  
   Repairs: $quite a bit (unconfirmed)  
   After Repaired Value: $135,000
Max Offer: $85,000 - repairs

Seller called from my letter to them. We found the house by driving for dollars. This is a super motivated seller. The mother-in-law passed away and the house has fire damage. The city also has a case against the house for not keeping it clean and secure. I have to go by and try to get in, as the sellers live out of town. This one might take a little while to work, but I am going to see if I can make it happen. I will keep you all informed on this one. Should be some good pictures after I go by there.

7. **Mother Going Into Assisted Living**
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house in a good neighborhood.

   Here are the numbers:
   - Asking Price: $Make Offer
   - Amount Owed: $0
   - Repairs: $12,000
   - After Repaired Value: $90,000 (maybe a little more)
   - Max Offer: $46,000

   Mother of caller is going to assisted living and needs to sell the house. They have a lot of cats and a dog in the house and it has a definite smell. The house is in good shape except that the bath and kitchen needs updating. I went by and made an offer of $45k as I was conservative with my ARV and I knew that others were making offers. After making the offer, I made it a point to just chat with them for a while to make sure that I had good rapport with them to help nudge them in taking my offer, even if it is a little less than one of the others. Will have to follow up and see what they decide to do.

8. **Moving And Want To Buy Another House**
   [Source: Yellow Pages]

   Homeowner wants to sell a 3 bedroom, 2.5 bath, 1800 sf house in a good neighborhood.
Here are the numbers:

- Asking Price: $Make Offer
- Amount Owed: $25,000
- Repairs: $12,000
- After Repaired Value: $100,000
- Max Offer: $48,000

This one is down the street from the ghost house. Seller wants to buy another house but needs to sell this one first and does not want to wait. She knows the market is very slow right now and just wants to get going. There is equity and some motivation so I went to see the house and make an offer.

One of the neighbors is super junky and will definitely make it hard to sell this house. Because of this I decided to offer even less than normal because I would want to wholesale this one to avoid sitting on the house forever. Not to mention the possibility of the house getting vandalized while vacant. I ended up offering $40k and made a point to let them know that the reason is the neighbor. They then confirmed that they do not work and party all the time. Nice. Our taxes at work. I informed the homeowner to contact code compliance (yard is trashed).

I will follow up with this one. They will probably get a higher offer from another investor if they call enough of them. If they don't, I'll have a chance at it and will follow up to see.

9. **Parents Are Going To Assisted Living Part Deux**
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 1200 sf house in a so-so neighborhood.

Here are the numbers:

- Asking Price: $Make Offer
- Amount Owed: $0
- Repairs: $quite a bit (unconfirmed)
- After Repaired Value: $65,000
- Max Offer: $35 - repairs
Caller's parents' house and they are going into assisted living and need to sell the house (sounds familiar). This house was built in 1926 and does not have central air. I want to be able to buy this cheap enough to either wholesale or sell with owner financing. This is the one I mentioned at the beginning of this post about no one showing up to meet me.

10. **Moving and Needs To Sell**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a not-so-good neighborhood.

Here are the numbers:

- Asking Price: $Make Offer
- Amount Owed: $0
- Repairs: $quite a bit (leveling, cosmetics - unconfirmed)
- After Repaired Value: $70,000
- Max Offer: $40 - repairs

Seller simply wants to move and not deal with the hassles of selling a house in this market. The house needs a lot of repairs and is in an area that is mostly rentals and owner financed houses. I went to meet the seller at the house and a strange guy was waiting out front. When I got out of my car and introduced myself, he started acting funny and asking what this was all about. He must have taken a bath in cheap cologne too, because I could barely breathe and could still smell it on my hand hours after shaking his hand. He informed me that the house is his son's and he is not selling it.

It was obvious the dad was not interested and I was not going to waste my time. The mom was the one that had called me, so I called her. She did not pick up, but did call back 2 minutes later with a blocked phone number. She mentioned the house is the son's and that the dad lives there and needs to move because the son wants to move to Louisiana. When asked, she said the dad was on title and when I mentioned that the deal could not be done without his signature, she changed the story and said he wasn't. I told her to get it all straightened out and to call me when I could actually see the house. Don't know that I would go back anyway as she didn't bother to tell me she was going to be a no-show at the house.
this morning. Some people! I could not imagine making an appointment and then not showing or calling OR apologizing when called. (So this has happened twice this week - at least at the one this morning, there wasn't a stinky, cologne-drenched weirdo.)

11. Parents' House - Son Wants To See How Much
[Source: Driving For Dollars Letter]

Son of homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $Make Offer
Amount Owed: $0
Repairs: $quite a bit (unconfirmed)
After Repaired Value: $85,000
Max Offer: $55 - repairs

Caller's parents' house needs a lot of repairs and they cannot afford to fix it. Son feels that they need to sell and move. He wants to see how much they can get so that he can approach his parents. They don't know he is doing this. I researched it and gave him a ball park of in the $40's based on what he had told me. I will follow up on this one to see what is happening.

12. Needs To Sell - House In Bad Condition
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $73,000
Amount Owed: $Low 20's
Repairs: $quite a bit (unconfirmed)
After Repaired Value: $105,000
Max Offer: $68 - repairs
Seller wants to sell her house so that she can move, but is afraid it won't sell in its present condition. She also wants to avoid having to wait for a qualified buyer if she somehow manages to find a way to repair the house. I am scheduled to see this one on Friday.

13. Military Relocation
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2200 sf manufactured home south of town.

Here are the numbers:
Asking Price: $105,000
Amount Owed: $94,000
Repairs: $Minor (unconfirmed)
After Repaired Value: $90,000
Max Offer: $55 - repairs

Seller is relocating and needs to sell his house south of town. Too much is owed and it is further out than I want to buy. No thanks.

14. Father Fell Ill and Going To Assisted Living
[Source: Website]

Son of homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $Make Offer
Amount Owed: $0
Repairs: $minor (unconfirmed)
After Repaired Value: $70,000
Max Offer: $40k - repairs

Caller's father's house and he has fallen ill lately and, after recovering, wants to move to an assisted living facility. I think that is 3 times this week. Maybe I should look into assisted living facilities for investments. They did not have an idea of what they wanted and the area has really
only had investment property sell in the last year. I don't like the area and just gave them a ball park of in the 30's that would allow me to wholesale if bought. Much too low for them, but I will follow up.

15. Inherited House
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $45,000
Amount Owed: $0
Repairs: $minor (unconfirmed)
After Repaired Value: $75,000
Max Offer: $45k - repairs

Seller inherited the house and does not need it. He had talked to a Realtor and was given higher numbers for listing than what I had determined from my own research (very minimal). The house is on a half acre lot and sitting on one side which might be good for splitting. The area is not one I am interested in so I birddogged this one.

Summary

Leads increased again this week from the low last week. Last Friday, one slipped through my hands as I waited two hours too late to call and the people I was in touch with informed the decision maker of the wrong number. Another investor ended up with it. Getting really close on some this week and feel like we should have a couple more under contract soon.

Plans For Next Week

- Get More Probate Leads
- Call Follow Ups [You can setup automatic follow up reminders using my house flipping software at REIMobile.com]
- Check on Def Leppard Rehab
- Fix Items From Hidden Iron Inspection
The Fifteenth Week

These are the things I did this week:

Def Leppard House Is Being Rehabbed

The rehab on the Def Leppard House is being wrapped up and should be finished next week.

Closed On The Historic House FINALLY!

We finally closed on the historic house that I intend to wholesale. I had decided to wait until after closing to push out this deal because the attorney for the seller lives across the street and I did not want any problems with the deal. After I find a buyer and close (hopefully quickly), I will share all of the details. Thanks for understanding.

Gathered Some More Probate Leads

Was at the courthouse last week and gathered some leads for another probate mailing. Sent out first batch for envelope addressing and stuffing. Should be able to mail those out early next week.

Hidden Iron House Inspection Repairs In Progress

The inspection for the Hidden Iron house was completed and some small repairs were required (bath GFCI not working, kitchen needed a GFCI, some roof shingles needed replacing from rubbing branches, 2 garage door panels needed replacing, garbage disposal was leaking). Not bad. Appraisal is complete. Should be done any day now and we will just be waiting on the survey and closing.

Looked At a Death House

Went to look at a house lead from last week where there was a fire in the house. The house has been vacant for more than 2 years. The seller lives out of town and doesn’t visit the house often (if at all). Code compliance is getting onto them about the house (neighbor directly behind it is trying to sell her house and is complaining). Yard is overgrown and there is a lot of trash in the house. It looks
like it had been ransacked. Stuff everywhere.

The seller informed me that his mother-in-law passed away in the house due to smoke inhalation. I was expecting major fire damage to this house and was surprised to not see any from the exterior. We (thanks Burke and Brandon, for visiting this house with me) went in through the back glass door which was unlocked. The house did not appear to have fire damage. After practically wading through the trash and around the large mattresses on the living room floor, we entered the kitchen.

The kitchen had signs of a grease fire that burned the upper cabinets and had very minor smoke damage above. We could not figure out how someone could have died from this fire. The neighbor was outside and we went to see what they knew. The neighbor informed us that the mother-in-law had emphysema and inhaled too much smoke while putting out the fire. Sad. She also informed us that her nephew had passed away from a drug overdose several months prior to the fire incident. I don't know if that occurred in this house or not.

There was a notice posted from a bank on the window and I now I need to find out if they already had lost the house and did not even know. The seller did mention that he thought there was a lien on the house. I'm sure he was not making payments if he wasn't sure about this. Now, its been vacant for several years, so I am confident that the bank probably did take the house already. It is strange that the county tax rolls still show the mother-in-law as the owner though.

I'm going to make contact with the seller again tomorrow and see if we can't get this all figured out. Will definitely need to buy this one super cheap! Wholesale style.

Marketing

Total Leads This Week: 21 :)

1. Bandit Signs - [Leads This Week: 1]

   Must have written down the number from previous bandit sign postings or just found a lucky surviving sign. If you are flipping houses, you must try bandit signs.
2. **Yellow Pages** - [*Leads This Week: 3*]
3. **Buying Website** - [*Leads This Week: 14*]
4. **Drive For Dollars** - [*Leads This Week: 1*]

   Mailed about 50 out 2 weeks ago.

5. **MLS** - [*Leads This Week: 0*]

   Did not look at any listed properties this week.

6. **Wholesale Deals** - [*Leads This Week: 1*]

   I think there was another but was not doable.

7. **Referral** - [*Leads This Week: 0*]

   Nothing

8. **Probates** - [*Leads This Week: 0*]

   Should be able to do a mailing this coming week.

9. **FSBO** - [*Leads This Week: 1*]

   Saw this one while out looking at a different lead.

**Leads Analyzed**

1. **Husband Doesn't Want to Repair**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house in a good neighborhood.

   Here are the numbers:
   
   - Asking Price: $Make Offer
   - Amount Owed: $80,000
   - Repairs: $10k (based on conversation - unconfirmed)
   - After Repaired Value: $115,000
   - Max Offer: $75,000 - repairs
They want to sell, but the husband does not want to have to do the cosmetic repairs they feel are necessary. The husband had just helped fix up their parents' house and he is sick of doing repairs. That's what I'm told anyway. Even if there is more hidden motivation, they just owe a little too much. Just in case some sort of deal could be worked out, I told them that if I could do it, my offer would likely be what they owe. That's not what they wanted to hear. Next.

2. **Husband Job Transfer**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 800 sf house in a bad neighborhood.

Here are the numbers:  
- **Asking Price:** $45,000  
- **Amount Owed:** $35,000  
- **Repairs:** $? (unconfirmed)  
- **After Repaired Value:** $50,000  
- **Max Offer:** $25,000 - repairs

Too much is owed and there is a lot for sale in the immediate area. Next.

3. **Tenants With A Good Deal**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1900 sf house in a good neighborhood.

Here are the numbers:  
- **Asking Price:** $90,000  
- **Amount Owed:** $87,000  
- **Repairs:** none (unconfirmed)  
- **After Repaired Value:** $120,000  
- **Max Offer:** $78,000 - repairs

Seller lives out of town and has tenants in the house. They have this house rented at $700/mo and it should really be hiked up to at least $900/mo or
more. Seller says it does not need repairs. A little too much is owed.

4. Inherited Large, Very Outdated House  
[Source: Website]

Homeowner wants to sell a 5 bedroom, 4.5 bath, 4500 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: Make an Offer
- Amount Owed: Nothing
- Repairs: $80,000 (at least)
- After Repaired Value: $420,000
- Max Offer: $196,000

I knew what the house would be like as soon as they told me the size and the neighborhood. This neighborhood is full of these houses that were built in the 60's and they all still have the same style. It's like some weird sort of time warp. Nobody ever updates their houses. These things are huge too, so it will cost a small fortune to update them. The sellers all tend to have super inflated ideas of their value because the houses seem liveable and clean. But, man are they OUTDATED. Have you ever been to Graceland? If so, you've been to one of these houses.

They inherited the house and have been trying to sell it through a Realtor. The Realtor has it priced as if it were completely updated and only has one picture in the MLS. I made them an offer of $195k and they are not interested. I've passed this on to another investor that said he would pay more and hopefully they can strike up a deal so that I can get a referral fee. I did not save this one for a follow up (even though I still will) and passed it on because I am sure they will find another investor willing to pay more than me. Might as well make a referral fee out of the deal.

5. Sister Passed Away  
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $0
Repairs: $8,000
After Repaired Value: $75,000
Max Offer: $40,000

They inherited this house from their sister that passed away very recently. The house is in good shape but needs some updating. The area is not the best, but the street is pretty nice. I made an offer of $35,000 after seeing the house. They didn't flinch, but said they would think about it. They called a couple hours later and said that is was just way too far below what they wanted, though they wouldn't tell me what they wanted. There seemed to be some motivation that was being suppressed. I will call them back after a couple days.

6. Strange and Frantic Seller
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 2000 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $130,000
Amount Owed: $125,000
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $130,000
Max Offer: $84,500 - repairs

Seller seemed really high strung and frantic. Probably just really nervous. She just owes too much on the house and I'm afraid I could not help.

7. Mother Relocating Out of State
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 1 bath, 700 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $20,000
Amount Owed: $0
Repairs: $? (unconfirmed)
After Repaired Value: $45,000
Max Offer: $?

Caller's mother is moving out of state and wants to sell the house. The area the house is in is pretty rough and I don't want it. This was passed on to another investor. I'm confident they can make it work because the seller started out with a reasonable asking price.

8. Parents Passed Away
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $50,000
Amount Owed: $0
Repairs: $15,000 (unconfirmed - did not see inside)
After Repaired Value: $79,000
Max Offer: $30,000

Seller lives 45 minutes from the house and wants to sell because he and his brother inherited the house. They had it rented for a couple of years. The house is in rough shape. We went to meet him at the house on Saturday. It was short notice and he had to drive 45 minutes. We had to wait for about 30 minutes outside the house. He finally arrived and it turns out that he forgot to bring the keys. Darn it. Oh well. I figured the numbers based on what I could see through the windows. There are some competitors making offers as well and I will try to find out what they offered and then call another investor to see if he is interested at a price higher than the highest offer. I just don't want this one.

9. House Outside of Town
[Source: Website]
Homeowner wants to sell a house in an area that my father buys in. So I passed the lead on to him. Interestingly enough, the seller used to work as a painter for my dad. Strange that he contacted me instead of him. Oh well. Next.

10. **Lives In Houston, Doesn’t Want Tenants**  
    [Source: Website]

    Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house in a decent neighborhood.

    Here are the numbers:
    - Asking Price: $87,000
    - Amount Owed: $86,000
    - Repairs: $cosmetic (unconfirmed)
    - After Repaired Value: $100,000
    - Max Offer: $65,000 - Repairs

    Seller lives in Houston and is selling other houses they own. They owe too much on this one. Next.

11. **Moving To Japan**  
    [Source: Website]

    Homeowner wants to sell a 4 bedroom, 3.5 bath, house in a decent neighborhood.

    Here are the numbers:
    - Asking Price: $160,000
    - Amount Owed: $160,000
    - Repairs: $none (unconfirmed)
    - After Repaired Value: $180,000
    - Max Offer: $120,000 - Repairs

    Seller is moving to Japan and needs to sell. Owes far too much. I mentioned that I would probably have to buy around $120k and she, of course, said no way. On to the next one.
12. **No Longer Wishes To Deal With Renters**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1.5 bath, 1200 sf house in a bad neighborhood.

Here are the numbers:
- **Asking Price:** $50,000 (Least will take $42k)
- **Amount Owed:** $0
- **Repairs:** $quite a bit (unconfirmed)
- **After Repaired Value:** $45,000
- **Max Offer:** $20,000 - Repairs

Tenants moving out Thursday and the place is trashed. The area is really bad. Even the Google map picture looks horrible. Not interested. Next.

13. **House in Floresville (kinda far)**  
[Source: Website]

Homeowner wants to sell a 5 bedroom, 2 bath, 2000 sf house in a small town about 45+ minutes away.

Here are the numbers:
- **Asking Price:** $35,000
- **Amount Owed:** $0
- **Repairs:** $quite a bit (unconfirmed)
- **After Repaired Value:** $???
- **Max Offer:** $???

Inherited the house and does not want it. Neither do I. They seem pretty motivated and are negotiable on the price. If you buy in Floresville, please contact me (Danny at [this website]).

14. **Sub2 Possibility... For Another Investor**  
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3.5 bath, 2300 sf house in a good neighborhood.
Here are the numbers:

- Asking Price: $128,000
- Amount Owed: $128,000
- Repairs: $none (unconfirmed)
- After Repaired Value: $130,000
- Max Offer: $85,000

Facing foreclosure and is OK with someone taking over the payments. I don’t want to because there is no equity. This was passed on to a sub2 investor that will try to make it work.

15. **Move House By Lake**  
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a lake side community. This is a frame house on pier and beam that the owner wants moved. Too far and I am just not interested. If you might be, let me know and I'll pass on the lead. It is near Lake Medina.

16. **Foreclosure Competition**  
   [Source: Wholesale]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a so-so neighborhood.

Here are the numbers:

- Asking Price: $50,000
- Amount Owed: $?
- Repairs: $15k (unconfirmed)
- After Repaired Value: $90,000
- Max Offer: $43,000

Another investor sent this over and the estimate for the ARV was off by about $15k. This was easy to do, as there is a real mix in the neighborhood. There are a lot of foreclosures to compete with and my ARV of $90k is certainly conservative. I am confident that it would not sell for more than that. I have not seen the house and will not unless I am told that I can get it for around what I need to get it for.
17. Facing Foreclosure
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 2 bath, 1000 sf townhouse in a so-so neighborhood.

Here are the numbers:
Asking Price: $35,000
Amount Owed: $34,000
Repairs: $? (unconfirmed)
After Repaired Value: $40,000
Max Offer: $10,000

Facing foreclosure next month and wants to avoid it. Simply owe too much. I wish I could help, but I can't. Next.

18. Tagged and Boarded Up
[Source: FSBO]

Homeowner wants to sell a 3 bedroom, 1 bath, 1000 sf townhouse in a so-so neighborhood.

Here are the numbers:
Asking Price: $45,000
Amount Owed: $?
Repairs: $? (unconfirmed)
After Repaired Value: $75,000
Max Offer: $45,000-Repairs

I saw this one while driving over to look at one of the previous leads. The house is boarded up and tagged with graffiti. There was a For Sale By Owner sign in the front yard, so I called the seller. It turns out I had received a call about a year ago about this house (found when entering the information for the lead into my lead manager). He still wants a little much for this property but is close enough for another investor I know, so I passed the lead on to him.

19. Tenant Townhouse
Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf townhouse in a so-so neighborhood.

Here are the numbers:
- Asking Price: $45,000
- Amount Owed: $38,000
- Repairs: $minor (unconfirmed)
- After Repaired Value: $55,000
- Max Offer: $30,000-Repairs

Too much is owed. Next.

20. **Tenant For 30 Years**

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf townhouse in a so-so neighborhood.

Here are the numbers:
- Asking Price: $Make Offer
- Amount Owed: $?
- Repairs: $? (unconfirmed)
- After Repaired Value: $70,000
- Max Offer: $40,000-Repairs

Seller called and mentioned that she has had the same tenant in the house for 30 years. She wants to sell, but doesn’t have the heart to kick the tenant out. There are a lot of people that worry about this and there are also a lot of landlords that are afraid of their tenants (though this is not the case here). I am working up a ballpark figure for her today to see if she wants to move forward. Obviously, a big selling point will be that she will not have to do anything with the tenant.

After researching for a minute, it turns out this is the junky house next to a wholesale deal I looked at a couple of weeks ago. This house needs A LOT of repairs and so she really needs to be excited about the ballpark for
me to want to go and look because I know I will need to come off of that number by quite a bit to cover the repair costs. Called. She is not interested. Glad I did not waste any more time. Next.

21. **Moving To Help Take Care of Parents**  
    [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a so-so neighborhood.

Here are the numbers:

- **Asking Price:** $50,000
- **Amount Owed:** $22,000
- **Repairs:** $? (unconfirmed)
- **After Repaired Value:** $80,000
- **Max Offer:** $52,000-Repairs

Sellers want to move to take care of their parents. They don't owe a lot and I've scheduled to see the house on the morrow. Why wait a fortnight? We'll see what happens.

**Summary**

Leads increased again this week from the low two weeks ago. Will be pushing the historic wholesale big time over the next week to other investors. If I don't get any solid bites quickly, I will attempt to sell to someone looking to live in it and fix it up (it is liveable). I did call follow ups that I had from previous weeks, but nothing had changed... yet.

**Plans For Next Week**

- Get More Probate Leads
- Call Follow Ups
- Finish and start staging Def Leppard Rehab
- Push Historic Wholesale
The Sixteenth Week

These are the things I did this week:

Def Leppard House Rehab Still In Progress

The rehab on the Def Leppard House is being wrapped up and should be finished next week. It's taking a little while longer as we've had problems with the stupid Home Owner's Association hall monitor guy. My contractor painted the front door a nice deep red to make it stand out and the hall monitor (what I call the guy from the HOA) got his panties all in a bunch. It appears that the color needs to be approved before we could paint it. You should have seen it before. It was so ugly that I am now assuming the previous owner was trying to get back at the HOA!

I've put in a call to the hall monitor and he has not returned it. If he doesn't today, I am giving the go ahead to give it a second coat and put on the new hardware. I can't wait around for this guy to come by and bless everything. Gotta love flipping houses.

Historic House Wholesale Is Under Contract...To Be Sold!

I am very excited to say that a couple days after closing, I was able to sell the historic house to the first person I called. That was quick. Maybe I should just wholesale from now on...nah...there's too much to be made with rehabs. I will certainly share the details after all is closed and the check is in my hand. Sorry to keep you waiting...

Probate Letters Are Ready For Mailing

Probate letters were stuffed into envelopes and hand addressed. Just need to stick them in the mail. I hesitate to put too many letters into the mail all at one time because part of me feels there is temptation for the mailman to think it is junk and throw some away. I don't know where that fear came from, but it's there.

Hidden Iron House Closing Ran Into Snags
I should have known things were going too smoothly for the Hidden Iron house closing. We ran into a problem with the FHA loan the buyer is getting. Being that we have not owned the house for more than 90 days, they needed to make sure that we were not making more than 20% profit. This drives me freaking nuts.

Of course, we are making more than that and so have to work on getting the contract rewritten to show that it was contracted after 91 days and have to get a second appraisal to make sure we are not ripping anybody off. This is just plain ridiculous. Just more hoops to jump through. We've had this happen many times in the past and it has never killed a deal, so we are not really worried about it. It's just the hassles.

**Got The Frustration House Under Contract (and then Frustrated Again)**

The house from the other week where I talked about having the frustrating morning with the seller that didn't show up for the first appointment and then met with a different seller that had called back in January. We had sat down to sign the contract and he told me he should have waited to call me (even though he waited 6 months already). Well after questions from him every couple of days (even calling one evening at 8:30), he finally called to see when I could come by to get the contract. This time, I made sure that his wife had already signed before heading over.

The visit was pleasant and all went well. Receipted the contract this morning. Then....the dreaded call this afternoon where he was saying he wanted to net more money. I told him it was pointless to talk about net as we weren't sure of what it would be exactly until the numbers were worked out. Trust me, I tried to be as polite as possible and I hope the true level of aggravation and frustration I was feeling didn't show through.

This sort of situation needs to be nipped in the bud as soon as it shows up. If I were to give in and give him more concessions, after we've signed the contract even, he would just keep asking for more. I am keeping my word and closing the deal at the agreed upon terms and I expect him to do the same. Period.

**Marketing**

*Total Leads This Week: 7 :(*

1. **Bandit Signs** - *[Leads This Week: 0]*
No bandit signs put out for about a month. Will do more soon.

2. **Yellow Pages** - *[Leads This Week: 0]*
3. **Buying Website** - *[Leads This Week: 7]*
4. **Drive For Dollars** - *[Leads This Week: 0]*

Mailed about 50 out 3 weeks ago.

5. **MLS** - *[Leads This Week: 0]*

Did not look at any listed properties this week.

6. **Wholesale Deals** - *[Leads This Week: 2-3]*

I think there was another but was not doable.

7. **Referral** - *[Leads This Week: 0]*

Nothing

8. **Probates** - *[Leads This Week: 0]*

Mailing out tomorrow.

And A New Feature - Total Leads To Date [221]

This is the total number of leads for each source since I started posting about the leads.

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Total Leads To Date</th>
</tr>
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<tbody>
<tr>
<td>Buying Website:</td>
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<td>Bandit Signs:</td>
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<td>Yellow Pages Ad:</td>
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<td>Driving For Dollars:</td>
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<td>5</td>
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<td>Wholesalers:</td>
<td>4</td>
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</table>
Leads Analyzed

1. **Seller Will Explain**
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2.5 bath, 2000 sf house in a decent neighborhood.

   Here are the numbers:
   - Asking Price: $125,000
   - Amount Owed: $115,000
   - Repairs: $minor (unconfirmed)
   - After Repaired Value: $130,000
   - Max Offer: $85,000 - repairs

   Seller will explain was what was left in the field for reason for selling on the website. They did not pick up the phone when I called them so this is all I have to go on as to why they are selling. They owe too much so I will pass this one on to whoever wants the lead that can do things with low equity deals.

2. **Belongs To Estate**
   [Source: Website]

   Family wants to sell a 2 bedroom, 1 bath, 900 sf house in a not-so-good neighborhood.

   Here are the numbers:
   - Asking Price: $25,000
   - Amount Owed: $0
Repairs: $unknown (unconfirmed)
After Repaired Value: $40,000
Max Offer: $15,000 - repairs

The house was inherited and the family wants to sell. The area is pretty...rough. This is ideal for a landlord so I passed on the lead.

3. **Lost Second Source Of Income**
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $125,000
Amount Owed: $105,000
Repairs: $minor (unconfirmed)
After Repaired Value: $115,000
Max Offer: $75,000 - repairs

Seller lost his second source of income and his main job reduced his hours to where he cannot afford the house. This deal is too thin for me and most houses in the neighborhood that have sold were sold below my ARV (which I thought was conservative). Next.

4. **Tenants Left The House All Tore Up**
   [Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 2200 sf house in a bad neighborhood.

Here are the numbers:
Asking Price: $75,000
Amount Owed: $75,000
Repairs: $a lot (unconfirmed)
After Repaired Value: $90,000
Max Offer: $58,000 - repairs
Seller had tenants in the house. They recently moved out and tore the place up. The neighborhood is of newer houses, but is next to one of the worst neighborhoods in San Antonio. The bad neighborhood is called Sunrise and I recently heard it called Gunrise. Not interested. Next.

5. Moving Out Of State
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 800 sf house in a bad neighborhood.

Here are the numbers:
Asking Price: $40,000
Amount Owed: $0
Repairs: $not much (unconfirmed)
After Repaired Value: $45,000
Max Offer: $20,000 - repairs

Seller wants to move out of state. This neighborhood is pretty rough and really just good for rental or owner financing. I'm sure there are other investors that will pay more than me for this one, so I passed it on in hopes of getting a bird dog fee. Next.

6. Behind On Payments, Moving to Colorado
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $76,000
Amount Owed: $64,000
Repairs: $cosmetics (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

Seller wants to move out to Colorado and is behind on her mortgage payments. Unfortunately, there is just too much owed. This would be a
good short sale for someone interested in the area. I am not. Next.

7. Horrible Property Management
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 1600 sf house in a
decent neighborhood (don't you love my flipping houses neighborhood

Here are the numbers:
- Asking Price: $Make Offer
- Amount Owed: $90,000
- Repairs: $mostly cosmetic (unconfirmed)
- After Repaired Value: $100,000
- Max Offer: $65,000 - repairs

Seller is in the military and has been transferred. She allowed a local
property management company to manage the property and did what
most will do, stuck bad tenants in the house. Several times she's had to
evict people and the house has been trashed every single time. She is sick
and tired of taking leave to come back and dump tons of money into the
house so that the next tenants can tear it up all over again. It just blows
my mind how people can have no respect for other people's property. This
is also why I don't really care for rentals. They look awesome on paper
sometimes, but the reality of bad tenants and headaches can quickly turn
you sour.

This one owes too much for anything to really be done. She is not behind
on payments. I'll just have to move on to the next one.

Summary

Slow week, but it was fourth of July weekend. I'm sure next week will show a
decent increase in leads again. Have probate letters going out. Will try to put out
bandit signs. Will undoubtedly have to push to keep the Frustration House going
to closing (set for two weeks). Will be closing on the expensive house tomorrow.
The sellers needed a temporary lease back while they moved out. We are giving
them until the end of the month. One of the ones that I was going to buy but
could not get them quite low enough is going under contract soon with an
investor I worked out a deal with. Should make 3k on that one for birddogging (actually did a little more in that I had to negotiate with the seller).

Plans For Next Week

- Call Follow Ups
- Mail Letters
- Get Def Leppard House Cleaned and Start Staging
- Try to get Bandit Signs Out
- Line up financing for the Frustration House
The Seventeenth Week

These are the things I did this week:

Got Chewed Out Again From A Letter

You really do need to develop somewhat of a thick skin if you are going into flipping houses or any sort of business. Mostly, I just need it for dealing with contractors and people I send letters to. It just blows my mind how many people get so angry about someone sending them a letter asking them if they would like to sell their house. Do like most normal people and just throw the thing away if you are not interested.

This particular caller did not appreciate that I had sent him a letter and wondered why I targeted him and how I got his information. I politely explained that I got his information from the county tax office. He asked why I had sent the letter to him, when he did not have a sign out front. I mistakenly told him that I must have noticed his house while driving the area and it looked like it needed some repairs. Of course, he did not like this very much. Oops. Oh well, we can’t make everybody happy can we?

Def Leppard House Being Staged and Put On The Market

While rehabbing the Def Leppard House, I decided to try to just have the carpet cleaned instead of replacing it with new. This is a 2500 square foot house and the carpet was filthy. My carpet cleaning guy told me he could get it clean and it would only cost $175. The risk versus reward was good enough to go ahead and try.

After the carpet was cleaned, I went by to check out the job. The carpet was much cleaner but still had a lot of small stains everywhere. This would have been acceptable for a rental but not for a house that will retail around $170,000 (which is above median in San Antonio). Ugh. At least I did not pay much. Had to make a call to my carpet guy and he agreed to remove the old carpet and install new for $1,900. Great price.

This all caused a bit of a delay but we are getting it all wrapped up. The cleaning crew will be cleaning on Friday and my wife went to purchase staging furniture
and other items. We are just starting to stage the houses and my wife and our Realtor have done an incredible job picking out spectacular pieces for the houses. This will be the second one they've staged with furniture. The first was a house that we had already owned before beginning this house flipping follow along blog stuff.

My wife wrote a bonus article about staging. View it online: Staging A House Flip - Lesson Learned

My wife kicks butt, doesn't she!

You can view the 'after' pictures of the Def Leppard House online here.

Historic House Wholesale Is Supposed To Close Tomorrow

The historic house that we are wholesaling is supposed to close on the sell side tomorrow. I will have a complete breakdown of the deal for you next week. Stay tuned...you won't want to miss this.

Mailed Probate Letters

Mailed probate letters last Friday and only received a couple calls and these were just wanting me to remove them from the mailing list. One was none to polite about it. She had left a message and I suppose she was more comfortable leaving a message about how much she thought of me and my business. She then went on to tear apart my letter and to tell me how much of a grammatical disaster it was. Another happy customer. :)

Had Bandit Signs Put Out

Had 40 bandit signs put out over the weekend. Don't know if they've stayed up as I haven't received very many calls. It's already time for me to order more.

Still Working Hidden Iron Closing

Not much to say about this. We have things ironed out and are just waiting to close.

Frustration House Set To Close Next Week

The seller actually called Friday evening while we were having dinner. The phone
went to voice mail because I do not answer the phone at the dinner table, but that didn’t stop me from worrying about what the message was going to be. My immediate thought was that he was going to tell me the deal was off. As soon as we were finished with dinner, I checked my messages. Shocker. He actually had called to apologize about how he acted the other day when he told me he wanted more money, after we had already signed the contract. I guess my handling of it worked and I was successful in nipping that in the bud.

**Marketing**

*Total Motivated Seller Leads This Week: 22 :)*

<table>
<thead>
<tr>
<th>Lead Source</th>
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<tr>
<td>Drive For Dollars</td>
<td>1</td>
<td>Mailed about 50 out last week.</td>
</tr>
<tr>
<td>MLS</td>
<td>0</td>
<td>Did not look at any listed properties this week.</td>
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<tr>
<td>Wholesale Deals</td>
<td>?</td>
<td>There were several that were not worth mentioning.</td>
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<td>Referral</td>
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<tr>
<td>Probates</td>
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**Total Leads To Date [243]**

This is the total number of leads for each source since I started counting the leads in this book.

<table>
<thead>
<tr>
<th>Lead Source</th>
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<tr>
<td>Buying Website:</td>
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<td>Bandit Signs:</td>
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<td>Yellow Pages Ad:</td>
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<td>Driving For Dollars</td>
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<td>REO Realtors:</td>
<td>6</td>
</tr>
<tr>
<td>Absentee Owners:</td>
<td>5</td>
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</tbody>
</table>
Leads Analyzed

1. We Protested The #$%! Out Of The Taxes
   [Source: Website]

   Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a not-so-good neighborhood.

   Here are the numbers:
   Asking Price: $60,000
   Amount Owed: $45,000
   Repairs: $minor (unconfirmed)
   After Repaired Value: $65,000
   Max Offer: $40,000 - repairs

   Seller says they completely remodeled the house but want to move. He went on to inform me that the neighbors all got together and protested the $#%@ out of the taxes. Too funny. Looking at the county tax appraisal district website however doesn't show much in the way of a decrease over the last 5 years. There is one but not more than 3-5k. In our last primary residence, a historic house, the city tried to up the taxes almost 300% in one year. The house did go from looking like the paper street house on Fight Club to a like-new condition. I'm glad those days of fighting so hard to keep the tax value down are over.

   Back to this one. He owes a little too much for my liking and will pass this lead on as a bird dog.

2. Belongs To A Church
Pastor wants to sell a 2 bedroom, 1 bath, ??? sf house in a bad neighborhood.

Here are the numbers:

Asking Price: $Make Offer
Amount Owed: $0
Repairs: $a lot (unconfirmed)
After Repaired Value: $???
Max Offer: $probably in the teens or below

Pastor for a church wants to sell the house behind the church that they own. The house is small and boarded up, in a bad neighborhood. He did not know the exact address so I had to virtually walk through Google maps around the corner from the church address to see it. This neighborhood is not my cup of tea so I passed it on to someone who might appreciate it.

3. Section 8 Tenant Moving Out

Homeowner wants to sell a 3 bedroom, 1 bath, 900 sf house in a not-so-good neighborhood.

Here are the numbers:

Asking Price: $Make Offer
Amount Owed: $0
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $60,000
Max Offer: $30,000 - repairs

Seller has medical problems and is getting rid of some of his rentals. The house was rented section 8 and they are moving out. I asked why the tenants were moving out and he mentioned that they had said they would "stay there forever" but that they ran into family problems with a family member that lives near there. This house will probably fetch more from a landlord so I am passing this one on. Next.
4. **Bought Another House**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $89,000
- Amount Owed: $89,000
- Repairs: $none (unconfirmed)
- After Repaired Value: $100,000
- Max Offer: $65k - repairs

Seller is moving in a couple months to another house she has bought and does not want to wait 6 months for this house to sell through a Realtor. Too much is owed for my liking but this might be a sub2 deal for someone.

5. **Mother's House Is Falling Apart**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1.5 bath, 1200 sf house in a neighborhood outside of the city.

Here are the numbers:
- Asking Price: $Make Offer
- Amount Owed: Nothing
- Repairs: $everything (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $20,000 - repairs

Caller's mom's house and it has been deteriorating since the father passed away years ago. She says it needs a lot of work. This house is probably 45 minutes away from where I live and the houses are very slow to sell there. This would be a good owner finance (sell side) for someone. I will try to find that someone because I am not personally interested.

She wanted to know at least a ball park figure to have something to go on
so that they can make a decision whether to sell or not. I told them most likely low teens but would need to verify repairs needed.

6. Doesn't Want Anymore - Too Many Repairs
[Source: Website]

Homeowner wants to sell a 4 bedroom, 1 bath, 1500 sf house in a really bad neighborhood.

Here are the numbers:
- Asking Price: $15,000
- Amount Owed: $1,500 taxes
- Repairs: $quite a bit (unconfirmed)
- After Repaired Value: $???
- Max Offer: $cheap

House needs too many repairs and they want to get rid of it. This area is not for me but I passed it on to someone that buys in the area being that their asking price was reasonable and negotiable. Should be able to get bird dog fee for this one.

7. Does Not Want To Make Another Payment
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $52,000
- Amount Owed: $43,000
- Repairs: $some (unconfirmed)
- After Repaired Value: $80,000
- Max Offer: $Can't Offer

She called from a letter we sent and mentioned that another investor had made an offer and she wanted to get another offer. I went through all of my typical questions and talked about everything the house had. Then, I asked about the other investor's offer. She promptly told me what his offer
was and I was immediately thinking that it was a good, high offer and I likely could not beat it. I asked if he was wanting to sign a contract to which she replied that she did sign something. She then read the top of the "thing" she signed and it was a standard contract. She didn't even know she was under contract to sell the house. Now, I don't know if the investor is to blame for not explaining things clearly or if she was just not all there. Either way, I had to inform her that she already had the house sold and it was just a matter of it closing. Next.

8. **Does Not Want The Extra Headache**
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 900 sf house in a so-so neighborhood.

Here are the numbers:
- **Asking Price:** $33,000
- **Amount Owed:** $0
- **Repairs:** $good amount (unconfirmed)
- **After Repaired Value:** $60,000
- **Max Offer:** $35,000 - repairs

The seller has a house that has been vacant for a while. I was asking why he wanted to sell and he just mentioned that he doesn't need it and doesn't want the extra headache. He is a real estate broker and it is strange to me that he is trying to sell to an investor. I'm not interested in this area but I know someone that is, so I sent the lead to him. Next.

9. **Needs Cash Not Tenants**
   [Source: Yellow Pages]

Homeowner wants to sell a duplex with 1/1 and 1/1 and two efficiency units in a decent neighborhood.

Here are the numbers:
- **Asking Price:** $Make Offer
- **Amount Owed:** $53,000
- **Repairs:** $exterior only (unconfirmed)
- **After Repaired Value:** $???
Max Offer: $???

Seller called with the rental property. All units are occupied but share utilities. I'm not interested in rentals and she owes more than I would consider for such a property anyway. I'm more interested in flipping houses. Passed on to someone that might be interested. Next.

10. **Behind 12 Months**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 2800 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $163,000
- Amount Owed: $163,000 taxes
- Repairs: $minor (unconfirmed)
- After Repaired Value: $125,000
- Max Offer: $80,000 - repairs

Seller needs to sell this house because he is behind on payments, by a year. This house is from a previous marriage and he has since moved on. This is an area that has been hit hard with price drops caused by competition with foreclosures. This would be a perfect candidate for a short sale. If you work short sales in San Antonio, please contact me. Danny at flipping junkie.

11. **Financial Problems And Needs To Sell**  
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3.5 bath, 3000 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $225,000
- Amount Owed: $195,000 taxes
- Repairs: $some (unconfirmed)
- After Repaired Value: $220,000
Max Offer: $143,000

Seller wants to sell in a good area, but houses are just not selling there. My ARV is conservative and I would not want to pay more than MAO on this one. The house would likely sit for a long time unless I reduced it below my ARV to help move it. Not going to mess with it because of how much is owed. May be another short sale candidate. I thought possibly sub2, but the seller is not interested in that at the moment. He said he'd call if he couldn't do anything with it.

12. **Need To Relocate Closer To Church**
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 1.5 bath, 1350 sf house in a bad neighborhood.

Here are the numbers:
- Asking Price: $74,000
- Amount Owed: $64,000 taxes
- Repairs: $minor (unconfirmed)
- After Repaired Value: $60,000
- Max Offer: $35,000 - repairs

This house is in a rough area and they owe more than what I could possibly buy, or even sell it for. Sometimes people give strange reasons for selling when, in reality, I think they just want to get out of a bad area. Can't blame them. Next.

13. **Manufactured Home**
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf manufactured home.

Here are the numbers:
- Asking Price: $41,000
- Amount Owed: $41,000
- Repairs: $cosmetic (unconfirmed)
- After Repaired Value: $???
I do not buy manufactured homes for house flipping, unless I can get them dirt cheap. They also need to be on their own land. This one is not. If you might be interested in this let me know.

14. Inherited Property And Need To Sell
   [Source: Bandit Signs]

   Homeowner wants to sell a 3 bedroom, 1.5 bath, 900 sf house in a not-so-good neighborhood.

   Here are the numbers:
   Asking Price: $45,000
   Amount Owed: $0
   Repairs: $says lots (unconfirmed)
   After Repaired Value: $50,000
   Max Offer: $25,000 minus repairs

   They want to sell their parents' house. It was very difficult to find any comparable sales in this area and just ended up being a "gut feel" valuation. This is really a rental or owner finance type property so I am passing the lead on. Next.

15. Good Neighborhood - Owe Too Much
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2 bath, 1464 sf house in a good neighborhood.

   Here are the numbers:
   Asking Price: $135,000 (least will take $125,000)
   Amount Owed: $100,000
   Repairs: $unknown (unconfirmed)
   After Repaired Value: $135,000
   Max Offer: $88,000 minus repairs

   Not sure why they are selling the house because they never did return my
call. They owe too much anyway. Next.

16. **I Thought It Would Be An Expensive House**  
[Source: Yellow Pages]  

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a bad neighborhood.

Here are the numbers:
- Asking Price: $55,000
- Amount Owed: $0
- Repairs: $minor (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $25,000 minus repairs

This call was interesting. The seller had an English accent and she wanted to describe every single thing about the house. I started getting anxious as I knew she just wasn't that motivated as she went on and on about how the house was in a historic district. At this point, I was figuring this was a $300k+ house (which is a lot for San Antonio). After her lengthy description we got down to details. It turns out this house is in the middle of the worst area of San Antonio. It really shocked me.

This one ended with me informing her that we typically buy in the teens in the area, to which she was none to happy. Sorry. Next.

17. **Family Moved - Want To See How Much I Can Get**  
[Source: Website]  

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house outside of town.

Here are the numbers:
- Asking Price: $130,000
- Amount Owed: $25,000
- Repairs: $minor (unconfirmed)
- After Repaired Value: $95,000
- Max Offer: $62,000 minus repairs
This is a classic example of a tire-kicker. He even mentioned already having a Realtor lined up but just wanted to see how much I would pay. I did not spend much time on this and just ended up telling him that I am not interested. The values in the area have dropped considerably and I don't want any part of it. Next.

18. **Mom Wanted Them To Sell**  
[Source: Website]

Homeowner wants to sell a 5 bedroom, 2 bath, 2000 sf house in a bad neighborhood.

Here are the numbers:
- Asking Price: $30,000
- Amount Owed: $11,000
- Repairs: $a lot (unconfirmed)
- After Repaired Value: $65,000
- Max Offer: $Not For Me

Seller inherited the house. Her mother wanted them to sell the house after she passed. This area is not one that I buy in, but I passed the lead on as they were already asking a somewhat reasonable price.

Update: Just found out from the investor I sent this lead to that there was a murder there very recently. He says that the husband killed his wife in the shed in the back of the property. Sad. He got it under contract for a good price (of course) and says it will take a while to close because of probate issues.

Always interesting things happening in this business...

19. **Wants To Sell, But Owes Too Much**  
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a so-so neighborhood.

Here are the numbers:
- Asking Price: $66,000
Amount Owed: $61,000
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $69,000
Max Offer: $44,000 - repairs

Seller just said that they want to sell and that was it. Too much is owed. Next.

20. Remarried And Moving To Kentucky
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 1 bath, 1100 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $Make Offer
Amount Owed: $14,000
Repairs: $minor (unconfirmed)
After Repaired Value: $69,000
Max Offer: $45,000 minus repairs

Seller was recently remarried and is moving to Kentucky. She needs to sell this house that she still owns with her ex. She seemed pretty motivated and ready to move on with her new life. The area is a decent one, but I had some trouble selling a house there last year and would just rather pass on this one. I'm sure a deal could be made and passed it on to a friend. Should make a reasonable birddog fee with this one.

This could have been a decent wholesale deal, but I was tied up this morning and was not able to make it to see the house and I knew the seller was calling other people so I sent someone right away to try and at least make something on it.

21. Heard About Me On The Radio
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 2 bath, 1100 sf house on a busy street.
Here are the numbers:
Asking Price: $125,000
Amount Owed: $0
Repairs: $unknown (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 minus repairs

Seller heard an ad from a home buyer on the radio and ended up seeing my ad in the yellow pages. I don’t have an ad on the radio. Somebody else’s ad directed this lead to me. :) Not a good lead, but a lead none-the-less. This house is on really busy street and is considered commercial. He’s had it listed for a long time and is set on his price. Nobody else wanted it at that price, why would I?

22. Tire-Kicker From Third Letter
[Source: Driving For Dollars Letters]

Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house in a good neighborhood.

Here are the numbers:
Asking Price: Make Offer
Amount Owed: Would Not Tell
Repairs: $minor (unconfirmed)
After Repaired Value: $100,000
Max Offer: $65,000 minus repairs

Seller finally called after receiving three letters from me. She mentioned they were considering selling and wanted to know how much I would offer, before they listed with a Realtor. I made them a ballpark estimate in the 60’s. No go, so far.

I have always gone back and forth on whether to keep sending a series letters and postcards after the first couple. It seems the motivated ones call mostly from the first letter. This time I am going to continue to send them as I feel that maybe my message will be "burned" into their mind a little more and there is more of a chance they will keep at least one of the letters.
Summary

Leads picked up again big time this week. Monday was spent frantically handling most of these leads as they all seemed to come in that morning. It was crazy. The rest of the week was a little more relaxed. Got to fly a Piper Cub Monday afternoon, which was awesome. I birddogged a lot of leads this week and am sure to make some money from those. Nothing seemed good enough for me to want to take down myself. Something should come along soon. Bandits went out and hopefully stayed up. Letters went out and I've since printed some more for stuffing and mailing. Called follow ups. It was a good week.

Plans For Next Week

- Prepare Letters For Mailing
- Put Def Leppard House on The Market
- Get Some More Probate Leads
- Close on The Frustration House
The Eighteenth Week

These are the things I did this week:

More Probate Letters Mailed

Mailed out about 75 Probate letters yesterday and have not received any calls yet. Too early to really tell but I might need to split test my letters and try to find a better performing one.

Still Working Hidden Iron Closing

Not much to say about this. We have things ironed out (pun intended) and are just waiting to close.

Frustration House Closed Yesterday

Closed on the frustration house yesterday. I will have before pictures and scope of work details up during this week. We met with our contractor there this morning and are awaiting his bid. Should be a quick rehab and we should be able to have it on the market within 2 weeks.

Expensive House Tenants Moving Out

We closed on the expensive house a couple of weeks ago and gave the sellers a temporary lease so that they could move out by the end of the month. To get a head start on the rehab, we met our contractor there today to get the scope of work figured out. [NOTE: I’ve removed details about this house for personal reasons (since you asked...because my wife and I ended up moving into it because we liked it so much).]

Resources Page For The Blog Is Now Posted

A resources page has been added to the FlippingJunkie.com blog. It currently just has some of our favorite business and house flipping related books, but we will be adding other resources as time permits. You can view the resources page online here.

Best For Last - Closed On The Historic House Wholesale
Finally, bought and sold the Historic House. I've decided to not share the details. Just kidding!

Ok. Here it is finally. The breakdown of the super secret historic house wholesale. The details of which I have repeatedly denied you. Wait no longer, here it is. We made just over......$50,000!

House Details

[Source: Probates]

This is a 4 bedroom, 2 bathroom, 2700sf house that was built in 1939. The house has a detached garage and mother-in-law suite that is a decent size. There is an in-ground pool and still plenty of space in the back yard.

You can view a picture of the house online here.

The Numbers

Purchase Date:       June 28, 2011
Purchase Price:      $95,000
Settlement Fees:     $2,588 (title policy, closing fee, insurance, loan fee)
Resale Date:         July 15, 2011
Resale Price:        $150,000
Settlement Fees:     $1,600 (closing fee, half of title policy, taxes, loan interest)
Profit:              $50,812 :)  

Now you can see why I held off on mentioning any particulars of this deal. Some investors don't like to see someone making this much on a wholesale deal and I needed to make sure that my position was not known. This one was actually wholesaled to another wholesaler who had the end buyer. So I made this and my buyer made a wholesale fee (I don't know how much and I don't really care).

The ARV for this house is about $300,000. I estimated the repairs at about $60k if you watched your expenditures closely. We did not do a single thing to this house (with the exception of dumping a ton of shock in the pool to keep it from 195
becoming a swamp). I did not really have a detailed breakdown of the costs, just a rough idea for rehab because I knew I was buying with some room. My intentions were to sell the house at $150k to another investor, As-Is if I could. If I couldn’t find a buyer quickly, I was going to try and sell FSBO at about $200,000. Remember the old saying, "One in the hand is worth two in the bush."

There have been several occasions in the past where we could have sold a house quickly for a decent cash price as-is and opted to fix it and sell for more of a profit. Inevitably, we ended up making less than we would have had we just sold to the cash buyer. Take this to heart. Especially in this market.

**Marketing**

_Total Motivated Seller Leads This Week: 16 :)

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<tr>
<th>Lead Source</th>
<th>Leads</th>
<th>Notes</th>
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<tbody>
<tr>
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<td>Wholesale Deals</td>
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**Total Leads To Date [259]**

This is the total number of leads for each source since I started posting about the leads.

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<th>Lead Source</th>
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<td>Driving For Dollars:</td>
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</table>
REO Realtors: 6
Absentee Owners: 5
Referrals: 5
Wholesalers: 4
Realtors: 3
MLS Search: 2
Probate Letters: 2
For Sale By Owner: 1

Leads Analyzed

1. Strange Seller
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 2000 sf house in a good neighborhood.

   Here are the numbers:
   Asking Price: $Make Offer
   Amount Owed: $63,000
   Repairs: $unknown (unconfirmed)
   After Repaired Value: $105,000
   Max Offer: $68,000 - repairs

   The seller submitted the form on my website. I tried to call her to ask some more questions and gage her motivation. She sounded strange and asked if I could call back at noon. She never did pick up the phone again and I've tried several times. Will keep trying.

   Got back in touch and found out that they want to move back to Vegas. I mentioned that I would need to buy around what she owed and she seemed to be taken aback. The problem is the competition with foreclosures in the area, which has brought the value down. She was under the impression that Texas was doing really well real estate wise and I had to inform her that we are doing well "compared" to other markets. She wants close to market so I will have to pass.
2. **Financial Problems and Tenants That Are His Friends**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1.5 bath, 1000 sf house in a so-so neighborhood.

Here are the numbers:

- **Asking Price:** $32,000
- **Amount Owed:** $20,000
- **Repairs:** $unknown (unconfirmed)
- **After Repaired Value:** $60,000
- **Max Offer:** $35,000 - repairs

Seller is behind on payments on his own house (out of town) and his rental house that is in San Antonio. He has tenants in it that are supposed to be out by the end of the month. He is hesitant to send anyone in to see the house as the tenants were his "friends" and they were wanting to eventually buy the house (even though they've always been late with their rent. Go figure. Why is it not good to have your friends as tenants? Hmmmm.) He is two months behind on his payments. He mentioned that he has contacted several people and will schedule with them to show it after the tenants are out.

I'm not interested in this house but passed it on to someone that I informed of the situation. My investor should be able to work with the seller to contract this house before the tenants are out and avoid the competition that is likely to be waiting until the tenants are out because the seller absolutely refuses to show it while they are there. I suggested to contract the house if he is confident and put a clause in it that makes the agreement subject to inspection of the house.

3. **Outside of Town and Functionally Obsolete, Maybe**  
[Source: Website]

Homeowner wants to sell a 5 bedroom, 1 bath, 1200 sf house 30 minutes outside of town.

Here are the numbers:

- **Asking Price:** $Make An Offer
Amount Owed: Nothing
Repairs: $probably a lot (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Seller wants to sell his house in a small town outside of San Antonio. I don’t buy houses outside of town unless they are super steals because the time wasted traveling to them costs far too much in missed opportunities. The seller wanted to know how much I would pay and I just threw out a ballpark of about 20k and he seemed interested. So, I passed this one on to a wholesaler that expressed interest.

I mentioned that the house may be functionally obsolete due to the fact that it has 5 bedrooms and only 1 bathroom. Not really a big deal for a rental.

4. Texas City - Remarried
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 1900 sf house near the Gulf Coast.

Here are the numbers:
Asking Price: $105,000
Amount Owed: $97,000
Repairs: $minor (unconfirmed)
After Repaired Value: $???
Max Offer: $???

"Investors? Maybe you!" See if anyone knows what that is from.

House is in Texas City, which is close to Galveston. If you invest in this area, please contact me if you are interested. I do not buy that far out of town.

5. All Dolled Up With Nowhere To Go
[Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 1 bath, 900 sf house is a so-so
neighborhood.

Here are the numbers:
Asking Price: $69,000 and Listed
Amount Owed: $5,000
Repairs: $none (unconfirmed)
After Repaired Value: $60,000
Max Offer: $35,000 minus any repairs

Seller has this vacant house listed with a Realtor. Based on the pictures, it is clean and freshly painted. Doesn't look like it needs much. He seemed like a tire-kicker but I made him a ball park offer anyway in the low 30's. He was not at all interested. Next.

6. **Snooty Seller**
   [Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 2500 sf house is a good neighborhood.

Here are the numbers:
Asking Price: $300,000
Amount Owed: $200,000
Repairs: $none (unconfirmed)
After Repaired Value: $300,000
Max Offer: $210,000 minus any repairs

Seller is moving out of state and wants to sell. She seemed really snooty on the phone and difficult to deal with. One of those people that acts like they are above selling to a real estate investor (even though they are calling you to sell). She was adamant about not selling below $300k, which is what it is worth. Next.

7. **Cannot Afford Any Longer**
   [Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house is a good neighborhood.
Here are the numbers:
Asking Price: $80,000
Amount Owed: $80,000
Repairs: $AC and Cosmetic (unconfirmed)
After Repaired Value: $109,000
Max Offer: $70,000 minus any repairs

Seller cannot afford the house anymore but is not behind on payments. Need to see if willing to consider sub2. I checked and she will not consider sub2. They are not behind and so a short sale would not be very likely. This one has some equity and I will try to birddog and see if someone will buy with a more narrow profit margin.

8. Moving To Another Country
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house is a decent neighborhood.

Here are the numbers:
Asking Price: $105,000
Amount Owed: $65,000
Repairs: cosmetics (unconfirmed)
After Repaired Value: $89,000
Max Offer: $58,000 minus repairs

Seller is moving out of the country and wants to sell the house quickly. The garage is converted and I’m sure it will affect the resale value on this house. Because the garage was converted to a den, I determined the ARV with a 1200 square footage. We’ve found that this will give you a more accurate estimate than including the square footage of the enclosed garage. There is too much owed, but this could be a sub2 for someone. Called him back and he is not interested in anything below market value. Not motivated at all. Next.

9. Nasty Divorce
[Source: Website]
Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house is a good neighborhood.

Here are the numbers:
Asking Price: $65,000
Amount Owed: $45,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $95,000
Max Offer: $62,000 minus repairs

Seller got divorced and needs to sell this house. They are also behind on payments. Sort of a perfect storm.

10. Super Tiny House
[Source: Referral]

Homeowner wants to sell a 1 bedroom, 1 bath, 400 sf house is a not-so-good neighborhood.

Here are the numbers:
Asking Price: $21,000
Amount Owed: $0
Repairs: cosmetic (unconfirmed)
After Repaired Value: $30,000
Max Offer: $Not For Me

Husband had a stroke and can no longer work. They need to sell this house that they have a relative living in so that they can make ends meet. A 400sf house is not something I'm interested in, so I birddogged this one. When asked what repairs it needed, she told me "just where the dog chewed on the porch board."

11. Vacant Rental Number One
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house is a decent neighborhood.
Here are the numbers:
Asking Price: $75,000
Amount Owed: $50,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $85,000
Max Offer: $55,000 minus repairs

The seller had two houses as rentals and no longer wants to be a landlord. Both houses are vacant. This is the first one she told me about. I had just looked at a house down the street from this one a couple weeks ago. The area is really "hit or miss", meaning that there are decent pockets and real dumps.

12. **Vacant Rental Number Two**
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house is a decent neighborhood.

Here are the numbers:
Asking Price: $79,000
Amount Owed: $60,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $100,000
Max Offer: $65,000 minus repairs

This is the second vacant rental from the same seller. Once again, this one is would need to be bought for about what is owed depending on the actual repairs.

13. **Bought Another House**
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house is a decent neighborhood.

Here are the numbers:
Asking Price: $55,000
Amount Owed: $0  
Repairs: $10,000  
After Repaired Value: $90,000  
Max Offer: $48,500

Seller bought another house and is moving out of this one. They said it needs quite a bit of repairs, but were asking a reasonable price. I went to check it out.

The house was in decent shape just needed bathroom updates, flooring, paint, new water heater, drywall repair, new light fixtures and some other small things. I ended up offering $45,000 on the spot. The seller’s ex-husband, which was who met me there, said that that would not work. They wanted to walk away with $55,000. I told him the most I could do would be $47,000. He said he would talk it over with the ex-wife and let me know. I need to stick to my figure because the days on market in this neighborhood are high and this house is a little smaller than most.

14. **Other Investor Was An @$$&%*#**

[Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 1500 sf house is a decent neighborhood.

Here are the numbers:
- Asking Price: $80,000  
- Amount Owed: $80,000  
- Repairs: quite a few (unconfirmed)  
- After Repaired Value: $100,000  
- Max Offer: $65,000 minus repairs

Seller recently married and wants to sell this house fast and to avoid any hassles with the house sitting on the market for months and having to do repairs. He had called another investor before me and he said the guy was extremely rude and really just an @ss. Competition is really not as bad as most of us believe it to be.

After some research, I determined that I would not be able to buy the house because too much is owed. Next.
15. **Rental With No Time Or Desire To Repair**  
   [Source: Referral]

Homeowner wants to sell a 3 bedroom, 1 bath, 1400 sf house is a decent neighborhood.

Here are the numbers:
- Asking Price: $47,000
- Amount Owed: $60,000
- Repairs: $20,000
- After Repaired Value: $90,000
- Max Offer: $38,500

Seller bought this rental last year and has been slowly fixing it up. He had not been there in a while and lost interest. The house has become a drain on him and he just wants to get rid of it. So much so, that he is willing to come to the table with money to get the deal done (being that he owes more than he is asking for it). This is still not enough and so I am passing this on to another investor that has more buyers.

16. **My Tires Have Been Kicked**  
   [Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 3000 sf house is a good neighborhood.

Here are the numbers:
- Asking Price: $200,000
- Amount Owed: $145,000
- Repairs: $cosmetic (unconfirmed)
- After Repaired Value: $210,000
- Max Offer: $136,500

Seller wants to downsize and wants pretty much full market value. No thanks. There does not seem to be any motivation either, was just curious. That's understandable. Next.

Hilarious update: Seller called me back this evening when I was taking our
twins to dance class. I had her on blue tooth to my car and she was very hard to understand. She has an accent which is mostly why it was difficult to make out what she was saying. She went on and on, the kids were looking at me funny trying to understand themselves, and when I finally got a chance to say something, all I could say was, "could you please repeat that. I did not understand one word you just said."

She repeated everything more slowly and clearly. Basically, after our conversation, she got on Zillow and looked up her house value. She was shocked. Zillow showed $140k. She mentioned that a Realtor had just told her to list it for $230k only 30 days ago. She wanted to know what had happened to her neighborhood for the values to drop that dramatically in that short period of time.

Now an unscrupulous investor would have taken this opportunity to really work a seller. Not cool. I informed her that Texas is a non-disclosure state. Which means that sales of homes are not made public. Zillow can only guess at values based on loan amounts and whatever other random silliness they incorporate. I am really surprised that Zillow does not put huge disclaimers on their site for people accessing it from non-disclosure states.

She was relieved to hear about this. It felt good that she had called to ask me about this versus the Realtor she had talked to. Guess who built better rapport. Still no deal, but got a good story out of it. :)  

Summary  

Leads picked up again this week. Was dealing with a cold all weekend (thank God, for Zicam). The cold kept me from flying twice this week, so I was a little irritable. Lots of stuff happened this week with a closing and getting ready for a vacation soon (Air Venture and Chicago). I've slowed down a little on marketing and will pick that back up again soon after vacation (don't want to get a ton of calls that I might miss). Of course, some of the time was doing fun stuff like coming up with the shirts and choosing which books to recommend.

Plans For Next Week  

- Have work started on Frustration House.  
- Push Def Leppard House For Sale
- Before Pictures And Scope Of Work For The Frustration House
- Other Top Secret Stuff (Just Kidding, I share everything.)
The Nineteenth Week

These are the things I did this week:

Sold Hidden Iron House

We closed on the Hidden Iron House this week. I will be working on the final post for the house flip and will be posting that hopefully next week. It will have a break down of the true numbers for the deal. The deal worked out pretty good and we made a really nice profit, especially considering how little work was involved.

Def Leppard House Staged and On The Market

The Def Leppard flip house has been rehabbed, cleaned and staged, and on the market. We are currently negotiating an offer but are dealing again with the 90 day FHA flip rule. The buyer really wants to move in before the end of the summer, so we are checking to see if they would be OK with leasing the house for a month and then closing after the 90 days is up.

Frustration House Rehab Started

We have started the rehab on the Frustration house. The seller happened to be at the house the morning I met my contractor there. He continued to cement the name we came up with for the house by walking around following us while we were going over the scope of work. Every room we went into he would give his input on what he thought we should do. My contractor was getting confused as I was telling him what I wanted done and this guy was mentioning other contradictory things. He then went on to talk about how he should have waited to make the commitment to sell and how he knew we would make a fortune on the house. I’d heard enough of this and asked him if he had everything he was going to take from the house and opened the front door for him.

The next day, my contractor started work there. He called me in the morning and told me someone had gone in and removed the light bulbs out of the bathrooms and the red toilet seat. Strange. It must have been the seller. Good old frustration house (not like we were going to keep the toilet seat anyway...it was red for heaven's sake).
My guy is doing the repairs in the scope of work below for $5,500. I still need to have the carpet guy come in and replace the carpet after this work is done. That should be about $2,000. My AC guy probably needs to replace the blower motor but he has not been there to verify yet. I'm sure there will be other miscellaneous items that pop up and I will let you know when they do.

**House Details**

[Source: Website]

This is a 3 bedroom, 2.5 bathroom, 2300sf house that was built in 2001.

**The Numbers**

- **Purchase Price:** $105,000
- **Settlement Fees:** $2,486 (title policy, closing fee, insurance, loan fee)
- **Estimated Repairs:** $8,000
- **Resale Price:** $175,000
- **Estimated Profit:** $59,514 minus holding costs and selling costs (estimating about 17k)

**Scope of Work**

**Exterior**

- Power wash the exterior where necessary.
- Repair weather stripping for back door.
- Paint back door and trim.
- Replace warped deck rail.
- Install new oil-rubbed bronze doorknobs and deadbolts for front door, back door and door to garage.
- Install new light fixtures for front and back porch (see material specs).
- Clean windows inside and out.
- Install new screens where necessary.
- Water grass and plants when possible.
- Haul off construction debris and trash.
 Interior

- Texture any imperfections in walls and ceilings. Match texture.
- Prep interior for professional painting (remove all nails and things attached to walls and neatly caulk and sand) Paint interior walls and trim (ceilings only where necessary).
- Tighten fridge water connection and paint handle on fridge with correct paint.
- Replace garbage disposal.
- Repair kitchen cabinets where worn.
- Hookup automatic garage door opener so that it operates correctly.
- Replace light fixtures (see material specs)
- Replace interior doorknobs with oil-rubbed bronze (and strike plates). Counted 13.
- The closet doors in the master bath should be silver (3).
- Replace all mini-blinds with new white mini-blinds.
- Install correct light bulbs in bathroom and where needed throughout.
- Make sure all switch and plug plates match throughout the house. Replace broken/painted ones.
- Re-caulk around toilets and where necessary.
- Clean return air vent and opening and install new air filter.
- Install smoke detectors where necessary.
- Replace all door stops with oil-rubbed bronze door stops.

 Master Bath

- Repair the broken cabinet door.
- Replace both faucets with new (see material specs)
- Remove carpet from wet areas (just keep in the closets) and install vinyl stick down tile.

 Upstairs Bath

- Install new chrome faucet (see material specs).
- Install new white toilet seat (make sure tight).
• Re-caulk neatly around tub.

**Downstairs Bath**

- Replace faucet with new oil-rubbed bronze (including drain cover – material specs)
- Replace hand towel ring with oil-rubbed bronze.
- Replace light fixture with oil-rubbed bronze fixture (see material specs)

**Materials Specification**

**Paint Colors**

**Interior**

Walls – Realist Beige SW 6078 FLAT  
Trim – Extra White SW 7006 SEMI-GLOSS

**Exterior**

Trim & Back door – White Semi-gloss

**Materials**

Upstairs Bath Sink Faucets (3): Glacier Bay Builders SKU 217-251 $24.86 (chrome)  
Downstairs Bath Faucet: Pegasus Estates Oil-Rubbed Bronze Faucet SKU 666068 $89

**Light Fixtures**

Exterior Light Fixture Black SKU 245746 $8.97  
Chandelier for Dining Room and Breakfast SKU 892-587 Commercial Electric $65 (Oil Rubbed Bronze)  
Ceiling fan for Living Room and 3 Bedrooms SKU 161-646 Hampton Bay Glendale $65 (make sure you get Oil-Rubbed Bronze).  
Flushmount for Entry, Downstairs hall, 3 Upstairs Hall SKU 720163 $15  
Commercial Electric Oil-Rubbed Bronze (make sure to use at least a 60W bulb)  
Downstairs Bathroom Vanity Light – Progress Lighting North Park Venetian
Bronze SKU # 552-400 $70

View the 'before' pictures for the frustration house online here.

Got Approval For Red Door

Got approval from the HOA for our red door at the Def Leppard house. Great.

Left For Vacation

Went to Oshkosh for Air Venture! This place is awesome. I have missed some leads this week due to wanting to completely relax and not be a slave to my phone.

Marketing

_Total Motivated Seller Leads This Week: 7 :(

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Total Leads To Date [266]

This is the total number of leads for each source since I started posting about the leads (late March 2011).

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Leads Analyzed

1. **Wants Way Too Much**
   [Source: Website]

   Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a decent neighborhood.

   Here are the numbers:
   - Asking Price: $75,000 (was asking 84,000 at first)
   - Amount Owed: $0
   - Repairs: $unknown (unconfirmed)
   - After Repaired Value: $65,000
   - Max Offer: $40,000 - repairs

   This seller inherited the house and wants to make some money. Too much, in my opinion. I said I would need to buy in the 30's depending on the amount of repairs and am waiting for a response.

2. **Unable To Afford On One Income**
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1700 sf house in a decent neighborhood.
Here are the numbers:
Asking Price: $65,000
Amount Owed: $57,000
Repairs: $A lot (unconfirmed)
After Repaired Value: $95,000
Max Offer: $61,000 - repairs

Seller needs to sell this house. They mentioned that it had foundation problems, broken windows, broken AC, etc. They owe too much and the days on market are high. I am passing on this one. Will check with a buyer to see if he is interested anyway. Update: foundation is sloping 8 inches from back to front. It's solid, just sloping. They are starting to ask a ridiculous amount even with this problem. Will be following up.

3. **Empty Nester, House Too Big**  
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $60,000
Amount Owed: $45,000
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $75,000
Max Offer: $48,000 - repairs

Kids have moved out and the house is too big (not sure how a 1100 square foot house is too big, but oh well, maybe there is more to the story.) They said it could use some painting. Not really interested in the area, so I birddogged it.

4. **Moved Out of Town**  
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2500 sf house in a good neighborhood.
Here are the numbers:
Asking Price: $160,000 (was asking $175k)
Amount Owed: $0
Repairs: none (unconfirmed)
After Repaired Value: $185,000
Max Offer: $120,000 - repairs

Seller moved out of town and wants to sell his old house. Wants to go back to school and needs $25k for that. He was just curious to see what we would offer. I told him probably in the 120's and he was interested in the least. He said absolute minimum would be $150k. Some people might be interested in this if the seller offered owner financing, but again, he needs at least 25k down and I just don't like the spread. Too thin. I will follow up.

5. Mother Passed, Inherited and Wants To Sell
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 800 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $50,000
Amount Owed: $0
Repairs: cosmetic (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

Seller inherited the house when her mother passed last year. She was going to sell it then, but ended up with throat cancer. Now that she has recovered from treatment she is ready to sell the house. There is a deal here, but I am not really interested in the house. Mainly because I will be leaving for vacation soon and trying to get things squared away and don't have time to see and contract this one. I know people interested in this area and probably would have tried to contract and wholesale the house had I not been in a hurry. I birddogged it instead.

6. Want To Sell But Won't Give Address
Homeowner wants to sell a house but would not give me any information about it. How does this ever make sense to anybody?!? I guess there is a very real possibility that I may go over there and lift the house up and steal it... just hook some chains up to it and drag it down the street. Maybe bring a heavy duty helicopter. Maybe some magical, vanishing pixie dust sprinkled here and there. Maybe entice the house to follow me while I play my mythical unicorn flute...

I have her number and will call again after a couple weeks. So ridiculous.

7. **Husband Passed Away**

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2500 sf house in a good neighborhood.

Here are the numbers:
- **Asking Price:** $100,000
- **Amount Owed:** $88,000
- **Repairs:** cosmetic (unconfirmed)
- **After Repaired Value:** $125,000
- **Max Offer:** $81,000 - repairs

Seller's husband passed away and she needs to sell. There is some equity here, but just not enough for me. I passed the lead on to another investor that can probably make it work.

**Summary**

This week was mostly about relaxing so I birddogged most of the leads. Next week should see some more as I get into some of the ones that I missed, if they are still available.

**Plans For Next Week**

- Check On Frustration House Rehabs.
- Post Hidden Iron House Flip Numbers
The Twentieth Week

These are the things I did this week:

Went To Air Venture in Oshkosh and Visited Chicago

My wife and I took the kids up to the greatest air show on earth up in Oshkosh, Wisconsin. Absolutely spectacular. You can probably guess who wanted to go there for vacation.... my wife. Just kidding :). Though she was interested and wanted to go. We were hoping for a break from the south Texas heat, but it was hot up there as well.

We also went to Chicago and stayed downtown for 3 nights. My wife and I love Chicago. It was the first time for the kids to be there and they enjoyed it also. We did the bus tour and boat tour, Shedd Aquarium, Navy Pier, Sears Tower and lots of walkin'.

Due to wanting to not have many interruptions during our vacation, I missed a lot of calls. I tried to let as many people know as I could that I would call them when I got back. If they were in more of a hurry, I passed the lead on to an investor in San Antonio to look into. This week probably is short of at least 5-10 leads where people did not leave messages or call me back. This is exactly why it is so important to pick up the phone when someone calls you. You just never know if it is the one call you've been waiting for.

The time with my family uninterrupted was well worth it and I would handle things the same way next time. But, when I am not on vacation, you better believe that I am answering the phone whenever I have the chance.

I want to thank our awesome Realtor for helping us with the rehabs and other goings on while we were gone. The importance of a good team cannot be stressed enough.

Got A Citation For Watering the Grass At One Of Our Properties

If you didn't know, we are in somewhat of a drought in Texas (had to go to Wisconsin and Chicago to see rain again) and we have some strict restrictions against watering lawns and other uses of water. The sprinkler system at one of
the properties we have has been going off at an non-approved time. Just have to go and change the timer to be between 3-8 AM on Thursday. It was set to go off really early before dawn so I am assuming someone must have reported it. Oh well. We are closing on that house soon. Hopefully the grass doesn't die before that.

**Frustration House Rehab Progressing**

While gone we had our contractor working on the Frustration House. I initially did not include doing anything with the kitchen and bathroom floors. They were sheet vinyl and in good shape. After the house was finished, our Realtor mentioned how cheap the floors looked. We are going to go ahead an put in ceramic tile in all wet areas (kitchen, bathrooms, laundry and entry).

**Hidden Iron House Now Officially Sold**

We've finally closed on the Hidden Iron House. Here are the final numbers:

**House Flip Time line**

- **Purchase Date:** April 18, 2011
- **Listing Date:** May 5, 2011
- **Contract Date:** June 16, 2011
- **Closing Date:** July 18, 2011

**Total Days From Purchase To Resell:** 92 Days

We would have closed sooner had we not had the problem with the FHA 90 day flipping rule.

**House Flip Numbers**

**Initial Costs and Assumptions**

- **Purchase Price:** $25,000
- **Settlement Fees:** $1,400 (title policy, closing fee, insurance, loan fee)
- **Estimated Repairs:** $8,000 (estimated 10k, but I think we can do it cheaper)
- **Estimated Resale**
Price:
Estimated Profit: $35,600 minus holding costs and selling costs

Actual Resale Price: $71,140
Actual Repairs: $8,157.44

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Actual Profit: $25,531.42

Marketing

*Total Motivated Seller Leads This Week: 13*

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 Leads Analyzed

1. Divorced and Wife Abandoned House
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2 bath, 2100 sf house in a good neighborhood.
Here are the numbers:

Asking Price: Make An Offer
Amount Owed: $100,000
Repairs: $minor (unconfirmed)
After Repaired Value: $130,000
Max Offer: $85,000 - repairs

Seller divorced and wife was living in the house but abandoned it and now he needs to sell. The days on market in this neighborhood are high and too much is owed for me. This might work as a short sale or sub2 for someone.

2. Inherited with 3 Heirs
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2 bath, 1500 sf house in a so-so neighborhood.

   Here are the numbers:
   Asking Price: $72,000 (after talking, really $36,000)
   Amount Owed: $0
   Repairs: $quite a bit (unconfirmed)
   After Repaired Value: $80,000
   Max Offer: $52,000 - repairs

   Seller inherited the house. There are 3 heirs and they each want to net $12,000. So closing costs would have to be figured in as well. There is most likely a deal here, but I really don’t like the area (days on market very high and more renters than owners) and would rather bird dog it. So I did.

3. Waiting For Return Call
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2.5 bath, 3300 sf house in a good neighborhood.

   Here are the numbers:
   Asking Price: $175,000
Amount Owed: ???
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $185,000
Max Offer: $120,000 - repairs

Waiting for seller to call back.

4. **Waiting For Return Call**  
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a bad neighborhood.

Here are the numbers:
Asking Price: $
Amount Owed: $
Repairs: $(unconfirmed)
After Repaired Value: $30,000
Max Offer: $FREE

Waiting for seller to call back.

5. **Wife Filed Divorce**  
   [Source: Website]

Homeowner wants to sell a 5 bedroom, 3 bath, 3300 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $270,000
Amount Owed: $225,000
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $300,000?
Max Offer: $195,000 - repairs

Seller's wife filed for divorce and he wants out of the house. This house is in a town outside of San Antonio and my dad buys there. I told him about it and he said he had already spoken to the seller (just didn't want to pay
my referral fee - just kidding). He said it wasn't a deal and that that price range had really been hit hard in that area over the last several years. So, no go. Next.

6. Another Divorce Situation  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 2100 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $187,000  
Amount Owed: $90,000  
Repairs: $cosmetic (unconfirmed)  
After Repaired Value: $200,000  
Max Offer: $130,000 - repairs

The house is in a town about 30 miles north and there are several investors interested in the area. The seller did seem terribly motivated and so I passed this one on to one of them to work on.

7. Outgrown House  
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $58,000  
Amount Owed: $38,000  
Repairs: $cosmetic (unconfirmed)  
After Repaired Value: $60,000  
Max Offer: $35,000 - repairs

Family has grown too big for the house and need to sell. They owe just a little too much for me and I'm sure the repairs are going to be more than what they are telling me. I called to feel them out for the lowest they would even consider and they said 54k. No sense in wasting my time or any
other investors' time on this one. Next.

8. Can't Afford and Wants To Move
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 2658 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $150,000
Amount Owed: $150,000
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $150,000
Max Offer: $98,000 - repairs

Want to sell because they cannot afford the house. I cannot either at the price they need to get. Next.

9. Wholesale That I Looked At In 2007
   [Source: Wholesale]

Homeowner wants to sell a 4 bedroom, 4 bath, 6666 sf house in a great neighborhood.

Here are the numbers:
Asking Price: $380,000
Amount Owed: wholesale
Repairs: $updated and likely well work (unconfirmed)
After Repaired Value: $500,000
Max Offer: $325,000 - repairs

Wholesaler called with this lead. Listed foreclosure that I had looked at back in 2007 when the owners still owned the house. This house is just plain UGLY. The style is not appealing and the landscaping is nonexistent. It would take a lot of work to make this house sell for the ARV they are telling me ($700k+). The more realistic ARV is closer to $500k and I still think it would sit on the market a while. I think I had offered $300k back in 07 before the market decided to go south. If I was going to buy a house
that cost that much, it would have to be a no-brainer. Have to pass.

10. **Wants To See How Much**  
    [Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 1698 sf house in a good neighborhood.

Here are the numbers:
- **Asking Price:** $139,000
- **Amount Owed:** $0
- **Repairs:** $none (unconfirmed)
- **After Repaired Value:** $140,000
- **Max Offer:** $91,000 - repairs

Tire kicker just seeing what I would offer. He is firm on his price and so am I. Next.

11. **Moving Out Of Town**  
    [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house in a decent neighborhood.

Here are the numbers:
- **Asking Price:** $70,000
- **Amount Owed:** $55,000
- **Repairs:** $cosmetic (unconfirmed)
- **After Repaired Value:** $80,000
- **Max Offer:** $52,000 - repairs

The seller repeated over and over about all of the things they had done to the house. They did the work themselves which scares me most of the time. They are very firm on their asking price and so this is a no go.

12. **Cannot Afford**  
    [Source: Website]

Homeowner wants to sell a 4 bedroom, 3.5 bath, 4200 sf house in a great
neighborhood.

Here are the numbers:
Asking Price: $410,000
Amount Owed: $397,000
Repairs: $none (unconfirmed)
After Repaired Value: $415,000
Max Offer: $270,000 - repairs

Seller needs to sell this gorgeous house. Beautiful. Too much is owed unfortunately. Next.

13. **Husband Transferring**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 2700 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $165,000
Amount Owed: $0
Repairs: $cosmetic (unconfirmed)
After Repaired Value: $180,000
Max Offer: $117,000 - repairs

Husband is being transferred and they are checking to see what an investor would pay and then are going to consult with a Realtor. I didn't spend much time on this because I wasn't very confident in getting it. I made ballpark offer of around $120,000 and let them know that I would need to verify repairs needed. I'm not going to hold my breath. Next.

**Summary**

Missed some leads over the last couple weeks, but am back at work and ready to really get after it. There are still some leads that I am waiting to hear back from the sellers. Many have probably already contracted their house, but there might be some that have not and they might be just a little more motivated. Stay positive my friends.
Plans For Next Week

- Order More Bandit Signs
- Make Follow Up Calls For Leads That I am Following Up On With The Lead Manager
The Twenty First Week

These are the things I did this week:

Frustration House Rehab Progressing

The Frustration House, is nearing completion. We have the tile going in right now. Once that is done, the carpet guy will go in with new carpet. All we have to do then is have it cleaned and staged. We will be moving staging items from one of the other houses that is closing soon.

The yard at that house looks pretty rough (mainly the back yard). The previous owner had dogs that tore it up and is now mostly dirt. This severe drought we are having down here doesn't help. Starting to wonder if it is going to be another dust bowl situation. With the drought, there is no way I am going have sod put down. It would never make it. We have watering restrictions and I don't feel like going over there everyday or paying someone to go over there. We will offer a credit for the new buyer to do as they wish.

Building Your House Flipping Team

My wonderful wife has written an article about the people on our team that help us with our business. A good team is vital to your success. Read the bonus article online here.

Followed Up On Older Leads

Got a hold of about 7 people yesterday that I had talked to before. Nothing great but you never know. By keeping in touch with them, when they are finally ready they will think of me.

Ordered More Bandit Signs

Ordered 200 more bandit signs. Will slowly put them out. An investor friend just told me how he got fined for 11 signs ($150/each). I'm sure he can negotiate the fee. I asked if they had warned him first and he said, "not this time". So, be careful. People do get fined.
Marketing

Total Motivated Seller Leads This Week: 12

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Leads</th>
<th>Notes</th>
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<tr>
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<td>Drive For Dollars</td>
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<td>Been a month since letters were mailed.</td>
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<td>MLS</td>
<td>0</td>
<td>Did not look at any listed properties this week.</td>
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<tr>
<td>Wholesale Deals</td>
<td>3</td>
<td>Not really worth mentioning. (not included in count)</td>
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<tr>
<td>Referral</td>
<td>1</td>
<td>I love referrals.</td>
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<tr>
<td>Probates</td>
<td>3</td>
<td>Mailed about 2 weeks ago.</td>
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<tr>
<td>REO Realtor</td>
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Total Leads To Date [291]

This is the total number of leads for each source since I started posting about the leads.

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<td>Realtors:</td>
<td>3</td>
</tr>
<tr>
<td>MLS Search:</td>
<td>2</td>
</tr>
</tbody>
</table>
Leads Analyzed

1. **Wants Full Market Value**
   [Source: Probate]

   Homeowner wants to sell a 3 bedroom, 2 bath, 2000 sf house in a good neighborhood.

   Here are the numbers:
   
   - **Asking Price:** $235,000
   - **Amount Owed:** $0
   - **Repairs:** $\textit{none} (unconfirmed)
   - **After Repaired Value:** $235,000
   - **Max Offer:** $153,000 - repairs

   Seller inherited the house and wants to sell. They've already fixed the place up and have it listed with a hot shot agent (OK, so I added the "hot shot" part for effect). There is just one catch, they want full price. No thanks.

2. **Inherited Needs Work**
   [Source: Probate]

   Homeowner wants to sell a 2 bedroom, 2 bath, 1100 sf house in a so-so neighborhood.

   Here are the numbers:
   
   - **Asking Price:** Make Offer
   - **Amount Owed:** Would Not Tell (Said Not Much)
   - **Repairs:** $\textit{quite a bit} (unconfirmed)
   - **After Repaired Value:** $70,000
   - **Max Offer:** $45,000 - repairs

   Seller inherited the house. She wouldn't give out how much was owed and
seemed like she really wanted it to be sold easy, but did not want to do it easily. That probably doesn't make much sense. Let me try again. She wants to negotiate and play ball, but at the same time, she wants to be rid of the house quickly.

She wanted to know how much I would offer. I am not interested in a house in this area so I just made a ballpark offer in the $30's to feel out whether she is motivated or not. If she is, I will pass the lead on to another investor for a fee. Update: she was not interested. Maybe she will be in a couple weeks. I will follow up.

3. **Wants To Downsize**  
   [Source: Yellow Pages]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 3600 sf house in a great neighborhood.

Here are the numbers:
- **Asking Price:** $350,000
- **Amount Owed:** 0
- **Repairs:** $foundation and roof leak (unconfirmed)
- **After Repaired Value:** $400,000
- **Max Offer:** $260,000 - repairs

Seller wants to downsize so that he can travel and enjoy his retirement. This house is right down the street from the expensive house that we are currently working on. He did not seem at all motivated, but the more I talked to him the more I felt that maybe he was. He had mentioned selling his last house through a Realtor and was not happy that he ended up with just a little more than "those we buy ugly houses people" offered. Of course, he had to wait months and deal with all of the hassles of selling the conventional way which is why he wasn't very happy about it.

He just wanted a ballpark to begin with so I gave him one in the under $250k range, depending upon the repairs of course. He said he would think about it and I will definitely be following up.

4. **Cannot Repair House**  
   [Source: Website]
Homeowner wants to sell a 3 bedroom, 2.5 bath, 1000 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $100,000
- Amount Owed: $55,000
- Repairs: $good amount (unconfirmed)
- After Repaired Value: $150,000
- Max Offer: $97,000 - repairs

Seller needs to sell because her husband is ill and they cannot maintain the house. This one is located about 45 minutes from where I live. Going to try to go and see this one soon.

5. Taking Care of Elderly Mom
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 1500 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $70,000
- Amount Owed: $68,000
- Repairs: $cosmetic+ (unconfirmed)
- After Repaired Value: $110,000
- Max Offer: $71,500 - repairs

Seller is taking care of his elderly mother and does not need this house. He just wants to get out from underneath it. This one is close as my maximum offer is going to be right at what he owes. I’m going to go and see it.

Update: Went and saw this house. There was about 10-12k in repairs needed which makes this a no-go for me. I passed the lead on to another investor.

Update: Investor lost out on the deal because he was not able to visit the house the same day I told him about it. You’ve got to be fast. You cannot
6. Inherited and Need To Sell
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $80,000
- Amount Owed: 0
- Repairs: $10,000
- After Repaired Value: $90,000
- Max Offer: $58,000 - $10,000 = $48,000

Seller inherited this house. There are several heirs and one is living in the house. Before we talked much, I made sure that all were on board with selling it. I don't know how many times I've had people negotiate with me and get down to getting the deal done, only to find out one of them didn't want to sell at all.

She said all were interested in selling so I have analyzed the deal. I will need to get this one quite a bit below their asking price. The house wasn't that bad. Mostly cosmetic and new AC is needed. I offered $43k and they said they were going to talk it over with the other people involved.

7. Idea of Value Way Off
[Source: Probate]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2900 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $205,000
- Amount Owed: $150,000
- Repairs: none (unconfirmed)
- After Repaired Value: $160,000
- Max Offer: $104,000 - repairs
Seller lives in New York and I guess has no idea what houses are selling for down here. She wants $205k when the market value is at $160k. I went ahead and told her that I would need to get it at $100k. She sounded like she was gasping for air.... I don't think I will be buying that house.

8. **House That Jack Built**  
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3 bath, 2600 sf house outside of town.

Here are the numbers:

- **Asking Price:** $190,000  
- **Amount Owed:** $140,000  
- **Repairs:** $cosmetic (unconfirmed)  
- **After Repaired Value:** $150,000  
- **Max Offer:** $97,000 - repairs

Seller says this is a big house that they built. That always scares me. Said that the county would only show a small original house that was one bedroom. Also not good. No building permits? I think I'll pass.

9. **Want Acreage**  
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3.5 bath, 3000 sf house in a good neighborhood.

Here are the numbers:

- **Asking Price:** $210,000  
- **Amount Owed:** $204,000  
- **Repairs:** none (unconfirmed)  
- **After Repaired Value:** $210,000  
- **Max Offer:** $137,000 - repairs

They want to sell the house to buy a house with acreage. Too much is owed for me to be interested. Next.
Homeowner wants to sell a 5 bedroom, 3 bath, 2600 sf house in a good neighborhood.

Here are the numbers:

- Asking Price: Make An Offer
- Amount Owed: $0
- Repairs: $43,000
- After Repaired Value: $135,000 (maybe $140k)
- Max Offer: $88,000 - $43,000 = $45,000

Parents are moving out of this house and moving in with the caller. The house needs everything according the seller.

Ok. Went and saw it. This was a real hoarder house. Stuff stacked everywhere. The best part was a sign on one of the bedroom doors that stated not to open it because there was a raccoon in the room. I asked the guy showing me the house if there really was a raccoon trapped in there at one time. He said, "Yes. It fell out of the ceiling over here in the living room and ran upstairs into that room." He then pointed at a hole in the ceiling in the living room.

The plan was for them to have three investors look at the house and make offers. This happens a lot and I don't like it because then everyone is playing the game of trying to find out what the other investors offered. I mentioned this problem to him so that he could feel that we were on the same team. He then said that everyone just needed to give their highest
and best and that there would be no second offers. This is why I offered my maximum offer.

When you know there will be other investors making offers, it can be tempting to wait until all of them have made offers and try to get that out of the seller so that you can get the deal by offering just a little more. Don’t do this. Sometimes the seller will see this as being sneaky. A lot of the time, they will not wait for all offers and will accept one on the spot. Make your offer and just work hard at building good rapport. That is most important.

11. Seller Needs Offer
   [Source: REO Realtor]

Homeowner wants to sell a 4 bedroom, 1 bath, 1500 sf house in a not so good neighborhood.

Here are the numbers:
   Asking Price: $49k - Make An Offer
   Amount Owed: $0
   Repairs: mostly cosmetic (unconfirmed)
   After Repaired Value: $65,000
   Max Offer: $35,000 - repairs

REO Realtor called with this non-bank-owned property they have listed. Said the sellers were motivated and needed an offer. I am not at all interested in this area and told them that my offer would probably be $15k-$20k to feel out their motivation. They said they would never go for that. I then sent the lead on to another investor that buys in the area to see if he could make a higher offer.

12. House About To Go On Market
   [Source: Referral]

We were told about a house that is about to go on sale by our attorney’s office. The house is selling for close to market value and is not a deal. Next.

Summary
This week took a little effort to get back into taking action after our vacation. I find myself slacking a little with the marketing and need to pick that back up. Maybe I should find a way to have that delegated a little better. I'm excited about the Facebook fan page for discussions. It will be nice to have more participation to see what you are all interested in finding out and to find out what you are all doing. Make sure to visit: the flipping houses discussion fan page.

**Plans For Next Week**

- Wrap up Frustration House Rehabs.
- Get Back In Gear With Mailings
- Work on Private Lenders Post-- THIS IS GOING TO BE COOL
- Prepare Another Probate Mailing
The Twenty Second Week

These are the things I did this week:

Found Investment Properties From The Air

Flying for dollars. Actually, I went flying on Monday afternoon and spotted a lot of smoke close by. We flew over to see what it was (staying clear of the smoke mind you) and saw a house completely engulfed in flames and there were no firemen on site. It must have started very recently. It did not take but 30 minutes for it to completely burn to the ground.

Ultimate Guide For Finding And Working With Private Lenders Posted

I wanted to make an in-depth article out of finding private money lenders for real estate so that you guys could see exactly how to go about it. Read the bonus article online here: The Ultimate Guide To Finding and Approaching Private Lenders.

That one took a while to put together. :)

Frustration House Rehab Still Progressing

The Frustration House is almost done. The tile is almost finished. The carpet will be following, hopefully Saturday. Early next week, we should have it cleaned and staged. Then, the most important part, it will be listed for sale.

Closing On One Of Our Existing Houses Baffled

Strange goings on this week with regards to one of the houses we already had before starting this "follow the journey" thing. We've had it under contract to close for a month and everything was progressing smoothly. Then, after the inspection, we sent contractors to the house to repair items uncovered in the buyer's inspection report. Nothing major.

All of the repairs were done immediately and we quickly informed the buyer's agent of that fact. The closing was scheduled for Tuesday. On Monday evening, the buyers had a walk through and re-inspection of the items we repaired. It appears the electrician and roofer did not complete everything. Fine. Not a big
So we thought. We were waiting for a list from this agent and they decided to not give it to us until about 1 hour before the scheduled closing time. We had been begging for it all day so that we could take care of the items right away.

So it appeared we would be signing an extension and closing later this week. But...that evening, we get a call from our agent informing us that the buyer is considering backing out and might even sue because we did not have the repairs done. WHAT!!!??!?!?!?

I debated even adding this but it really makes my blood boil. That night we got a termination of contract and release of earnest money document emailed to us alluding to the fact that we really should sign "or else". Ridiculous. If they wanted out of the contract, there are better ways to do it. So... this could end up being quite the fiasco.

At this point, it is all a matter of principle and I don't personally like people try to push us around. We will not let them.

Decided To Try Another Absentee Owner List

One of my buyers is looking for a lot of properties in a certain area that I don't really market in any more. I decided to get another list (one that I double-checked) of absentee owners to mail postcards to. I ended up with a list of about 990 addresses. Combining those with the driving for dollars lists that I already had that were due for another mailing, it ended up being 1123 postcards.

I used click2mail.com to print and mail the cards. The 6x11 cards would have been awesome but cost almost twice as much. I went with the 5x8, black ink on yellow card stock. The total ended up being $709 for printing and mailing first class.

Bandit Signs Arrived

Bandit signs arrived Monday. I am going to have some put out on Saturday so that they might stay up a little longer. Got to spread them out quite a bit for obvious reasons.

Delegated My Mailing Machine

I am already falling behind on my mailings and needed to get them off my plate.
The first thing I did was create an image with my signature and inserted it into my mailing pieces so that I no longer have to sign each letter. How I hated doing that! :( Then I made a list of instructions for sequence of letters and postcards and how often they get mailed. We are going to buy the family friend that is doing the work a laser printer so that she can print the mailings. She can print them when they are due, stuff them into envelopes and then hand address them.

We should have done this a long time ago. Thanks for the ideas.

Marketing

*Total Motivated Seller Leads This Week: 10*

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<tr>
<th>Lead Source</th>
<th>Leads</th>
<th>Notes</th>
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<td>Bandit Signs</td>
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<td>Some more going out this weekend.</td>
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<td>Yellow Pages</td>
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<td>Buying Website</td>
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<tr>
<td>Drive For Dollars</td>
<td>0</td>
<td>Been a month since letters were mailed.</td>
</tr>
<tr>
<td>MLS</td>
<td>0</td>
<td>Did not look at any listed properties this week.</td>
</tr>
<tr>
<td>Wholesale Deals</td>
<td>1</td>
<td>Hmmm. No good.</td>
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<td>Absentee Owner Mailing</td>
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<td>From a letter sent out months ago.</td>
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<tr>
<td>Referral</td>
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<td>I love referrals.</td>
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<td>Probates</td>
<td>0</td>
<td>Mailed about 3 weeks ago.</td>
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**Total Leads To Date [301]**

This is the total number of leads for each source since I started posting about the leads.

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<td>Yellow Pages Ad:</td>
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Leads Analyzed

1. Friends Transferred to Turkey
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a so-so neighborhood.

   Here are the numbers:
   Asking Price: $63,000
   Amount Owed: $63,000
   Repairs: foundation problems and cosmetic (unconfirmed)
   After Repaired Value: $100,000
   Max Offer: $65,000 - repairs

   Caller has power of attorney to sell for the owners that were transferred to Turkey. The house had tenants that just recently vacated. Based on the area the house is in and the repairs mentioned, I could not make this work. I passed it on to another investor to see if he could swing it.

2. Brother Is Ill
   [Source: Website]

   Homeowner wants to sell a 2 bedroom, 1 bath, 1200 sf house in a so-so neighborhood.
Here are the numbers:

Asking Price: $32,000
Amount Owed: $0
Repairs: house in poor condition (unconfirmed)
After Repaired Value: $60,000
Max Offer: $35,000 - repairs

Sister of owner called. Her brother is ill and needs to sell his house. The house is in a part of town that I do not buy in. They seemed reasonable as far as what they would accept for the house so I sent the lead to another investor to work.

3. **Building New House and Need To Sell This One**
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a so-so neighborhood.

Here are the numbers:

Asking Price: $55,000
Amount Owed: $55,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $55,000
Max Offer: $30,000 - repairs

Seller just bought this house with owner financing less than a year ago with a small down payment. They are building a new house and need to sell this one. As you can see, the numbers just will not work for me. Next.

4. **Just Want To Sell It**
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 576 sf! house in a not-so-good neighborhood.

Here are the numbers:

Asking Price: $55,000
Amount Owed: $0
Repairs: cosmetic+ (unconfirmed)
After Repaired Value: $40,000
Max Offer: $15,000 - repairs

Seller just said they want to sell it and that is all. We all know there is more to the story, but I don't care because the house is for sure not something I am interested in. It is tiny and a pretty much bad area. Next. (did pass this one on though)

5. Manufactured Home With Land
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, manufactured home in a so-so neighborhood.

Here are the numbers:
Asking Price: $59,000
Amount Owed: $0
Repairs: cosmetic (unconfirmed)
After Repaired Value: $55,000
Max Offer: $25,000 - repairs

Seller is trying to sell a manufactured home on a 1/2 acre lot. She told me that it is the nicest home in the neighborhood. We as investors don't typically like to hear that. It is currently listed with a Realtor and tenants have been trying to buy it for the last 5 months. She wants out but is not willing to consider my ballpark of low $20's, so I am not going to waste my time. I was not interested in it, just checking motivation to try to pass the lead on. Next.

6. Could Never Reach After Missed Call
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 1800 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $,000
Amount Owed: $0
Repairs: ?? (unconfirmed)
After Repaired Value: $60,000
Max Offer: $35,000 - repairs

Waiting for call back

7. **Tenant Not Paying Rent**  
   [Source: Absentee Owner Postcards]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a decent neighborhood.

   Here are the numbers:
   - Asking Price: **Make An Offer**
   - Amount Owed: $0
   - Repairs: house in poor condition (unconfirmed)
   - After Repaired Value: $65,000
   - Max Offer: $40,000 - repairs

   Landlord is just now calling me from a postcard I sent them months ago. They have a tenant that they evicted and would like to see what they could get for the house. They mentioned that the house was in very bad shape. The sellers are in their 70's and don’t want to deal with the hassles anymore. I am going to keep in touch with them and visit the house as soon as the tenant has vacated.

8. **Might Be Accepting Job Out Of State**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house in a good neighborhood.

   Here are the numbers:
   - Asking Price: $159,000
   - Amount Owed: $159,000
   - Repairs: nothing (unconfirmed)
   - After Repaired Value: $155,000
   - Max Offer: $100,000 - repairs
Owner wants to find out how much she can get for the house. She just bought the house 2 years ago and now is going to have trouble competing with the new houses in the neighborhood (she bought the house new). The builders are offering great incentives to move houses and it is hard to compete with them. This is the reason for my lower ARV. Next.

9. Wholesaling House
[Source: Wholesaler]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $52,000
Amount Owed: $?
Repairs: $20,000 (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

Look at those numbers. Do they make sense to anybody? I posted the details on this one to show the ones that I have not been including in my tally because they are all like this. The ARV that was given to me was $99k!!! No way. This is exactly why you cannot trust what anyone tells you a property is worth. You have to see the comparables yourself and make your own decision.

10. Residential Lot
[Source: Yellow Pages]

Homeowner wants to sell a vacant residential lot in a so-so neighborhood.

Here are the numbers:
Asking Price: $7,000
Amount Owed: $2,800
Repairs: nothing (it's a lot - OK maybe some paint as the grass down here is all dead from the drought)
After
Repaired Value: $7,000
Max Offer: what is owed

Owner cannot afford the lot as he is behind on property taxes and owes the city for them having to mow the lot every year. I would only want this lot if he sold it to me for what is owed on it. I would then try to owner finance it and receive most of what I pay for the down payment. Need to see it first to make sure there aren't any toxic waste barrels on the property.

Summary

As you can tell, this has been a super busy week for me. I'm glad to have gotten my act back together with regards to the marketing. The leads should be picking up considerably and soon.

Plans For Next Week

- Have the Frustration House Staged and Put On The Market.
- Get Some Rest
The Twenty Third Week

These are the things I did this week:

Bandit Signs Put Out

I had 50 bandit signs put out over the weekend in some new areas. There are 150 more that will go out about every other week.

Added House Inspection Checklist To The Resources Page

You can download a PDF copy of a house inspection checklist that I've used in the past when viewing potential house flips. Just go online to the: House Flipping Resources Page.

Two Deals Put Under Contract!

Picked up a deal on a house that needs a mid level amount of repairs. I will be posting the before pictures and scope of work after we close (about 2 weeks). Read about it below in the leads section.

The other deal is a tract of land with an oil well. The well was capped in the 90's and I have some investigating to do. Should be interesting and I will keep you posted.

Wife and I Made A Big Decision Within A Couple Hours

If you do not know about the rules regarding selling your home and capital gains, you really should keep reading and do some thinking. The rule is that if you live in a house (as your primary residence) any 2 of the 5 years prior to the sale, the first $250k ($500k if married) in profits is free from capital gains tax. Basically, you won't have to pay federal taxes on the profit made from the sale. If you use the property as something other than your primary residence for the other years of ownership, the percentage of exclusion might change. Read more on that online here (warning: not a light read): IRS Pub 523.

Now, on to our big decision.

My wife was over at the Expensive House doing the staging on Tuesday. When
she came home that afternoon, she told me she had something to ask me. She went on to ask how I felt about considering a move to that house. Immediately, my gut was telling me it was a great idea. Then, my brain had to get overly active and start considering all the pros and cons.

We took one of our daughters to dance class and decided to go over the house from there and talk about it. After about 4 hours from the time she got home and asked me, we had decided to go ahead and do it. We are moving into the house and will be putting ours up for sale. Now, because of the rule I told you about a second ago, we will not have to pay capital gains on the profit from the sale of our house because we have just now lived in it for over two years. Lucky timing. This will be our third time doing this over the last 8 or so years.

So, sorry that you will not be able to see how that deal works out.

**Frustration House Being Staged**

The Frustration House is being staged and I will have some pictures for you next week. The tile turned out really nice and I am glad we spent the money to do it.

**Looks Like We Are Headed To Mediation**

The frustrating incident regarding the sale of one of our existing houses has continued and it looks like we are heading to mediation. I’m not letting it stress me out because I know we are in the right. That is all that matters.

*I don't always go into mediation, but when I do, I prefer to stay positive. Stay positive my friends.* - The Most Interesting House Flipper In The World

**Probate Letters**

I have written the two different probate letters and our mailing person is working on printing and stuffing the letters in envelopes. There will be 75 addresses that each probate letter will be mailed to. I will keep track of the responses for each and let you know which one pulled better. The experiment will continue on to see how a sequence pulls and so on and so forth.

**Marketing**

*Total Motivated Seller Leads This Week: 25 :)*
<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Leads</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandit Signs</td>
<td>5</td>
<td>50 went out over the weekend.</td>
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<tr>
<td>Yellow Pages</td>
<td>2</td>
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<tr>
<td>Buying Website</td>
<td>6</td>
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<tr>
<td>Drive For Dollars</td>
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<td>About 100 went out to existing list.</td>
</tr>
<tr>
<td>Wholesale Deals</td>
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<td>Hmmmm. No good.</td>
</tr>
<tr>
<td>Absentee Owner Mailing</td>
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<td>From almost 1000 postcards.</td>
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**Total Leads To Date [326]**

This is the total number of leads for each source since I started posting about the leads.

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Total Leads To Date</th>
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<td>For Sale By Owner:</td>
<td>1</td>
</tr>
</tbody>
</table>

**Leads Analyzed**

1. **Father-In-Law Moved Out**
   [Source: Website]
Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a so-so neighborhood.

Here are the numbers:
- Asking Price: $60,000
- Amount Owed: $0
- Repairs: $23,000
- After Repaired Value: $90,000
- Max Offer: $35,000 ($58,000 - $23,000)

Caller’s father-in-law moved out of this house and is looking to sell it. The house has foundation problems, needs a new kitchen, two new bathrooms, new flooring, paint....basically everything other than a roof and AC. I saw the house and offered him $30,000.

He was not thrilled about the offer and mentioned that they needed $50,000 and that that would still put them $10k in the hole. I questioned him about that because he had told me they did not owe anything on the house. He informed me that the wife had spent approximately $60k over the years, or something like that. So this is how they are treating it.

I will follow up with them because they do live out of town and their motivation may increase soon.

2. **Daughter Going Through Divorce - Honk The Horn House**

   [Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 1500 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $75,000 (says least will take is $70k)
- Amount Owed: $65,000
- Repairs: $15,000
- After Repaired Value: $120,000
- Max Offer: $80,000 - repairs

Seller’s daughter had been living in the house but is now going through a
divorce and the house is vacant. The house needs repairs and they don't want to mess with it. Smart move.

Went and saw the house. Not too bad. I had to offer what he owes on the house and he did not hesitate to take it. I really enjoy these opportunities. They are just so relieved that you are going to buy the house so that they don't have to mess with it. There really was no negotiating. I could only offer what he owed and he was happy to be done with it. We signed the contract right then and there on the trunk of my car.

The reason why I am going to call it the 'Honk The Horn' house is because his grandson was with him and he wanted to pretend to drive his car. While we were signing the contract, the grandson was constantly honking the horn. It was really pretty funny.

This one is under contract and set to close within about 2 weeks.

3. **Mother Too Old**
   [Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 1 bath, 1400 sf house in a not-so-good neighborhood.

Here are the numbers:

- **Asking Price:** Make Offer
- **Amount Owed:** $0
- **Repairs:** cosmetic (unconfirmed)
- **After Repaired Value:** $50,000
- **Max Offer:** $25,000 - repairs

Mother is in her 80's and needs to sell the house. Says the house does not need many repairs but it sure looked like it did on Google maps. This is in a pocket of a neighborhood that is not so good. Seems like a deal can be had, so I passed this one to a friend.

4. **Husband Passed And Have Two Houses**
   [Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 2 bath, 1600 sf house in a so-so neighborhood.
Here are the numbers:

**Asking Price:** $80,000  
**Amount Owed:** $0  
**Repairs:** cosmetic (unconfirmed)  
**After Repaired Value:** $75,000  
**Max Offer:** $48,000 - repairs  

Seller's husband passed away last year and she has this house that has been sitting vacant. The problem with the area is that there are houses built in the 60's (as was this one) and there are houses that were built over the last 5 years. All of these houses are competing for buyers and the ones from the 60's are not selling well.

I decided to give her a ball park offer saying that I would probably be in the 40's to see if she would be interested. I did this over the phone because of how much she was asking. This can save you some time. You might miss a deal here and there though, because sometimes they will ask a lot. Then when you meet them and make an offer, they start dropping their price.

She is going to get back with me about whether they would consider that. If I don't hear from her, I will follow up in a couple of days. That is one of the nice things about postcards and bandit signs. You don't have to worry so much about competition.

5. **I WANT $150,000**  
[Source: Absentee Owner Postcards]  

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a not-so-good neighborhood.

Here are the numbers:

**Asking Price:** $150,000  
**Amount Owed:** $0  
**Repairs:** cosmetic (unconfirmed)  
**After Repaired Value:** $50,000  
**Max Offer:** $25,000 - repairs
I don't think he really wants to sell. What do you think?

6. Want To Sell But Owe Too Much
   [Source: Absentee Owner Postcards]

Homeowner wants to sell a 2 bedroom, 1 bath, 700 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $43,000
Amount Owed: $43,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Would like to sell but he owes too much. Next.

7. Are You Kidding Me!
   [Source: Absentee Owner Postcards]

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $50,000
Amount Owed: $0
Repairs: cosmetic (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Called me from a post card. He had told me that he wouldn't take less than $50k but I wanted to see how he felt about a ballpark figure to see if he had any motivation. Big mistake in this situation. He was not at all happy that I threw a number in the 20's at him. It was a short but sweet rant that I had to endure. (Doesn't mean I won't keep doing it. :) Next.

8. I Want At Least $100,000
   [Source: Absentee Owner Postcards]
Homeowner wants to sell a 3 bedroom, 1 bath, 900 sf house in a so-so neighborhood.

Here are the numbers:

Asking Price: $100,000
Amount Owed: $0
Repairs: cosmetic (unconfirmed)
After Repaired Value: $65,000
Max Offer: $40,000 - repairs

Called me from a post card. He has it rented and is just kicking some tires. Even though he said he wanted $100k, I still offered about $40k. No go. (Told you I would do it again :)) Next.

9. **Has Tenants - Make An Offer**
   [Source: Absentee Owner Postcards]

Homeowner wants to sell a 4 bedroom, 3 bath, 1200 (?) sf house in a so-so neighborhood.

Here are the numbers:

Asking Price: $65,000
Amount Owed: $0
Repairs: cosmetic (unconfirmed)
After Repaired Value: $65,000
Max Offer: $40,000 - repairs

Called me from a post card. I'm not sure how this house has 4 bedrooms and 3 baths and is only 1200sf. He is not motivated in the least and was adamant about not accepting less than $65k. Next.

10. **Wants $140k For $100k House**
    [Source: Absentee Owner Postcards]

Homeowner wants to sell a 3 bedroom, 1 bath, 1500 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $140,000  
Amount Owed: $0  
Repairs: cosmetic (unconfirmed)  
After Repaired Value: $100,000 maybe  
Max Offer: $65,000 - repairs

Another postcard caller tire kicker. Next.

11. 10 Acres With Oil  
[Source: Yellow Pages]

Seller wants to sell 10 Acres of land with mineral rights and oil. I am looking into this one as I’ve never really dealt with this before. She says that they had pumped oil there for years but shut it down when the family was getting into disputes. Not sure what to think about that. More details to follow after closing.

I will leave you with what I told my wife when I mentioned this deal. I told her that if we bought and there did turn out to be oil, I would buy an old, super tank of a white Cadillac convertible and drive it to the land anytime I went down there. Would have to get the horns for the hood as well. :)

When I talked to my attorneys office about a couple things, I mentioned that I might become an oil man and they asked if I meant in the oil fields or down at the Jiffy Lube!

If I do get that Caddy, I will have to put a big Jiffy Lube magnet on the side. ;)

12. Wholesaling Listed House  
[Source: Wholesale]

Investor wants to assign a contract on a 3 bedroom, 2 bath, 1300 sf house in a decent neighborhood.

Here are the numbers:  
Asking Price: $75,000  
Amount Owed: $0  
Repairs: lots of updating (unconfirmed)
After Repaired Value: $110,000 maybe
Max Offer: $71,000 - repairs

Wholesaler wants to assign a contract on a house that needs a lot of updating. His asking price was high but I decided to make a verbal offer anyway. Based on the pictures of the house, I figured the rehab would be about 15k (mostly updating) and this is conservative to cover something I might not have seen. Warning: don't do this unless you are experienced. Based on this I told him I could offer $56k. He has a lot of re-negotiating to do in order to sell it to me. We'll see what happens.

13. **Son Needs A Fresh Start**
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 1600 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $85,000
- Amount Owed: $68,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $109,000
- Max Offer: $71,000 - repairs

Son got mixed up with the wrong crowd, got in trouble and "went away" for a while. He is coming home and they want him to have a fresh start. In order to do that, they have to get him out of the neighborhood. Hmmm.

The numbers are very close.

Told them I would need to buy really close to what they owe, depending on the repairs needed. It's not what they wanted to hear. Next.

14. **Relocating Does Not Want To Sell Through Realtor**
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 1700 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $80,000
Amount Owed: $0
Repairs: minor foundation (unconfirmed)
After Repaired Value: $100,000
Max Offer: $65,000 - repairs

Owner wants to relocate and does not want to deal with hassles of selling his house the conventional way (I don't blame him! But, I digress.) I went to see this house and make an offer.

He called me about 10 minutes before our scheduled meeting telling me that he had a change of heart. I told him I was almost there and might as well see it and make him an offer.

The house was built on a steep hill and was shifting down the hill. Nothing some piers wouldn't fix. They were not in a hurry to sell and had decided to go ahead and have the work done themselves. I went ahead and told them that I would be in the 50's and let them know that if they changed their minds, they could call me.

15. Vacant For 2 Years
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 1 bath, 800 sf house in a bad neighborhood.

Here are the numbers:
Asking Price: $20,000
Amount Owed: $0
Repairs: everything (unconfirmed)
After Repaired Value: $40,000
Max Offer: $15,000 - repairs

Inherited house that has been vacant for a really long time in a bad neighborhood. Perfect for another investor. So I passed it on. Next.

16. Received A Postcard
[Source: Driver For Dollars - Postcard]
Homeowner wants to sell a 5 bedroom, 3 bath, 2400 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $90,000
- Amount Owed: $0
- Repairs: cosmetics (unconfirmed)
- After Repaired Value: $135,000
- Max Offer: $87,000 - repairs

Got a postcard from us and decided to see how much we would offer. When I kept asking to give a number that he would be interested in, he finally mentioned in the 90's. Not too far off, depending on repairs.

I worked up what I figured the numbers would be and called to try and set up an appointment. He has not yet called back. Maybe I should not have mentioned being in the 80's in my message.

17. Inherited and Want To Sell
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a so-so neighborhood.

Here are the numbers:
- Asking Price: $65,000
- Amount Owed: $0
- Repairs: $20,000
- After Repaired Value: $70,000
- Max Offer: $20,000 ($40,000 - $20,000)

Probate is being wrapped up for this property and the seller wants to sell as soon as they are finished. Her sister lives there and the place is a wreck. Their asking price is really high but they mentioned that that is just what a Realtor told them. I am almost 100% positive there is no way a Realtor actually went to that house. If they did and still told them they would get that much, they are being ridiculous.
Told them I could give them $18,000 for the house. She said she would run it by the family. We'll see. I will wholesale this one if they accept. Batter up.

18. Father's House - Son Wants To Sell
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 1 bath, 900 sf house in a no-so-good neighborhood.

Here are the numbers:
Asking Price: Make Offer
Amount Owed: $4k
Repairs: a lot of work (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Son wants to sell dad's house that dad is currently living in. He says it's because the house needs a lot of work and the dad needs help. Not sure if the father is 100% on board. I birddogged this one as I am just not interested in the area and question whether the father would accept selling, especially for what I would need to buy it for.

19. Parents Went Into Nursing Home
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $25,000
Amount Owed: $0
Repairs: A lot (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Strange that this would be the very next lead. Not in an area that I would be interested in so I birddogged it.
20. **Another Tire Kicker**  
   [Source: Absentee Owner Postcard]

   Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a so-so neighborhood.

   Here are the numbers:
   - Asking Price: Make an Offer
   - Amount Owed: $30,000
   - Repairs: foundation and cosmetics (unconfirmed)
   - After Repaired Value: $70,000
   - Max Offer: $45,000 - repairs

   Got a postcard from us and decided to see how much we would offer. He has the house rented and is in no hurry to sell. I decided to make him a ballpark offer in the 30's. He said he was going to think about it. Follow up.

21. **Tire Kicker With A Big Boot**  
   [Source: Absentee Owner Postcard]

   Homeowner wants to sell a 3 bedroom, 1.5 bath, 1100 sf house in a so-so neighborhood.

   Here are the numbers:
   - Asking Price: Make Offer
   - Amount Owed: $25,000
   - Repairs: cosmetics (unconfirmed)
   - After Repaired Value: $65,000
   - Max Offer: $40,000 - repairs

   Got a postcard from us and decided to see how much we would offer. He has paying tenants and was just curious. I made a ballpark in the 30's and he informed me that that was ridiculous. Maybe to him it is. To me it's realistic. Next.

22. **Wants To Downsize**  
   [Source: Absentee Owner - Postcard]
Homeowner wants to sell a 4 bedroom, 2 bath, 1600 sf house in a decent neighborhood.

Here are the numbers:

Asking Price: $70,000
Amount Owed: $59,000
Repairs: cosmetics (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

Got a postcard from us but did not want to sell the house mentioned on the postcard. They want to sell the house they are living in. She said that she doesn't like having an all electric house and wants a smaller one to save on utility bills. The problem with this house is that there are a lot of nice new houses selling all around her. I think this house was there before all of the new ones. The picture of this house on Google maps shows the house has no character whatsoever. Box with a roof. The county has the house assessed at $100k for taxes, but I feel this is way off. Next.

23. Relocating To Be Closer To Paralyzed Sister
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a decent neighborhood.

Here are the numbers:

Asking Price: $75,000
Amount Owed: $54,000
Repairs: cosmetics and finish some updates (unconfirmed)
After Repaired Value: $95,000
Max Offer: $62,000 - repairs

This seller has done a lot to the house. She went on and on about everything they had done. They need to move to be closer to her sister who has recently become paralyzed. The house sounds great but we are don’t usually buy great houses. We want houses that people are not proud of. I figure I would have to buy for about what they owe and told them that. They were not interested.
24. **Same Tenant For 17 Years**  
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 3 bedroom, 1 bath, 1400 sf house in a decent neighborhood.

Here are the numbers:
- **Asking Price:** Make An Offer
- **Amount Owed:** $0
- **Repairs:** a lot (unconfirmed)
- **After Repaired Value:** $70,000
- **Max Offer:** $40,000 - repairs

Caller is a friend of the family that has been helping them get rid of the rentals as a dying wish of one of the family members. This guy is ready to be done with this. The other houses he had to wait until the tenants vacated, fixed the houses up and then had to get offers. This one has had the same tenant in it for 17 years.

I will make an offer on it because it seems pretty hassle free (as long as the caller was being honest when he said the tenants doesn't ask for anything - which might not be a good thing either). I've got to go by and see it and then will probably present a written offer. Too easy for people to turn down verbal offers, especially over the phone. Get the other side to commit more time to the deal.

25. **3 Houses - 1 Rented**  
[Source: Bandit Signs]

Homeowner wants to sell three houses in a so-so neighborhood. Only one is rented and the tenant has been there for years. The others have been vacant for a while and the city is hassling the owner to fix them. She kept mentioning how she is sick of them and doesn't want them anymore. This is who I want to get calls from. :)

Need to go by and see the houses and work up some kind of offer and put it in writing. We'll see what happens.

Summary
Tons of leads this week! The postcard mailing really started pulling and I think there will be more coming over the next week. Bandit signs helped pull in some new leads as well. It really is all about keeping your marketing going and working the leads. Deals will come.

**Plans For Next Week**

- Put the Frustration House On The Market.
- Mail More Postcards
- Have Contractors Do Minor Repairs To Our House So That We Can List It
The Twenty Fourth Week

These are the things I did this week:

Bandit Signs Grabbed Attention

I had 50 bandit signs put out last weekend and they certainly grabbed some attention. Just from the wrong audience (though I did get some calls for houses). Code compliance called me twice on Saturday. Saturday? I thought they didn't work weekends. Guess times are changing. There were doubts about whether it really was someone that worked for the city, but my doubts went away after they gave me their office number. Plus it just seemed very unlikely that it was another investor just trying to minimize competition.

Going to lay low for a little while as my friend also got 3 calls on the same day.

The Well Has Run Dry

It was pretty funny actually. This is regarding the possible oil producing property from last week that I had put under contract.

My brother-in-law and I had gone out to see the property (put it under contract before actually seeing it - with an escape clause of course :)). We found the overgrown lot with lots of trees and heavy, thick brush. I questioned how oil trucks would have gotten to the back of the property, where the oil well was supposed to be, as late as 1999. The brush was just too thick and the trees looked to be older than that.

A call was immediately put in to the seller and she informed me that the trucks would access the holding tank from the back of the property from the road that ran behind it. Wasn't sure we'd be able to pinpoint which part along the road would be the back of the property so we decided to try to walk to the back. We had made it past a couple acres by following the game trails but it was really slow going.

A funny side note: When she told me to be careful because of the javelinas (pronounced have-a-leen-ahs), I thought she had said halloweenists. What?!?? I was immediately thinking that there was some weird Satan-worshiping cult out
there.... :) After asking her to clarify, I understood what she was talking about.

It was tough getting back there so we decided to try to use the GPS to figure out where the back of the property was from the back road. We went around to where a road ran behind the property and spotted a large tank and decided that it must be it. The tank had not been used in a long time. We jumped the gate and walk around the property looking for where the well would have been and for any markings on the tank to determine it's ID so that I could look up how much oil the well had been producing before it was closed.

We walked all over the back of the property and wondered why there were a lot of recent beer cans and a volleyball net hung between two trees out in the middle of nowhere. I called the seller and asked about a second tank we spotted and the pump jack that was still there. She paused for a minute and then said that they were a part of the property also. Weird. Why would she not have told me about that to begin with? I become even more suspicious.

At this point, we figured we had enough info and were headed home. I quickly pulled up the satellite image for the property on Google maps to see where we had been walking. WE WERE ON SOMEONE ELSE's PROPERTY!!

The front part was correct, but when we went to the back section, it was not the same property. There was no road going behind that property. She must have been talking about the side road that required you to go through yet another person's property to get to the back.

At this point, I needed to get a hold of the survey that she supposedly had to get this all straightened out. My wife and I met her at her office and looked it over. IT SHOWED NOTHING OF A WELL ANYWHERE! And, she had decided to all of a sudden "throw in" an adjacent 5 acres. Weird. She was pointing to latitude and long coordinates and suggesting that they were the numbers for the oil well. ??? It gets even better...

THEN, she says that she was going over the contract and wanted to make sure that the $30k she owed would NOT be taken out of the proceeds from the sale. OF COURSE THEY WERE. I HAD CLEARLY INFORMED HER OF THAT SEVERAL TIMES. She told me that she needed to buy a new car and it would cost her a "cool forty". Who says that unless they were prepared to say it? Too funny.

I quickly nipped that in the bud and told her that I would not do it. She then
suggested splitting the $30k. No. At that point, I could see that this was a dead deal and we were wasting our time by bothering any more with it. I told her we were done.

Sadly, there won't be a large white Cadillac convertible in my near future.

Frustration House Staged

The Frustration House has been staged and cleaned. You can see the 'after' pictures online here.

Mediation Time?

Not sure what is even happening with this right now. Maybe I should find out... It's a good thing you guys are keeping me accountable.

Marketing

Total Motivated Seller Leads This Week: 25

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Leads</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandit Signs</td>
<td>4</td>
<td>50 went out last weekend.</td>
</tr>
<tr>
<td>Yellow Pages</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Buying Website</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Drive For Dollars</td>
<td>0</td>
<td>About 100 went out to existing list couple weeks ago.</td>
</tr>
<tr>
<td>Wholesale Deals</td>
<td>1</td>
<td>Made Offer</td>
</tr>
<tr>
<td>Absentee Owner Mailing</td>
<td>7</td>
<td>From almost 1000 postcards couple weeks ago.</td>
</tr>
<tr>
<td>Probate</td>
<td>2</td>
<td>Not a good response rate so far.</td>
</tr>
</tbody>
</table>

Total Leads To Date [351]

This is the total number of leads for each source since I started posting about the leads.
<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Total Leads To Date</th>
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</thead>
<tbody>
<tr>
<td>Buying Website:</td>
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</tr>
<tr>
<td>Bandit Signs:</td>
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</tr>
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<tr>
<td>Driving For Dollars:</td>
<td>17</td>
</tr>
<tr>
<td>REO Realtors:</td>
<td>7</td>
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<td>Probate Letters:</td>
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<td>MLS Search:</td>
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<tr>
<td>For Sale By Owner:</td>
<td>1</td>
</tr>
</tbody>
</table>

### Leads Analyzed

1. **Just Tired Of This House**  
   [Source: Absentee Owner Postcard]

   Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a so-so neighborhood.

   Here are the numbers:
   - Asking Price: $50,000
   - Amount Owed: $40,000
   - Repairs: cosmetic (unconfirmed)
   - After Repaired Value: $50,000
   - Max Offer: $25,000 - repairs

   Landlord is tired of the hassles involved with having a rental property. The problem is that she owes what it is worth. Have to pass.

2. **Wants To See How Much I Would Offer**  
   [Source: Absentee Owner Postcard]
Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $60,000
- Amount Owed: $37,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $75,000
- Max Offer: $45,000 - repairs

Landlord wants to see how much he can get for his rental property. Based on fixing up and reselling, I told him I would need to buy it for about $40-45k depending on repairs. At this price I could probably find a landlord that would want it. The tenants are paying $850/mo. If you would want something like this for near the seller's asking price, please contact me: danny@flippingjunkie.com.

3. **Divorcing Couple Selling House**
   [Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 2 bath, 2200 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $83,000
- Amount Owed: $96,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $130,000
- Max Offer: $85,000 - repairs

A wholesaler actually called with this one. I think he said that he saw a bandit sign so I am going to credit the bandits for this lead.

Couple is divorcing and facing foreclosure. They need to sell but owe too much for me.

I passed this lead on to another investor to see if he could make it work. Might have to do a short sale to work this one.
4. **Tire Kicker**  
   [Source: Absentee Owner Postcard]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a so-so neighborhood.

Here are the numbers:
- **Asking Price:** Make An Offer
- **Amount Owed:** $50,000
- **Repairs:** cosmetic (unconfirmed)
- **After Repaired Value:** $50,000
- **Max Offer:** $25,000 - repairs

Another landlord that just wants to see what I would give him. I made a ballpark and he quickly realized that I wasn't going to make him happy. Next.

5. **Dad's House Needs To Sell**  
   [Source: Bandit Signs]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a bad neighborhood.

Here are the numbers:
- **Asking Price:** $36,000
- **Amount Owed:** $6,000
- **Repairs:** a lot (unconfirmed)
- **After Repaired Value:** $45,000
- **Max Offer:** $20,000 - repairs

Caller's Dad's house and it needs a lot of work. The dad moved out about a month ago and just wants to sell. This is in a bad part of town, so I birddogged it as it has potential for a landlord.

6. **Note With 0% Interest**  
   [Source: Absentee Owner Postcard]

Homeowner wants to sell an owner financed note with 0% interest. So
very enticing. :) Seriously though, he wants $50k for a note with a balance of $60k and $400/mo payments. Not good. Next.

7. Father Passed And Wants To Sell
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 2 bedroom, 1 bath, 700 sf house in a so-so neighborhood.

Here are the numbers:
- Asking Price: Make An Offer
- Amount Owed: $4,000
- Repairs: cosmetic plus (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $25,000 - repairs

His father passed away and the house has been sitting vacant. He is ready to sell but is just 1 of several heirs. I will attempt to make an offer and see where they are at.

Didn't work out so I birddogged this lead.

8. House Is Hassle For Mom
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 1100 sf house in a bad neighborhood.

Here are the numbers:
- Asking Price: Make An Offer
- Amount Owed: $5,000+ (back taxes)
- Repairs: a lot (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $25,000 - repairs

Dad died and the caller's brother lives in the house. The house is nothing but a hassle for his mom and I guess the brother is worthless and doesn't ever lift a finger to help. The caller is the good brother. He is away in the
Military and trying to take care of this long distance.

Made offer and following up. Will wholesale if I get it.

9. Selling Aunt's House
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $18,000
Repairs: leveling and cosmetics (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

All these houses seem the same lately. 2 bedrooms, 1 bath with ARV's about $50k though I think it would be very difficult to sell these to homeowners. These are rentals through and through. Passed as a birddog. Next.

10. Military and Transferring
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 2800 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $150,000
Amount Owed: $147,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $150,000
Max Offer: $97,000 - repairs

Transferring. Already have another house lined up to buy. Regrettably, too much is owed on this one. Next.

11. Inherited House
Executor wants to sell a 3 bedroom, 1 bath, 800 sf house in a bad neighborhood.

Here are the numbers:

- Asking Price: Make An Offer
- Amount Owed: $0
- Repairs: a lot (unconfirmed)
- After Repaired Value: $40,000
- Max Offer: $15,000 - repairs

Executor of an estate called to sell a house. He lives out of town and his sister was going to be in town for today only. I had to act quick. Bad neighborhood, not for me. I called a wholesaler friend that buys in the area and he was there within minutes.

12. **Buying Another House**

Homeowner wants to sell a 3 bedroom, 2.5 bath, 1700 sf house in a good neighborhood.

Here are the numbers:

- Asking Price: Make An Offer
- Amount Owed: $83,000
- Repairs: none (unconfirmed)
- After Repaired Value: $115,000
- Max Offer: $75,000 - repairs

They are buying another house and cannot afford both. People that are doing this usually are really motivated. The caller was no exception.

Unfortunately, they just owe too much for me to be interested. I birddogged this one to see if someone is willing to buy being that there supposedly aren't any repairs required. Thin deal, but someone might be interested. Next.
13. **Tired Landlord Looking For A Fool**  
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, 800 sf? house in a bad neighborhood.

Here are the numbers:
- Asking Price: $65,000
- Amount Owed: $52,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $25,000 - repairs

Too much is owed on this rental in a bad neighborhood. Spent more time typing this up than actually analyzing this non-deal. Next.

14. **House Is A Boarded Up Shell**  
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 1 bath, 1100 sf house in a bad neighborhood.

Here are the numbers:
- Asking Price: $5,000
- Amount Owed: $5,000
- Repairs: Everything (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $25,000 - repairs

Mom can't afford to pay the property taxes and the house has been gutted and boarded up. Definitely a reasonable asking price. This is a rough neighborhood that another investor wouldn't mind. Birddogging this one all the way.

15. **Don't Want To Fix It Themselves**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 1400 sf house in a
Here are the numbers:

Asking Price: $50,000
Amount Owed: $16,000
Repairs: $18,000 leveling, kitchen, baths, electrical, plumbing
After Repaired Value: $90,000
Max Offer: $40,000 ($58,000 - $18,000)

House needs repairs that they do not want to do themselves. They’d rather sell the house and be done with it.

Their balance is low enough to where a deal is possible, so I went to see the house and make an offer.

House looks good on the outside but bad on the inside. This thing is going every which way and needs to be leveled. The house next door is a rental and has a lot of trash in the yard.

I ended up offer $38,000 because they said they have another investor coming by next week. Why would it take the other investor a week to see the house? Maybe is trying to line up his showing after all of the others and then will try to offer just a little more. I warned the seller that this may be the case. Not sure if that ever helps. Your ideas?

16. Wholesaling A House
[Source: Wholesale]

Homeowner wants to sell a 3 bedroom, 1 bath, 1100 sf house in a so-so neighborhood.

Here are the numbers:

Asking Price: $30,000
Amount Owed: $0
Repairs: $15,000 (unconfirmed)
After Repaired Value: $60,000
Max Offer: $20,000 ($35,000 - $15,000)

Wholesale deal. Even though it was far lower than asking, I still made the
offer of $20k. Had not seen it yet, but if and when he counters, I will.

17. Divorce And Cannot Afford On One Salary
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2200 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $95,000
Amount Owed: $90,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $130,000
Max Offer: $85,000 - repairs

Divorce situation with the usual result of one person keeping the house and not being able to afford with their single income. There is just a little too much owed for me but am confident another investor will be interested. Birddogged it. Next.

18. Out of State Heirs
[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $0
Repairs: a lot (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

Inherited house. 3 heirs and they live out of state. There is someone living in the house who is related somehow. I was surprised when they told me they found me from the yellow pages. They had someone locally look in the book and call them with my number. You would thinking hopping on Google would be easier. This just goes to show you that people still use
that big yellow book. She also mentioned me having to call long distance to them in another state. I haven't even heard that phrase used in years. We truly take our cell phones for granted. :) 

I don't really like the area so I birddogged it to another investor. Easy money.

19. **Just a Dilapidated Garage**  
[Source: Probate]

Homeowner wants to sell a 1 bedroom, 1 bath, 400 sf garage or something in a not-so-good neighborhood.

Here are the numbers:

<table>
<thead>
<tr>
<th>Asking Price:</th>
<th>Make Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Owed:</td>
<td>$0</td>
</tr>
<tr>
<td>Repairs:</td>
<td>lots (unconfirmed)</td>
</tr>
</tbody>
</table>
| After Repaired Value: | $???
| Max Offer:    | $???

Seller called and informed me that she received my letter regarding any property the estate may have and want to sell. She asked if I knew which property it was and I informed her that I had no clue but would be interested in it no matter where it was or what it was. The response was that the house was not really a house but just a run down garage or shed or something.

I'm not really interested but attempted to birddog it to someone else that might be. I'm sure they can get it cheap.

20. **Want Cash Offer Before Listing**  
[Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2200 sf garage in a good neighborhood.

Here are the numbers:

<table>
<thead>
<tr>
<th>Asking Price:</th>
<th>Make Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Owed:</td>
<td>$130,000</td>
</tr>
</tbody>
</table>
Repairs: none (unconfirmed)
After Repaired Value: $140,000
Max Offer: $91,000 - repairs

Seller has a Realtor going over to sign listing agreement tomorrow. They wanted to see what we would offer. This is one of those cases where the seller is praying and hoping that I will offer them some great price for their house. Probably thinking it is too good to be true, but let's cross our fingers. Quickly worked up a ball park figure and informed them to go ahead with the listing because I can't touch it.

Next.

21. **Sad Situation**  
[Source: Probate]

Homeowner wants to sell a 4 bedroom, 2 bath, 1700 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: Make Offer
- Amount Owed: $120,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $135,000
- Max Offer: $88,000 - repairs

Seller called while we were taking one of our daughters to dance class. I had the call on bluetooth so that I could talk and drive (also everyone in the car could hear the conversation). She mentioned receiving a letter from me about buying any property an estate might need to sell. She quickly and angrily asked how I got her address and deceased husband's name. My hand went for the disconnect button and hovered there as I waited for the explosion of anger and cursing.

Thank God, it never came. It was really a sad situation and you could tell that she was trying to sell the house and deal the loss and having a hard time. To me, these calls are harder to receive than the super angry "kick your @$%" calls (one of which I did get yesterday. according to the caller I am "worse than an ambulance chaser". gotta love probates).
Another investor had offered her in the 70's and she informed me of how much she owed. There is just nothing I could in this situation. I'd love to help, but it just doesn't make financial sense. At least she has enough equity to sell it through a Realtor possibly.

22. **Another Wheel Striker**  
   [Source: Absentee Owner Postcard]

Homeowner wants to sell a 3 bedroom, 1 bath, 700 sf house in a not-so-good neighborhood.

Here are the numbers:
- **Asking Price:** Make Offer
- **Amount Owed:** $50,000
- **Repairs:** cosmetic (unconfirmed)
- **After Repaired Value:** $50,000
- **Max Offer:** $25,000 - repairs

Seller was very interested that I was buying houses in the area and decided to try to unload a bad one. Owe what it is worth. No thanks. Next.

23. **Became Disabled**  
   [Source: Website]

Homeowner wants to sell a 6 bedroom, 2 bath, 1700 sf house in a good neighborhood.

Here are the numbers:
- **Asking Price:** $145,000
- **Amount Owed:** $115,000
- **Repairs:** cosmetic and new roof (unconfirmed)
- **After Repaired Value:** $140,000
- **Max Offer:** $91,000 - repairs

Seller has recently become disabled and needs to sell his house. Just can't make the numbers work. Next.

24. **Moving To Dallas**
Homeowner wants to sell a 3 bedroom, 1 bath, 1400 sf house in a so-so neighborhood.

Here are the numbers:
- Asking Price: $60,000
- Amount Owed: $36,000
- Repairs: cosmetic, updating and pool (unconfirmed)
- After Repaired Value: $80,000
- Max Offer: $52,000 - repairs

Seller is moving to Dallas and needs to sell this house. It has an in-ground pool and that is the first thing I asked about. Pools can be a pain in the rear end, especially if the house is sitting vacant and you are trying to sell it. The pool has some problems (cracks). This area is not one I am interested in and the pool sealed the deal to just birddog this one.

25. **Owes More Now Than When He Bought It**

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $90,000
- Amount Owed: $90,000
- Repairs: cosmetic and new roof (unconfirmed)
- After Repaired Value: $105,000
- Max Offer: $68,000 - repairs

Seller is getting behind on his payments. The fees accrued for missed payments and not paying insurance, taxes, etc. have made it to where he owes more than the original principal balance of the loan. Can't buy this one.

**Summary**
Tons of leads again this week! I'm beginning to wonder if just mailing postcards is the way to go. The letters just aren't pulling very well. Got a lot more calls from the postcards. They are cheap and easier to get mailed out. Will give this more consideration.

I also wanted to bring something to your attention. A lot of people assume that house flippers mostly buy from people facing foreclosure. After reading this blog, it should be apparent that this is not the case at all. The reason I bring it up is because your marketing should be focused on who would need what you are offering. There are a lot of different reasons why people want to get rid of houses fast and this blog shows you who they typically are. Focus on that and you should be well ahead of your competition. :)

**Plans For Next Week**

- Attempt To Focus On Business While Having Work Done On New House

![Flipping Junkie Podcast](Image)

**Listen and Learn Weekly with the Flipping Junkie Podcast**

Have a long commute to the job each day? Going for a run? Why not make that time even more productive by listening to the Flipping Junkie Podcast. Each week I interview a new real estate investor and dive down into the details to bring you what works right now.

[Click here to listen to the podcast on iTunes](#)
Click here to listen to the podcast on Stitcher
The Twenty Fifth Week

Is it Christmas already? I guess it is 365 days a year at a house this week. Crazy. You will stumble upon a lot of crazy theme houses as you cover most of your area. There is one in town that has about 5,000 birdhouses. The yard is completely covered!

These are the things I did this week:

Took A Break From The Bandits

Was going to put out more bandits, but there has been too much anti-bandit sign activity lately. Have to lay low for another couple of weeks. Our relationship with the person that puts them out is also a little strained at the moment (don't ever, EVER sell a house with owner financing to someone you know, even a contractor).

Closing On 'Honk Your Horn' House Tomorrow

We were supposed to close on the Honk Your Horn house today but ran into a problem. It was a pretty big problem actually. I had made my offer in an amount that should have allowed the seller to not have to come to the table with any money at the closing. Unfortunately, the amount of taxes owed was quite a bit higher than we had anticipated.

The title company has to withhold a certain amount for property taxes because the seller had a homestead exemption on it for the last five years and he was not living there. They have to withhold the money to pay the difference and this put us over by quite a bit (several thousand dollars).

I talked it over with the seller and was attempting to see if he would be able to come to the closing with the difference. He was getting anxious and told me he would call me back. When he did, it was not what I wanted to hear. The talk was now starting in the direction of him backing out.

Back to negotiating. Can you pay half? No. What are you going to do? Keep making payments on it. How much are your payments? $800. Ok. How about you pay $800 and I will pick up the rest? (Did I just say that? Darn it.) Actually it was the only thing I could do to salvage the deal without having to pay the full
amount. We should be alright.

I will have pictures and the numbers for you this coming week.

**Got Another One Under Contract**

Yes! Got another one. This one was from a couple of weeks ago. The seller was having difficulty getting the tenant out of the house. I was finally able to see it the other day. The place was trashed but very fixable. It smelled really, really bad, but I'm sure that was just the week old food sitting out on the counter and sitting in the nasty water that was in the sink. :)

The tenant actually showed up at the house while we were there. He did not look either of us in the face and I can understand why. I stayed out front with the seller to keep him company while the tenant was getting some of his stuff. The seller asked him when he would have all of his stuff out and tenant mumbled something about 5 days.

I immediately thought that they had always been way too lenient with this guy. His 'stuff' should have already been out on the curb by this point. I don't mean to sound harsh, but this guy has been taking advantage of the seller for who knows how long, he's trashed the house and was being somewhat disrespectful.

The seller told me to call his wife with whatever offer I would come up with. I worked up the numbers while sitting in my car in front of the house and then called the wife after running a couple more errands. I'd offered 20k and she quickly told me that her husband would never go for anything that low. She then asked if there was room for negotiating and I told her that the offer was so low that I did not build any room in for negotiating (which was actually the case). She told me she would talk it over with him and let me know.

They called me back that same evening and told me that if they netted $20k they would be willing accept the offer. I wanted to make sure that they knew the prorated taxes would still be coming out of the proceeds and they told me that they wanted to net $20k. I told them I would have to give that some thought (the taxes would be about $1,400) and call them in the morning.

The next morning, I got busy with a bunch of little things and was just about to call them, when they called me. They wanted to get this thing over with and told me they were willing to net $19,000. Sure. I was willing to do that.
We met at a restaurant and got the contract together. This one should close within a couple of weeks.

I'm debating on whether to try and wholesale this house or fix it up and sell it with owner financing. I will post pictures and the numbers for the deal after we close.

**Probate Info Gathering Has Ceased**

The guy I had pulling probate leads for me called and informed me that he would no longer be able to. Crud. This is not good. Guess I will have to look for someone else. Anybody out there live in San Antonio that wants to gather these for me?

**Marketing**

*Total Motivated Seller Leads This Week: 19*

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<thead>
<tr>
<th>Lead Source</th>
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<tr>
<td>Drive For Dollars</td>
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<td>Have not done this in a while.</td>
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<td>Wholesale Deals</td>
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<td>Made Offer</td>
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<td>Absentee Owner</td>
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<td>From almost 1000 postcards couple weeks ago.</td>
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<tr>
<td>Mailing</td>
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<tr>
<td>Probate</td>
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<td>Not a good response rate so far.</td>
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**Total Leads To Date [370]**

This is the total number of leads for each source since I started posting about the leads.

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Leads Analyzed

1. **Tired Landlord**  
   [Source: Absentee Owner Postcard]

   Homeowner wants to sell a 4 bedroom, 2.5 bath, 2500 sf house in a good neighborhood.

   Here are the numbers:
   - Asking Price: $160,000
   - Amount Owed: $140,000
   - Repairs: cosmetic (unconfirmed)
   - After Repaired Value: $160,000
   - Max Offer: $105,000 - repairs

   Landlord is tired of dealing with the house and lives in California. The trouble is that too much is owed. Next.

2. **Another Tired Landlord**  
   [Source: Absentee Owner Postcard]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1700 sf house in a good neighborhood.
Here are the numbers:

Asking Price: $120,000
Amount Owed: $100,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $115,000
Max Offer: $75,000 - repairs

Landlord wants to sell and owes back taxes. Again, too much is owed...

3. **My Nemesis, The Tire Kicker**  
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 3 bedroom, 1.5 bath, 800 sf house in a not-so-good neighborhood.

Here are the numbers:

Asking Price: Make An Offer
Amount Owed: $22,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Wants to see what he can get for this house. Told him low $20's and he wasn't interested.

4. **Again With The Tire Kicking**  
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 5 bedroom, 2.5 bath, 2300 sf house in a good neighborhood.

Here are the numbers:

Asking Price: Make An Offer
Amount Owed: $?
Repairs: cosmetic (unconfirmed)
After Repaired Value: $145,000
Max Offer: $95,000 - repairs
Wants to see what I would be willing to give for it. He was very hesitant to give me any information and kept telling me to drive by the house first and then we could talk. I politely told him that I was not interested in wasting my time. Next.

5. Servicing Company Wanting Offers
[Source: Website]

They want an offer for a 3 bedroom, 2 bath, 1400 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $?
Repairs: cosmetic (unconfirmed)
After Repaired Value: $85,000
Max Offer: $55,000 - repairs

Servicing company is getting people out of the house and want to get an offer for it.

Just made a ballpark offer because I knew they would give me a chance to see it before committing. If not, I could always put a contingency in the contract. They are supposed to get back with me.

6. Estate Sale
[Source: Website]

Estate wants to sell a 4 bedroom, 2.5 bath, 2200 sf house in a good neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: Nothing
Repairs: $28,000 foundation, drywall, cosmetic
After Repaired Value: $150,000
Max Offer: $69,000 ($97,000 - $28,000)
Estate wants to get an offer for this property. The house was in a nice pocket of the neighborhood. It needs updating throughout and foundation work. This would be a good buy. I offered $65k and the seller didn’t seem shocked and said he would talk it over with the family. We continued to talk about some things and I was trying to treat the conversation as though we had already made an agreement. Hopefully this one works out.

Update: Have a verbal acceptance on this one and should have something in writing soon.

7. Separated From Husband
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a bad neighborhood.

Here are the numbers:
Asking Price: $85,000
Amount Owed: $54,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

This is a rough neighborhood and I had already vowed to not buy any houses there. This couldn’t be a deal anyway. Even if we short-saled it, it would be difficult to sell, even to another investor. Next, please.

8. Inherited Half
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: Nothing
Repairs: a lot (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Inherited half of the property. Other half ownership says to sell. There is a tenant paying $350/mo and is on month-to-month. Not my cup of tea. Might be difficult to get this many people (several on both sides getting a piece of the pie) to make this an easy thing. Birddogged for maximum effectiveness.

9. Does Not Want To Be A Landlord
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $5,000 taxes
Repairs: drywall, cosmetic (unconfirmed)
After Repaired Value: $60,000
Max Offer: $35,000 - repairs

I considered trying to contract this one myself and just wholesaling, but laziness got the better of me. Tried to feel him out on the price and realized that I would not be able to get him below $30,000. I would need to get this one in the 20’s at least to be able to wholesale it. Birddogged it instead.

10. Very Tired Landlord Wholesaler
[Source: Wholesale]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $40,000
Amount Owed: $35,000
Repairs: leveling, sheet rock, wiring, plumbing, roof (everything)
After Repaired $60,000
Value: $60,000
Max Offer: $35,000 - repairs

This is a wholesaler that I have known for a while. He has this rental and just wants to get rid of it. I've had and still have houses like this and know exactly how he feels. He just is not able to sell it for what I would need to get it for (which would be $20k or less).

Also, the tenant was home drinking lots of beer before just after noon. Not sure that he does much other than that based on the state of the house, even though he knew I was coming to see it (of course a lot of tenants will do things to keep landlords from selling because they don't want to be thrown out).

11. Wants To Reduce Debt For More Borrowing
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a really bad neighborhood.

Here are the numbers:
Asking Price: Make Offer
Amount Owed: $18,500
Repairs: a lot (unconfirmed)
After Repaired Value: $35,000
Max Offer: $10,000 - repairs

This one is in an area that I will not even consider touching. Birddogged it. Next.

12. Too Far From Work
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3 bath, 2100 sf house in a good neighborhood.

Here are the numbers:
Asking Price: Make Offer
Repairs: none (unconfirmed)  
After Repaired Value: $150,000  
Max Offer: $98,000 - repairs

Seller just bought the house a little over a year ago. The information was submitted from the website and I've called and left a message to talk to him about it. Doesn't seem like a situation where he will be willing to come down to what I would need to buy it for, but we'll see. You never know.

Update: He was not willing and it turns out that $108k+ is owed. I will check with some other investors to see if anyone is interested.

13. Behind On Payments  
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a bad neighborhood.

Here are the numbers:
- Asking Price: Make Offer
- Amount Owed: $25,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $25,000 - repairs

I do not buy in this area and feel the price is too close to be able to wholesale. Passed lead on to another investor instead.

14. Father's House  
[Source: Probate (sincere Letter)]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $55,000
- Amount Owed: $0
- Repairs: cosmetic and bathroom repairs (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Seller inherited his father's house and wants to sell because he doesn't want to be a landlord and could use the money to finish up the repairs on his own house. He is asking a high price but I will have to tell him that I will need to buy below $30k and see where he is at. I have to wait until tonight to call him because that is the only time he can answer the phone. We'll see.

Side note: Seems like the Sincere letter is pulling better. I don't think there have even been any calls from the non-specific letter.

15. **Info Masked Because of Line of Work**
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a good neighborhood.

   Here are the numbers:
   
   Asking Price: Make Offer
   Amount Owed: ??
   Repairs: unknown (unconfirmed)
   After Repaired Value: $130,000
   Max Offer: $85,000 - repairs

   Seller has only made contact through email and is not sure whether they want to sell. I had to double check the address because I could not find anything online regarding the house. The seller said that it is hidden because of their line of work. Interesting. I did not pry. They wanted a ballpark so I made a ballpark and am still waiting to hear back from them.

16. **Needs To Move Out Of State**
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1200 sf house in a decent neighborhood.

   Here are the numbers:
Asking Price: $75,000
Amount Owed: $40,000
Repairs: cosmetics (unconfirmed)
After Repaired Value: $80,000
Max Offer: $50,000 - repairs

Due to needing to be pretty close to what they owe and that they were asking quite a bit, I decided to make a quick ballpark estimate in the $40's before I went out to look at it. They are not in any hurry to sell and I will follow up.

17. Could Not Make Contact
[Source: Website]

Could not make contact with this seller. Information was submitted on the website but I could never get them to return my calls.

18. Could Not Make Contact Part Deux
[Source: Website]

This seller called me while I was at Lowe's and I could not take down their information. Tried to call several times since and have been unable to get a hold of them. Always have paper and pen on you.

19. Could Not Make Contact Part Three
[Source: Website]

I've never had this many people contact me that I could not contact again. Was starting to wonder if another investor was sending fake deals to keep me busy so that I could not work on the good ones. Nice try, but that will not work! Just kidding. I'm sure that could not be the case. My competition likes me. ;)

Summary

Still have quite a bit of leads coming in. I actually hesitated to send out more postcards this week so that I could catch up a little and knew I would be spending time dealing with getting our next house ready for move-in.
Plans For Next Week

- Close on the 'Honk Your Horn' house and post details.
- Send out some more postcards.
- Attempt To Focus On Business While Having Work Done On New House
The Twenty Sixth Week

These are the things I did this week:

Spent Time Trying To Find A New Contractor

Finding a good contractor can be very, very frustrating and very, very time consuming. Once you find a good one though, your life can become a lot easier. Be sure to invest the time up front looking for a good contractor. I am using the term invest, because you really are trying to spend time now so that less of your time is consumed and wasted in the future.

We have been having some issues with our current contractor that we have been using for at least 3 or 4 years now. It's been nice being able to call him to send him to do quick jobs on houses and get the bill later because I know that he will not submit ridiculous bills. We've gotten into a rhythm with the rehabs because he knows that I will not accept high bids and we don't waste each others time.

The issue relates to workmanship and a financial matter that I will not discuss. With regards to the workmanship, too many small things have been popping up that were done out of pure laziness and I wonder if some mistakes were made 'on purpose'.

I really should have spent the time months ago looking for a new contractor, but I know how hard it can be to find a good one and I have been just taking the easy way out and avoiding it. Just call up old' trusty. I'd rather spend my time working on other things. It's now come to the point where I need to go ahead and invest the time in finding someone new.

All week, I've been making calls to other investors and talking to several contractors. The ones that I felt best about met me at the 'honk your horn' house yesterday to talk and go over the scope of work. I am still awaiting their bids and have an idea of who I hope gets the right numbers.

While going through this I thought it would be helpful to provide an article about the process. So I did (staying up a little late to do it). You can read the bonus article online here: Finding and Interviewing Contractors for Your Flip Houses
Closed on the 'Honk Your Horn' House

Finally closed the 'Honk Your Horn' house.

Behold the 'Honk Your Horn' house (named so because the grandson of the seller was in his car honking the horn over and over again while we were signing the contract on the trunk of my car). We closed this one last week on Friday.

Contractor has started work and is doing the work and providing the materials listed below for $11,000. We will still need to pay my carpet guy separately for the carpet going throughout most of the house.

House Details

[Source: Website]

This is a 4 bedroom, 2 bathroom, 1400sf house that was built in 1985.

The Numbers

Purchase Price: $65,000
Settlement Fees: $3,379 (title policy, closing fee, insurance, loan fee)
Estimated Repairs: $15,000
Resale Price: $120,000
Estimated Holding/Selling Costs: $12,000
Estimated Profit: $24,621

Scope of Work

Exterior

- Replace any rotted siding or trim (not including facia)
- Install 1x4 trim on bottom edge of siding around sides and back of house
- Install new oil-rubbed bronze doorknobs and deadbolts for back door and door to garage
- Install new light fixture for back porch (see material specs)
• Remove storm door
• Paint entire exterior (see material specs)
• Replace fencing where rotted or missing
• Haul off construction debris and trash (including junk in yard – but not the play gym)

Interior

• Remove carpet throughout house
• Remove wall paper borders throughout house (including little trim pieces)
• Replace front door frame
• Repair back of front door (sand and match stain)
• Texture any imperfections in walls and ceilings. Match texture
• Repair sheet rock where necessary (including in garage) and match texture
• Remove stickers from ceiling fan in ‘princess’ room
• Prep interior for professional painting (remove all nails and things attached to walls and neatly caulk and sand) Paint interior (see material specs)
• Paint kitchen cabinets and install new hardware (11 pulls, 9 knobs) (see material specs)
• Replace kitchen faucet (see material specs)
• Run Dishwasher and report if working correctly
• Replace light fixtures (see material specs)
• Replace interior doors with new six-panel doors and oil-rubbed bronze hinges
• Replace interior doorknobs with oil-rubbed bronze (and strike plates)
• Remove all mini-blinds (keep 2” blinds in living room)
• Make sure all light bulbs are working throughout
• Make sure all switch and plug plates match throughout the house. Replace broken /painted ones
• Re-caulk around toilets and where necessary
• Replace return air grill and install new air filter
• Install smoke detectors where necessary
• Replace all door stops with oil-rubbed bronze door stops

Master Bath and Hall Bath
- Remove everything from the bathroom (keep toilet)
- Repair walls and texture
- Tile floors (tile needs to be approved by owner before installation – assuming between $1 and $1.50/sqft for tile purchase)
- Install new metal, white tub, tile surround and install new oil-rubbed bronze trim kit
- Install new vanity and faucet (see material specs)
- Install new vanity light
- Install new oil-rubbed bronze hand towel, 24” towel rack and toilet paper holder
- Install new framed-mirror (see material specs)

**Materials Specification**

**Paint Colors**

**Interior**

Walls – Realist Beige SW 6078 FLAT  
Trim – Extra White SW 7006 SEMI-GLOSS  
Ceiling - Flat White

**Exterior**

Sides and Back Siding – Classical White SW 2829 SATIN  
Trim - Tony Taupe SW 7038 SATIN  
Front Siding: To Be Determined

**Cabinets**

Color to be determined.

**Materials**

Bath Mirrors: Martha Stewart Living Mead 24 in. x 32 in. Framed Mirror in Espresso SKU 652509 $67  
Bath Faucets: Pegasus Estates Oil-Rubbed Bronze Faucet SKU 666068 $89  
Bath Vanities: Master Vanities: Woodcrafters Del Mar 30” Espresso w/Top SKU 672-477 $199  
Cabinet Knobs SKU 400389 $1.79/each (they are a little cheaper in the 18 pack)  
Drawer pulls for cabinets SKU 803786 $2.39/each.
Light Fixtures

Bathroom Vanity Lights – Progress Lighting North Park Venetian Bronze SKU # 552-400 $70
Exterior Light Fixture Black SKU 245746 $8.97
Ceiling fan for Living Room SKU 161-646 Hampton Bay Glendale $65 (make sure you get Oil-Rubbed Bronze).
Flushmount for breakfast area, kitchen, upstairs hall (2) SKU 720163 $15
Commercial Electric Oil-Rubbed Bronze (make sure to use at least a 60W bulb)
Owner will provide SKU for pendant light for over the kitchen sink.

View the 'before' pictures online here.

Got Two More Under Contract

The first one was one that I mentioned having a verbal acceptance of my offer on last week. The seller inherited the house and lives in Austin. He knew the house needed quite a bit of work and did not want to mess with it. They quickly accepted my offer and I met with him to sign it up on Monday morning. I think we talked more about cars than we did about the house.

This one should be a great flip. I will post pictures and the numbers as soon as we close. I must admit that I am tempted to wholesale this one, as it does require quite a bit of rehab.

The second one I put under contract this morning. It will be a wholesale because my wife does not like the area. We had one for sale there a couple of years ago and it turned into a nightmare property. Took about a year to sell, got vandalized, had an incident with kids breaking in and sleeping there.

My wife and our make ready crew (husband and wife team) were meeting there to clean it again as it had been on the market for a while. My wife went in and a teenager was inside the house. She asked him what he was doing there and he paused and then mentioned that he was interested in the house and was looking at it. He then mentioned that he was going to leave and, being as tough as she is, she told him that he was not going to (we had already had damage done by someone putting out cigarette butts in the new carpet). She was going to call the police.

The Perp was not going to stick around for that, so he decided to try to run out the front door. The problem was that my wife was standing between him and the
door AND she was holding our new born baby in her car seat. He actually shoved her aside and took off running down the street.

My wife called me told me what had just happened and I immediately pulled a u-turn and headed straight over there. Pissed.

God bless the cleaning crew. The husband, even being over 50 years old (I know that's not much, but the kid was in his teens!), took off after him. My wife said it was actually sort of comical as the kid had saggy drawers and they kept falling down and he was struggling to keep them on. This allowed the cleaner giving chase to keep up with him a little, even as he was having to pause for breath every so many yards.

The kid made it through a drainage ditch that ran between two houses and outside the neighborhood to some neighboring apartments.

Here is the craziest part. The cleaner did not see where the kid had gone but assumed he must have ran into the apartment upstairs where a bunch of crazy looking teenagers were hanging outside. He immediately went up the stair and just entered the apartment. Found the kid and dragged him out. Awesome.

The police quickly arrived and took the kid into custody. My wife was really shaken up by the incident and I was extremely pissed. The police took it very seriously because they considered assault of a child because my wife was holding our baby.

So please be careful going into vacant houses, even ones you own.

Got sort of sidetracked there. :)

So that is why we are not going to buy the house with any intention of selling on a new loan. I will do my best to make a good profit by wholesaling it. If by chance I do not get a decent offer, I will sell the house with owner financing.

Pictures and numbers will be provided once we close and have it wholesaled.

Work Still Progressing On Our House

Got all the old tile out (almost 10,000 pounds worth!). Have the master bath plumbing rough-in done, electrical rough-in done (I think there are 6 switches for the master bath), sheet rock hung and being taped, floated and textured. The
fireplace will be tiled soon and the master bath will soon get new tile.

**Probate Info Gathering Has Ceased**

I told you last week that I do not have anyone gathering these leads for me right now. I did contact the probate office and ask if there was a way to get the information online and it was as it was when I last checked, no. Not yet.

**Mailed Postcards**

Mailed 480 5x7 postcards out to absentee owners using click2mail.com.

**Posted Ad On Craigslist**

Posted an ad on craigslist.org. I have not done this in a really long time (maybe I have but just don't remember). Figured it wouldn't hurt to try it again as it only takes a couple of minutes. Got one call from it this week. I'll have to try to keep posting ads.

**Named The House I Got Under Contract Last Week**

The one I mentioned putting under contract last week will hence forth be known as the 'Front Yard Stink House'. This is because I took my wife over to see it yesterday and she was standing about 15 ft away in the middle of the front yard while I went in to make sure nobody was in the house. Even from that far away she could smell the house.

After clearing the house, I signaled for her to come inside and she refused. The smell was just too much! :) It's from the stuff in the sink. Should probably have someone do something about that before we close. Good stuff.

**Marketing**

*Total Motivated Seller Leads This Week: 20*

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Drive For Dollars 0  Have not done this in a while.
Wholesale Deals 1  Made Offer
Absentee Owner Mailing 0  Have not mailed in a while.
Probate 1  Not a good response rate so far.
Craigslist 1  Just a basic ad saying we buy houses.

Total Leads To Date [390]

This is the total number of leads for each source since I started posting about the leads.

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Leads Analyzed

1. Fathers House - Son Lives Out Of Town
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1200 sf house in a decent...
neighborhood.

Here are the numbers:

Asking Price: Make An Offer
Amount Owed: Nothing
Repairs: $10,000 (updating mainly)
After Repaired Value: $100,000
Max Offer: $55,000 ($65,000 - $10,000)

Son drove into town from out of state to help father sell his house so that he could go and live with him. The house needs updating but is in good shape. The problem with this one is that it backs up to a large apartment complex that is right up against the property line. Some big, fast-growing bushes should do the trick. I was conservative with the ARV because of this.

I've made an offer and they are considering it. I will follow up soon.

2. Needs Money To Build New House
[Source: Website]

Homeowner wants to sell a 3 bedroom, 3.5 bath, 2600 sf house in a good neighborhood.

Here are the numbers:

Asking Price: $204,000
Amount Owed: Nothing
Repairs: Unknown (unconfirmed)
After Repaired Value: $230,000
Max Offer: $150,000 - repairs

Seller inherited the house a couple of months ago and wants to sell it so that they can build a house. The house is listed with a Realtor and has been on the market for a couple months already. I guess they didn't waste any time with getting it on the market. I was able to see pictures of the house and all of the details.

This one is a tough one because the house is completely outdated and not
many houses have been sold in the neighborhood recently. One that has sold is also outdated-looking, but sold for a high price (mainly because it was owned by a renowned local architect). This house is out-dated too. Maybe I should title the house as [Insert Some Renowned Architect Name] Land Trust and try to sell it as-is that way. :)

Not too sure, but I know either way I would need to buy it cheap. I called and mentioned that I would need to buy for closer to $100k.

Update: No go at this time.

3. Listed Wholesale
[Source: Wholesale]

Wholesaler wants to sell a 3 bedroom, 1 bath, 900 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $30,000
Amount Owed: ?
Repairs: a lot (unconfirmed)
After Repaired Value: $50,000 (owner-financed)
Max Offer: $25,000 - repairs

Wholesaler called with this house that he has under contract. The neighborhood is not good and will most likely require selling with owner-financing or to a landlord. Either way, I would need to buy it very cheap. Next.

4. Aunt Passed Away
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 1100 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: Nothing
Repairs: $8,000
After Repaired Value: $60,000
Max Offer: $35,000 - repairs

Seller inherited this house from her aunt who recently passed away. The house is a newer house in an older neighborhood. This one would make a good rental or owner-financed house.

My ARV was for retail sale and that would take a while, with the high days on market in the area. If I sold it with owner financing I could sell for much more. The house didn’t need much beyond some leveling so I offered $30,000. They did not like that offer, but I will follow up.

5. Moved To Different School District
   [Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 1900 sf house in a good neighborhood.

Here are the numbers:
 Asking Price: $190,000
 Amount Owed: $150,000
 Repairs: Flooring and Cosmetics (unconfirmed)
 After Repaired Value: $215,000
 Max Offer: $140,000 - repairs

Seller moved to another area to change school districts. The school district the house is in isn’t bad so I guess it was for other reasons. Just a little too much is owed and the seller is asking too much for me to be interested.

I told him I would be below what he owes but know another investor that would probably get somewhere just above what is owed but he was firm on his asking price. This is when I ask them again what the lowest is that they would be willing to accept. He mentioned $180k and I don't know anyone that could make it work for that much. He just does not sound motivated enough right now.

6. Need To Downsize
   [Source: Website]
Homeowner wants to sell a 4 bedroom, 2.5 bath, 2700 sf house in a good neighborhood.

Here are the numbers:

- Asking Price: $169,000
- Amount Owed: $167,000
- Repairs: cosmetics (unconfirmed)
- After Repaired Value: $175,000
- Max Offer: $114,000 - repairs

Seller needs to downsize and wants to sell the house because it is getting too expensive. Too much is owed.

7. Helping Sister Sell Her House

[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a decent neighborhood.

Here are the numbers:

- Asking Price: $80,000
- Amount Owed: $0
- Repairs: cosmetics (unconfirmed)
- After Repaired Value: $80,000
- Max Offer: $50,000 - repairs

Seller's sister called to see if I would make an offer on the house. They were asking for full market value and did not seem to need to sell right away so I made a ballpark offer around the maximum offer amount and said it just depends on the repairs. This way, if the seller is negotiable enough to sell around where I would need to be, I will go and see it and try to work a deal.

This sort of situation may not have motivated sellers right away, but they may eventually become motivated enough. So, if they don't want to be negotiable enough right now, that doesn't mean they won't be in a couple of months. I will follow up. That is exactly what the motivated seller lead manager is for.
8. **Selling Dad's House**  
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 1200 sf house in a bad neighborhood.

Here are the numbers:

- **Asking Price:** $30,000
- **Amount Owed:** $13,000
- **Repairs:** a lot (unconfirmed)
- **After Repaired Value:** $50,000
- **Max Offer:** $25,000 - repairs

Dad is moving in with his son and needs to sell his house. It is in a rough area and the house needs a lot of repairs. I birddogged this one to another investor that buys in the area.

9. **Selling Inherited House**  
[Source: Probate (sincere letter)]

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a not-so-good neighborhood.

Here are the numbers:

- **Asking Price:** Make An Offer
- **Amount Owed:** $0
- **Repairs:** a lot (unconfirmed)
- **After Repaired Value:** $50,000
- **Max Offer:** $25,000 - repairs

Got a letter from me and wants to see about getting an offer before he puts it on the market. Tire kicker. I'm not really interested in the area, so I told another investor so that he could make an offer. Next.

10. **Moving To Get Out Of The Neighborhood**  
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 1 bath, 700 sf house with
apartment in back in a very nice neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $6,000
Repairs: a lot (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Did you notice that I put 'very nice' neighborhood? Just checking to see if you are paying attention. Not a good area and they want to 'escape' it. The owner inherited the house years ago and has been living there. I'm not interested in the area and passed it to another investor. This one should pay out.

11. Selling Because He Has A Couple Houses
[Source: Craigslist]

Homeowner wants to sell a 4 bedroom, 4 bath, 3000 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $250,000
Amount Owed: $250,000
Repairs: none (unconfirmed)
After Repaired Value: $250,000
Max Offer: $175,000 - repairs

Says he is selling because he has a couple of houses. He would not elaborate. He owes what it is worth and I just can't do anything with that. Next.

12. Prefers Apartment Living
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 1600 sf house in a so-so neighborhood.
Here are the numbers:
Asking Price: $65,000
Amount Owed: $0
Repairs: updating and cosmetics (unconfirmed)
After Repaired Value: $80,000
Max Offer: $52,000 - repairs

Inherited the house but does not like house living. She prefers apartment living and wants to sell this house. Seemed like a motivating enough reason for me to go and see it. Made my offer and will be following up.

13. **Tiny, Tiny House**
[Source: Website]

Homeowner wants to sell a 1 bedroom, 1 bath, 400 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $0
Repairs: a lot (unconfirmed)
After Repaired Value: $35,000
Max Offer: $???

Seller has a tiny 400 square foot house that he wants to sell that he inherited. The house has been vacant for over 10 years. Honestly, I don’t want that small of a house. He lives next door also which could be a problem. Decided to just birddog this one.

14. **Seller Wants To Downsize**
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 2800 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $115,000
Amount Owed: $56,000
Repairs: nothing (unconfirmed)

After Repaired Value: $135,000

Max Offer: $88,000 - repairs

Seller just wants to downsize. She had the house listed for about 3 months at a super high price and then dropped it dramatically down to $145k for a couple weeks before cancelling the listing. I asked her how many showings and offers she'd had and she said only 2 showings and no offers. Just with that you can figure that the ARV is going to be at or below the $145k. After looking at comparable sales, I feel the $135k is much more likely. Of the ones that sold, days on market were pretty high.

With the dramatic price decrease and then now asking $115k, I felt that she must have some motivation. So, I scheduled to see the house. Going to see it Saturday.

15. **Moved Out Of State**

[Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a decent neighborhood.

Here are the numbers:

- Asking Price: $90,000
- Amount Owed: $70,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $105,000
- Max Offer: $70,000 - repairs

Seller moved out of state and needs to sell this house. Unfortunately, I cannot pay what he is wanting and needed to inform him that I could only pay what he owes, if that.

He was not interested. Next.

16. **Bad Tenants Moved Out**

[Source: Website]

Homeowner wants to sell a 3 bedroom, 1.5 bath, 1200 sf house in a
Here are the numbers:

- Asking Price: $63,000
- Amount Owed: $58,000
- Repairs: $12,000
- After Repaired Value: $85,000
- Max Offer: $43,000 ($55,000 - $12,000)

Seller has his nephew living there after some tenants moved out. His nephew says that he is paying the mortgage but the uncle (owner) says they are behind on the payments. The only thing that could make this work is a short sale.

He says he is just going to try and sell it as-is instead and will consider the short sale later.

17. **Beat Cancer But Cannot Find A Job**
   [Source: Yellow Pages]

Homeowner wants to sell a 3 bedroom, 2 bath, 1700 sf house in a decent neighborhood.

Here are the numbers:

- Asking Price: $105,000
- Amount Owed: $98,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $109,000
- Max Offer: $70,000 - repairs

Seller was diagnosed with cancer a few years ago. He was recently told that there were no more signs of it. I was glad to hear that. The problem is that he cannot find a job, even an entry level job. This is making it so that he cannot afford his house any longer.

This is truly a situation where I wish I could just pay his house off and help him out. But I can’t. I bring this up because you will face a lot of situations like this when flipping houses and you will be mighty tempted to help,
especially when the numbers are closer to what your maximum offer is. There will be times where you will be 10k or 5k or even 3k off and you will be very, very tempted to fudge the numbers a little to make it work. Please avoid it. You will be glad you did.

Do not make other peoples' problems your problem (this is especially true with contractors).

It may sound harsh, but it is a rule that I firmly believe will keep you out of a lot of trouble.

18. Two Manufactured Homes Out of Town
[Source: Yellow Pages]

Homeowner wants to sell 2 manufactured homes that are out of town.

Here are the numbers:
Asking Price: $50,000
Amount Owed: $0
Repairs: a lot (unconfirmed)
After Repaired Value: $?
Max Offer: $?

Seller just wants to move and has two older manufactured homes that are pretty far out of town. I'm just not interested.

19. Wants To Buy Van For Disabled Mom
[Source: Yellow Pages]

Homeowner wants to sell a 4 bedroom, 2 bath, 1500 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $45,000
Amount Owed: $40,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $55,000
Max Offer: $30,000 - repairs
Seller wants to sell her house so that she can buy her disabled mom a wheelchair accessible van and rent an apartment for her. Another situation where I would love to be able to help them, but I simply cannot.

20. Did Not Realize Tenants Would Be Such A Hassle
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a not-so-good neighborhood.

Here are the numbers:
- Asking Price: $60,000
- Amount Owed: $0
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $25,000 - repairs

Seller just evicted some bad tenants. She is not at all interested in trying to rent the house out again. Surprisingly, she says the house does not need much in the way of repairs. Not sure how true that could be.

I told them I would need to be in the 20's. She was not interested at all.

Summary

Mondays are usually my most hectic day. I think a lot of people look for people to call about selling their house on the weekend, but wait to call until Monday. I got 13 or more leads this week JUST ON MONDAY! My head was spinning by the end of the day. Things are really rolling now and we are going to get pretty busy, especially with the move coming up.

Plans For Next Week

- Close on the 'Front Yard Stink' house and post details.
- Send out some more postcards.
- Get new house closer to move in.
The Twenty Seventh Week

These are the things I did this week:

Spent More Time Trying To Find A New Contractor

The journey continues in my attempts to find another good contractor for the rehabs on the houses we are flipping. I had met several of the ones I felt the best about after some calls to give a bid on the work needed at the 'honk your horn' house.

One contractor stood out and seemed like he would be a good fit. His estimate came in a couple grand high, but he accepted my counter bid for the job and we agreed to meet at a restaurant to go over my contract and get the paper work (contract and W9) so that he could get started the next day.

This is where my patience was tried. Seems like I have less and less patience these days. First, he was about 30 minutes late. I accepted this because I called him with little notice as to when I could be there, so not really a biggy. He was off in his estimate of when he could be there though. Splitting hairs?

He sat down and started to read my contract and the scope of work (was not drawn up when we went over the job). I was very patient with him while he was going over the contract because I wanted to make sure he read the whole thing and that we were clear on everything that it states.

The key points of the contract being:

- He will be an independent contractor, not an employee.
- Agrees to do all work described in the scope of work in a professional manner and use the materials specified in the materials specification.
- The cost of the job, including materials.
- That they are expected to keep a clean job site.
- That I have to approve all work to my standards.
- All change orders will be in writing with accepted time estimates and cost estimates, before any additional work is performed.
- I have every right to cancel the job if I am not satisfied at any point.
- A penalty is given if the work is not done by the deadline (with
consideration given to weather and other delays).  
- The contractor warrants the work performed for at least a year.

He started to hesitate as he read my materials specification. Specifically the cost of the bathroom vanities. The vanities cost $199 each at Home Depot. He informs me that I told him they would cost $59 each when going over the work at the house (a perfect example of why you should have your scope of work ready BEFORE you meet contractors - shame on me).

I'm not sure who in their right mind would not question $59 bathroom vanities with tops. I don't think I've ever seen any that cheap. If I did, I'd sure question their quality and/or durability. At this point he started crunching numbers while hiding them with his folder. Very sneaky. Not sure what kind of math equations he was trying to solve as it took him nearly 20 minutes to crunch whatever numbers he was crunching.

After I'd had enough of this secret number crunching, I informed him that I was busy and that he needed to pick up the pace a little. I had figured he was starting to become concerned about how much I was going to control the job and was thinking it through while writing numbers in his binder. Maybe he was just trying to figure out the pay for his guys based on the work and time (something he should have done before agreeing to my price over the phone and possibly why he was throwing out wild numbers for the materials - so that he could negotiate with me at the table).

By now we had been sitting there for about an hour. He then mentions that he understands I have things to do and that he would look over everything at home and call me to schedule meeting at the job to get started the next day. I told him that if I did not hear from him that night, I would assume he did not want the job (can't go chasing or waiting for someone for days to make up their mind). He assured me that he wanted the job and that he just needed to go over the contract really good.

I never heard from him.

I didn't wait long and called more contractors to meet with.

This is an ongoing process that I wish was easier. But again, spend the time up front to find the right person so that you don't have a lot of problems during the
project and end up having to fire someone.

Closed on the 'Front Yard Stink' House

Finally closed the 'Front Yard Stink' house. View the 'before' pictures online here.

Work Still Progressing On Our House

Tiling is nearly completed and looks AWESOME! The wood floors will then go down, the vanities and bath fixtures will be installed, shower glass will be ordered and we will be set to move in. Oh yeah, still have to call the home alarm company, the cable and Internet provider, family to help move, get boxes...oh man, what have we gotten ourselves into again?

Marketing

Total Motivated Seller Leads This Week: 16

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Leads</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandit Signs</td>
<td>1</td>
<td>Wow. Some are still up?</td>
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<tr>
<td>Yellow Pages</td>
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<td></td>
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<td>Buying Website</td>
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<td></td>
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<td>Drive For Dollars</td>
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<tr>
<td>Wholesale Deals</td>
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<tr>
<td>Absentee Owner</td>
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<td>Have not mailed in a while.</td>
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<tr>
<td>Mailing</td>
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<tr>
<td>Probate</td>
<td>1</td>
<td>From non-specific letter.</td>
</tr>
<tr>
<td>Craigslist</td>
<td>1</td>
<td>Just a basic ad saying we buy houses.</td>
</tr>
<tr>
<td>Referral</td>
<td>1</td>
<td>From another investor that buys in different price range.</td>
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</table>

Total Leads To Date [406]

This is the total number of leads for each source since I started posting about the leads.
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<thead>
<tr>
<th>Lead Source</th>
<th>Total Leads To Date</th>
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<tr>
<td>Buying Website:</td>
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<td>For Sale By Owner:</td>
<td>1</td>
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</tbody>
</table>

**Leads Analyzed**

1. **Manufactured Home In A Park**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf manufactured home on a rented lot.

   Here are the numbers:
   - Asking Price: Make An Offer
   - Amount Owed: $50,000
   - Repairs: cosmetic (unconfirmed)
   - After Repaired Value: $??
   - Max Offer: $??

   Seller is moving out of town and needs to sell this '98 manufactured home. I do not buy manufactured homes that don't come with land. Could not do this one. Next.
2. **Doesn't Want Two Mortgages**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a so-so neighborhood.

Here are the numbers:
- Asking Price: $50,000
- Amount Owed: $22,000
- Repairs: $12,000
- After Repaired Value: $65,000
- Max Offer: $23,000

Want to sell this house because they have two mortgages and don't want to be landlords. They are asking quite a bit, but don't owe that much so I went to see it.

Had to see this one on a Saturday. Sometimes you just gotta do what you gotta do. Wish I hadn’t. I really did not like this house at all. The neighborhood is actually somewhat of a bad one. The house needs a lot of work and has a horrible carport covering the length of the front of it. I told them I would basically need to buy it for what they owe on.

They were not interested but I will follow up and see if that changes.

3. **Inherited And Does Not Want To Deal With It**  
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a not-so-good neighborhood.

Here are the numbers:
- Asking Price: $50,000
- Amount Owed: Nothing
- Repairs: a lot (unconfirmed)
- After Repaired Value: $45,000
- Max Offer: $20,000 - repairs
Mother passed away and the seller inherited the house. He does not want to have anything to do with it because it needs a lot of work. These situations will usually turn into a deal. He was not acting like he wanted to lower his price though, so I decided to just pass on the lead. I’m sure with some follow up this will turn into a deal.

4. Living Out Of State An Cannot Afford
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 2200 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $125,000
Amount Owed: $112,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $120,000
Max Offer: $78,000 - repairs

Seller has this house rented and needs to sell because they are not paying and he cannot afford. He lives out of state and is not interested in a short sale. Nothing I can do. Too much is owed. Next.

5. Moving To Another House
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 1000 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $20,000
Amount Owed: $0
Repairs: a lot (unconfirmed)
After Repaired Value: $40,000
Max Offer: $15,000 - repairs

Seller is moving into another house. This one needs a lot of work and they just don’t want the hassle of fixing it up and renting it out. Don't care for
area and was busy this morning (seller was contacting other investors), so I passed it on to another investor that was able to see it sooner.

6. Wholesale Priced Too High
[Source: Wholesaler]

Wholesaler wants assign a contract for a 3 bedroom, 2 bath, 1500 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $67,000
Amount Owed: $64,000 (under contract for)
Repairs: $12,000 (based on pictures)
After Repaired Value: $95,000
Max Offer: $50,000 - ($62,000-$12,000)

Wholesaler assigning contract for a decent house. The problem with this one is that the comparable sales that have sold recently were all rehabbed very nicely with more than what we typically do for this price range house. I had to adjust either the ARV or the repair costs to make it accurate. I adjusted the repair cost to reflect the higher cost in doing more to the house and the numbers just don't work, no matter how you slice it.

7. Girlfriend Pregnant and Need a Bigger Place
[Source: Bandit Signs]

Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $108,000
Amount Owed: $85,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $105,000
Max Offer: $68,000 - repairs

Seller needs a bigger house. Not sure why a 3 bedroom is not big enough for three people, but they have more kids. It's not for me to figure out
unless there is more to the story. Which doesn't matter much because too much is owed. They are not behind on payments, so I will just have to pass on this one.

8. **2 Manufactured Homes On Single Lot**  
   [Source: Craigslist]

   Homeowner wants to sell two manufactured homes on a single lot outside of town. The mobiles are early eighties and need a lot of work. Definitely something I am not interested in, especially with the $90,000 price tag. Next.

9. **Father Passed Away**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 1 bath, 1200 sf house in a not-so-good neighborhood.

   Here are the numbers:
   - Asking Price: $40,000
   - Amount Owed: $0
   - Repairs: cosmetic and updating (unconfirmed)
   - After Repaired Value: $60,000
   - Max Offer: $35,000 - repairs

   Son inherited the property when his father passed and he just wants to sell it fast. He was insisting on netting the $40k which I knew I could not do. I'm sure he would be willing to drop given some time. This area is not one that I prefer so I passed the lead on to another investor.

10. **Re-Evaluated Life Course**  
    [Source: Website]

    Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a good neighborhood.

    Here are the numbers:
    - Asking Price: $125,000
    - Amount Owed: $121,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $110,000
Max Offer: $72,000 - repairs

Seller has decided to change paths in life and this includes selling this house. That is fine but it might take a little time and/or some money, because I cannot buy the house when more is owed than it is worth. Sorry.

11. Divorced and Moving
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $95,000
Amount Owed: $53,000
Repairs: cosmetic (unconfirmed)
After Repaired Value: $90,000
Max Offer: $59,000 - repairs

Divorce situation and the seller just wants to get away from the house and all of the memories. Only got an email with this one, so I am waiting for a response on when I can see the house.

Update: seller responded and I gave a ballpark that the seller become offended by and demanded to know why I would need to buy it so low. They were politely informed that I cannot pay full market value and so on and so forth. I also felt it prudent to inform them that tone is always hard to convey by email and that I was not trying to be rude and that it would have helped had they given a phone number so that I could call them. No go.

12. Medical Disability and Behind On Payments
[Source: Website]

Homeowner wants to sell a 5 bedroom, 3 bath, 2000 sf house in a decent neighborhood.
Here are the numbers:
Asking Price: $90,000
Amount Owed: $88,000
Repairs: long list of repairs (unconfirmed)
After Repaired Value: $110,000
Max Offer: $71,000 - repairs

Medical disability has caused seller to fall behind on payments. The days on market are high and there is just too much owed.

13. Don't Want Hassle Of Selling Through Realtor
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 1700 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $115,000
Amount Owed: $102,000
Repairs: $4,000 (carpet, exterior trim, tile)
After Repaired Value: $140,000
Max Offer: $87,000 ($91,000 - $4,000)

This one was a tricky one. The seller called me while I was headed out this morning to take care of business at several houses. He mentioned that another well known investor in town had made an offer a couple of weeks ago and he had accepted it. The problem was that the investor was out of town when he accepted it. So, he had to wait until he got back to get the contract signed.

The seller started making plans as if the house was already sold. He put an offer in on another house and had mentally made the leap and separated himself from his house. It was sold. He had already moved on.

Then his world was shattered when the investor came back from out of town and only then did he inform him that he was unable to buy the house at this point. This devastated the seller and sent his head spinning.
He seemed really motivated to be done with the house when he called me. Guess he was having trouble accepting that his house was in fact not sold and still very much his problem.

I was able to squeeze in a showing of the house between my appointments (not usually this busy) and saw the house. It did not need very much at all. Now that I had a repair estimate I needed to figure out comparable sales. I ended up doing a market analysis at my attorney's office while handling the closing on the 'Front Yard Stink House'. I'd just quickly glanced over the comparable sales and figured it should sell for about $150k.

As I was leaving the closing, I kept wondering why the other investor had backed out and started doubting my quick analysis of the comparable sales. I called an investor friend and asked him to run comparable sales for me and give me his opinion. He figured that $150k-$160k was safe.

Even with these numbers the deal would have been tighter than I'd like, but I figured I could find someone to want it at just above what he owed. My gut kept telling me to recheck the comparable sales more closely though as the other investor had backed out without reason.

When I got home, I checked the comparable sales and realized this was a case where a thorough review of the comparable sales was necessary. The houses in the neighborhood were very similar but there was a bigger than normal difference between prices for single story and 2 story houses. There is usually a difference, but not one this big. The singles were selling for about $100/sf and the 2 story houses were selling for about $80/sf. That's a big difference!

He wants it paid off and would not consider sub2. Have to pass on this one.

14. **Ex Passed Away**
[Source: Referral]

Homeowner wants to sell a 3 bedroom, 1 bath, 1700 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $55,000
Amount Owed: $53,000
Repairs: a lot (unconfirmed)
After Repaired Value: $65,000
Max Offer: $40,000 - repairs

Seller had separated from her ex years ago and he recently passed away. He was living at their house and was not taking care of it and had not been making payments. Now she is facing foreclosure and doesn't want that on her credit. There is just too much owed to make this a successful flip.

15. **Assume Inside Needs To Be Gutted**  
[Source: Probate Letters]

Homeowner wants to sell a 2 bedroom, 1 bath, 1200 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: Make An Offer
- Amount Owed: $20,000 (about)
- Repairs: a lot (unconfirmed)
- After Repaired Value: $65,000
- Max Offer: $40,000 - repairs

Brother just died and he needs to sell this house because he lives out of town. The house is completely run down and there is a balanced owed. He told me to just go by the outside and make an offer assuming everything inside needs to be replaced, because it does. He is aware of the condition of the house and wants to see what I would offer.

He just started probate and told me that he is in no rush. I will go by this weekend and have a gander.

16. **Unsure Why Selling**  
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 1300 sf house in a so-so neighborhood.
Here are the numbers:

- **Asking Price:** $75,000 (least will take is $68,000)
- **Amount Owed:** $45,000
- **Repairs:** some repairs (unconfirmed)
- **After Repaired Value:** $65,000
- **Max Offer:** $40,000 - repairs

This is a website lead and the seller did not leave any info about why they are selling. Probably was/is a rental property and the owner lives out of town a ways. Too much is owed for what it is anyway.

**Summary**

Calls were more steady throughout the week this week instead of all flooding in on Monday. I've slowed down a little on the marketing because I need to get the rehabs under way and get the new house ready for move AND coordinate that move in. Lots of work ahead of us for the next couple of weeks.

**Plans For Next Week**

- Get estimates for work at the 'Front Yard Stink' house.
- Send out some more postcards.
The Twenty Eighth Week

These are the things I did this week:

Put Another House Under Contract

Got a call from a guy that has a house he's been trying to sell since March. I had actually looked at it back in March and made an offer. He just recently decided to list it with a Realtor and has only received one showing. He is moving out of the country and just wants to have it gone.

He called to tell me that he was willing to take my offer, if it still stood. I could not remember the house, even after looking at the pictures that I had taken. So, I went back to see it and decided that it was still a deal. The comparable sales had to be checked again because it had been so long and a lot can change quickly in this market.

The seller wanted to have it closed within 3 days and we didn't sign the contract until almost 5:00 that afternoon. I had to scramble. As soon as I left his house, I was making calls to get everything lined up. So far, we are still set to close tomorrow.

This one will be called the 'Flatulent House'. I hesitate to name it that, but it is all that comes to mind. :) The seller had a problem with passing gas as we talked at the house. I'm sure it was uncontrollable for him and I had a very, very hard time not changing facial expressions while talking to him as it happened. Whew. Details and pictures soon.

Busy With The Move

Boxes everywhere and still a ton of stuff to box up. I was just thinking how funny it is that we pay big money for houses and then do our best to get boxes for free. Just can't see paying money for new boxes. We hit the jackpot yesterday by chance.

More New Contractor Dramatics

The journey even still continues in my attempts to find another good contractor for the rehabs on the houses we are flipping. With the move coming up, I did
slack off a little in my search so it's not like it has been a 24/7 attempt to find one.

Had another contractor that I was willing to work with and had agreed on a price. He was happy to be getting the work.

After telling him that we would have to meet first thing in the morning on Monday, he just acknowledged but then continued talking. Do not cut them off when they start rambling. Just be quiet and listen. He started mentioning some things that concerned me. Mainly, that he had just finished a big job for a church and he was waiting for payment and therefore could not buy any materials and needed money up front.

This could be a valid problem but I believe it is probably a normal situation for contractors that have been out of work for a little while. They are behind on their bills. This is understandable and I can't fault them for that. The problem is when they receive some money for materials up front (as I do not buy materials - all bids are for labor and materials) and it either goes to finish a job they haven't finished yet or to pay their bills. They begin with you upside down and it is never pleasant.

I'm not saying this is always the case, but I'd err on the side of caution.

I was still going to meet with him and go over the contract. The draw schedule was set up so that there was less chance of his becoming upside down on the job. The payments would be smaller and based on work already done.

My schedule was busy and I had to get up early to be able to meet with him. He wasn't there on time and then called 10 minutes late to tell me that his alarm did not go off. Already with the excuses and we had not even started. This was a deal killer for me. Too soon to have issues and it usually is a sign of how things will always be with him.

So now I am back to square one. Not a big deal. I feel relieved that I avoided a dud.

Closed on the 'Perp House'

Closed on the house that I mentioned getting under contract two weeks ago. This house was not where my wife found someone inside the house that had broken in, but is in the same neighborhood as where that happened. So, I am
going to call it the Perp house. This one will most likely be fixed and sold with owner financing. I will post the numbers and pictures within the coming week or two.

Closed on the 'Audi House'

Closed this morning on the first house that I mentioned getting under contract two weeks ago. The seller had a nice Audi and honestly, that what the first thing that came to mind when trying to come up with a name for it.

The house needs a lot of repairs and I will most likely wholesale it. Numbers and pictures will be posted as soon as it is wholesaled. Got several people that might be interested that I need to have see it. Hopefully it will go quickly and profitably.

**Marketing**

*Total Motivated Seller Leads This Week: 13*

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<th>Lead Source</th>
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**Total Leads To Date [419]**

This is the total number of leads for each source since I started posting about the leads.

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Leads Analyzed

1. Moving To Take Care of Mother
   [Source: Yellow Pages]

   Homeowner wants to sell a 3 bedroom, 1.5 bath, 1100 sf house in a so-so neighborhood.

   Here are the numbers:
   Asking Price: $35,000
   Amount Owed: $23,000
   Repairs: $15,000
   After Repaired Value: $70,000
   Max Offer: $30,000 ($45,000-$15,000)

   Seller is moving in with his mom so that he can take care of her. He mentioned that the house was already being made ready for sale but did not finish. He made it sound like it was nice and just needed minor touch ups.

   I went out to see it and was surprised by the stink. I'm sorry but the house really reeked of dog. There were giant rat holes chewed through the wall
and a ceiling in a bedroom. Everything needed to be redone. I think the only thing that looked fine was the roof and water heater.

He was not interested in my offer of $25,000. I really did not want to go above that. The room was there for another investor so I birddogged it to see if he could make it work.

2. Wants To See What I'd Pay
[Source: Absentee Owner Postcard]

Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: Make An Offer
- Amount Owed: $50,000
- Repairs: cosmetic (unconfirmed)
- After Repaired Value: $120,000
- Max Offer: $78,000 - repairs

Seller wants to see what I would pay for the house. He's had a tenant in it for the last 4 years and was acting like it would be difficult to show the house. I'm really not sure why so many landlords are afraid to show rental houses with tenants. Maybe they have a fear of their tenants worrying and moving out on them.

He just wanted me to make a ballpark figure and then we would go from there. I did a little research and found out that he is behind on the property taxes. So, it sounded like a tire-kicker at first, but there is probably some motivation there.

I told him I would probably be in the 70's.

He was not interested but I will follow up with him.

3. Relocating
[Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 700 sf house in a not-so-good neighborhood.
Here are the numbers:

Asking Price: Make An Offer
Amount Owed: $0
Repairs: several things (unconfirmed)
After Repaired Value: $45,000
Max Offer: $20,000 - repairs

Seller is relocating and wants to sell fast. The house is tiny and not in an area I focus on. This one got passed on to another investor as nothing is owed and there is some motivation.

4. ** Trying To Sell For Over 18 Months  
   [Source: Website] 

   Homeowner wants to sell a 3 bedroom, 1 bath, 1000 sf house outside of town. I did not even analyze this one as I do not buy that far out of town. This house is in an area that my father buys in. So, I sent the lead to him.

5. ** Having Trouble Making Payments  
   [Source: Website] 

   Homeowner wants to sell a 2 bedroom, 1 bath, 750 sf house in a not-so-good neighborhood.

   Here are the numbers:
   Asking Price: Make An Offer
   Amount Owed: $37,000
   Repairs: cosmetic (unconfirmed)
   After Repaired Value: $60,000
   Max Offer: $35,000 - repairs

   Very similar to a lead a couple positions up from this one. The difference is that this ones owes money on the property and it makes it that much easier to birddog it, which is what I did. Next.

6. ** Does Not Have The Time Or The Patience  
   [Source: Website]
Homeowner wants to sell a 3 bedroom, 1 bath, 900 sf house in a not-so-good neighborhood.

Here are the numbers:

**Asking Price:** Make An Offer
**Amount Owed:** $53,000
**Repairs:** house gutted (unconfirmed)
**After Repaired Value:** $55,000
**Max Offer:** $30,000 - repairs

Seller was rehabbing a house of theirs and have it in the gutted stage. They do not have the time or patience to mess with it. Sadly, I do not either as I would have to pay too much for it because too much is owed. Next.

7. **Inherited and Lives Out Of Town**  
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a not-so-good neighborhood.

Here are the numbers:

**Asking Price:** $42,000
**Amount Owed:** $0
**Repairs:** mostly cosmetic (unconfirmed)
**After Repaired Value:** $60,000
**Max Offer:** $35,000 - repairs

Homeowner inherited house from her parents and lives out of town. She does not want to mess with the house and is willing to sell at a discount. The area is not one that I prefer so I will probably send another investor to look at it when the seller comes to town next week or go myself and try to contract for wholesale. Depends on my schedule and with the move, I'm sure it will be birddog time.

8. **Has Other Houses And Cannot Afford**  
   [Source: Yellow Pages]
Homeowner wants to sell a 3 bedroom, 3 bath, 2200 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $135,000
Amount Owed: $87,000
Repairs: cosmetics (unconfirmed)
After Repaired Value: $85,000
Max Offer: $55,000 - repairs

Seller cannot afford all of his houses and wants to get rid of this two story one because they are having trouble going up and down the stairs. The house is in a rough area and he has a way over inflated idea of its value. No deal here or with any of his other houses. Next.

9. Lost Job - Facing Foreclosure
[Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2400 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $185,000
Amount Owed: $185,000
Repairs: cosmetics (unconfirmed)
After Repaired Value: $129,000
Max Offer: $84,000 - repairs

This is one of those areas that was hit really hard when the housing market tanked. Values keep dropping because of foreclosures in the area. He owes way more than the house would ever sell for. Can't do it.

10. Separating Couple
[Source: Bandit Signs]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2100 sf house in a decent neighborhood.
Here are the numbers:
Asking Price: $120,000
Amount Owed: $117,000
Repairs: cosmetics (unconfirmed)
After Repaired Value: $120,000
Max Offer: $78,000 - repairs

Couple is separating and want to sell the house. Too much is owed and they are not behind on the payments. Can't do it. Short and sweet.

11. Willing To Come To The Table With Money
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a bad neighborhood.

Here are the numbers:
Asking Price: $20,000
Amount Owed: $24,000
Repairs: a lot (unconfirmed)
After Repaired Value: $35,000
Max Offer: $10,000 - repairs

The area this house is in is very bad. You can tell just by the fact that she immediately mentioned being willing to come to the table with 4k+ to help sell the house (because she owes 24k). I don't want it and sent out to several investors and nobody wants to touch it. This is the type of property you need to buy in the low teens.

12. Short Sale
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 1400 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $Make An Offer
Amount Owed: $80,000
Repairs: quite a few (unconfirmed)
After Repaired Value: $100,000
Max Offer: $65,000 - repairs

Seller is facing foreclosure and the lender is willing to look at offers for a short sale. Going to look at this one today.

13. Moving To Arizona
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $132,000
Amount Owed: $131,000
Repairs: none (unconfirmed)
After Repaired Value: $130,000
Max Offer: $84,000 - repairs

Seller is moving out of state and needs to sell their house first. The problem of course is that too much is owed.

Summary

Busy week with trying to find a good contractor and boxing up stuff for our move. Still spending a lot of my day at the new house making sure the work is progressing and that it is done to a standard that we want. Nothing worse that having work done on your house and having to see the imperfections every day.

Plans For Next Week

- Find and Hire a Contractor
- Move. That's It.
These are the things I did this week:

Worked On Expanding My Comfort Zone

Needed a break from the business, finishing the work on our house, and getting ready to move so I decided to schedule a lesson on aerobatics with my flight instructor.

I went yesterday afternoon. What a blast! We went through the sportsman known routine for the 2011 national aerobatics contest. I've flown aerobatics once before with my instructor in his Pitts S2B but just to go through some of the basics. This time was all about learning and focusing on precision.

Loops, rolls, going straight up and straight down, flying upside down, spinning and combinations thereof. Very disorienting to say the least. It took a lot of focus and the hardest part was handling the forces put on my body as we were pulling through some high Gs (high to me at least). Very difficult to stay focused and coordinated when your body feels like it weighs over 6 times what it does. I'd be lying if I said I was comfortable and confident throughout the lesson.

The reason why I bring all of this up is that it gets into expanding my comfort zone. This lesson was not comfortable and was very challenging. Afterward I wasn't elated, I was exhausted and wondering whether it is something I want to pursue. This questioning is normal in anything new that we do that takes us out of our comfort zone. After some more thought and looking back at the flight, I am again excited about it and know that I can push through the tough start and get comfortable doing it.

The same is true for beginning in flipping houses. It will be very uncomfortable in a lot of the things you will need to do. Working with contractors, Realtors, buyers, sellers, other investors, etc., making low ball offers, worrying about whether you are making a good investment decision and so many other things. It will be uncomfortable, but will eventually become comfortable and you will succeed if only you push hard enough to work through it.

Please remember this. You must push through even though it feels like the
biggest mountain you've ever climbed. Take it one step at a time and work through it.

Closed on The Flatulent House

Closed on the house I contracted mid week last week. From contract to close was a little over 48 hours. The title company worked fast and got the commitment within a day. All was clear and it was easy to close.

The name is a little crude I know. If you would like to find out why it is named as such, see last weeks post. No, it wasn't me. :)

Details and pictures soon.

Moving Day Is Very Near

We put off moving for another week because we just had too much going on. My wife had called me while I was out and about and told me that she was stressing out about trying to move so soon. I myself was also stressing and realized that we were just doing it to ourselves. There was not much a reason to do it so soon. Patience. Don't we all need more of it? She was willing to wait but was going along with it because I was pushing so hard to get moved so soon.

My wife usually knows the best thing to do in a lot of situations. She tells me about these correct decisions and I file them away and do as I was doing, only to make mistakes and come back to her idea that then works. Of course, I have to then claim the idea as my own. Drives her crazy. :)

Contractor Hired

Found a good contractor and got our contract signed. He is starting work on the Honk Your Horn House on Monday. I found him at a house that was being rehabbed. He already works for 2 other investors and they are not keeping him busy. The thing that I liked most about him was that he was not trying to talk a big game. He didn't seem to feel the need to convince me of how good he is. After some time working on the house, I will report how well it is working out.

Looking For More Contractors

Still looking for some more contractors to get bids and start work on the 'Perp' House and the 'Front Yard Stink' house. I've met some contractors and awaiting
their bids. Hopefully I get another good one to start one of these soon so that I can then pick between that contractor and the one working on the 'Honk Your Horn' house for the remaining rehabs.

Marketing

Total Motivated Seller Leads This Week: 13

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<th>Lead Source</th>
<th>Leads</th>
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Total Leads To Date [432]

This is the total number of leads for each source since I started posting about the leads.

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**Leads Analyzed**

1. **Vacant And A Dump**  
   [Source: Website]

   Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a bad neighborhood.

   Here are the numbers:
   - Asking Price: Make An Offer
   - Amount Owed: $0
   - Repairs: Everything (unconfirmed)
   - After Repaired Value: $35,000
   - Max Offer: Not For Me

   Seller has a house in a war zone and it needs a major rehab. Two things I don't enjoy very much. I birddogged this one.

2. **Tired of Getting Ripped Off**  
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a not-so-good neighborhood.

   Here are the numbers:
   - Asking Price: Make An Offer
   - Amount Owed: $5,000 (back taxes)
   - Repairs: a lot (unconfirmed)
   - After Repaired Value: $60,000
   - Max Offer: $35,000 - repairs
House was vacant for a long time and somebody broke in and tore the place up and stole fixtures and other items. The sellers hired a contractor to fix it up and he just ran off with the money.

Talk about a bad situation. These people are pretty motivated. I would go and contract this one for wholesale, but in the middle of this move, I decided to just birddog it. It’s not guaranteed that they will sell at a good price.

3. **Inherited and Just Want To Sell**
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 2 bath, 1500 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $60,000
- Amount Owed: $0
- Repairs: Cosmetics (unconfirmed)
- After Repaired Value: $110,000
- Max Offer: $70,000 - repairs

Seller inherited the house with his 3 other siblings. One lives in the house and is why I immediately asked if all were on board with wanting to sell. They all are.

The neighborhood is a quaint, historic district with stone cottages. We used to live near this area and know it well. Scheduled to see this one.

Update: This one was a complete dump. The exterior stone walls are bulging out everywhere and the foundation is completely unlevel. This one would need probably about 40k in repairs and I am just not interested. They are getting 5 other offers so I am going to wait and see if anyone bites. I have my doubts.

4. **Buying New House**
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a good neighborhood.
Here are the numbers:

**Asking Price:** $63,000

**Amount Owed:** $63,000

**Repairs:** Cosmetics (unconfirmed - about 12k based on wholesaler pictures)

**After Repaired Value:** $95,000

**Max Offer:** $50,000 (62k - 12k)

Seller called saying that he has a new house under contract and a loan approved, but needs to sell his old house for the loan. He is willing to sell for what is owed.

It turns out that I had already analyzed this property. That is the nice thing about the [free lead manager real estate investing software](#). With all of the leads we get, I would have probably not remember even coming across this lead before.

It turns out that a wholesaler called me about this property last month. I knew I still couldn’t make it work from the numbers and this allowed me to quickly move on the next one. I did call another investor to try and birddog this one though.

5. **Son Going To College**  
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 1.5 bath, 1000 sf house in a so-so neighborhood.

Here are the numbers:

**Asking Price:** $62,000

**Amount Owed:** $14,000

**Repairs:** Cosmetics (unconfirmed)

**After Repaired Value:** $72,000

**Max Offer:** $45,000 - repairs

Sellers have a son that is going to college and they need the cash. They currently let relatives rent the house but they have been "hit and miss"
with their payments.

They did not seem very motivated and so I told them I would probably be in the 40's if it doesn't require much in repairs. She immediately complained that that was way too low. I then asked what the absolute lowest they would accept and she mentioned 60k. No go.

6. Another Lead From The Past
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3 bath, 2700 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $212,000
Amount Owed: $208,000
Repairs: Cosmetics (unconfirmed)
After Repaired Value: $205,000
Max Offer: $133,000 - repairs

This lead came through the website. When I entered it into the lead manager, I was informed that it already existed. They had contacted me through the website back in May about this property. Still can't help because they still owe more than what it is worth and they are not behind on payments.

7. Wife Died And Moving To Be With Family
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 3000 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $125,000
Amount Owed: $0
Repairs: Cosmetics (unconfirmed)
After Repaired Value: $130,000
Max Offer: $78,000 - repairs
Seller moving out of town after the loss of his wife. The neighborhood values have been hit pretty hard by foreclosures. He was looking to get market value or more and I had to let him know where I would be roughly. He was not really interested in something that low but said he was glad I could get back to him so fast and that he will keep me in mind. I will also follow up with him because he could become more motivated to move quickly. The market has just been hit too hard in that area.

8. **Hoping For The Impossible**  
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 3000 sf house in a good neighborhood.

Here are the numbers:
- **Asking Price:** $230,000
- **Amount Owed:** $210,000
- **Repairs:** nothing (unconfirmed)
- **After Repaired Value:** $230,000
- **Max Offer:** $150,000 - repairs

House is listed and has been listed for a while. They have price changed it and even changed Realtors. They were hoping that I would pay cash and close quickly at market value. Sorry, we don't do that.

9. **Owes Too Much, Asking Too Much**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house in a so-so neighborhood.

Here are the numbers:
- **Asking Price:** $115,000
- **Amount Owed:** $100,000
- **Repairs:** back door (unconfirmed)
- **After Repaired Value:** $90,000
- **Max Offer:** $58,000 - repairs
House values have dropped in this neighborhood and far too much is owed and being asked for. Cannot even come close.

10. **House Too Far Out of Town**  
    [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house out of town.

Here are the numbers:
- Asking Price: $40,000
- Amount Owed: $0
- Repairs: a lot (unconfirmed)
- After Repaired Value: $60,000
- Max Offer: $35,000 - repairs

This seller bought the house with intentions of fixing it up and selling it. It is too far out of town for me to bother with it and so I sent the lead to another investor. The seller doesn't owe anything and I'm sure a deal can probably be made.

11. **Four Properties**  
    [Source: Website]

Seller wants to sell 4 separate properties. Two are multi-unit, one is single-family and one is commercial. She wants offers made on each and told me what she owes on each. Going through them I quickly saw that what is owed is just too much anyway. Only the commercial one may have some potential, but I just don't have time for it right now and I just don't do commercial. Passed this one on to another investor.

12. **Had To Put Grandmother In Nursing Home**  
    [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house in a so-so neighborhood.

Here are the numbers:
- Asking Price: Make An Offer
- Amount Owed: $0
Repairs: unknown (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

Seller had to put his grandmother in a nursing home and is helping to sell her house. The neighborhood is not one that I am interested in (at least not interested enough in being that we are busy with the move over the next couple of days) so I sent it to another investor to investigate.

13. Move Closer To Mom For Childcare
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1200 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $126,000
Amount Owed: $120,000
Repairs: none (unconfirmed)
After Repaired Value: $120,000
Max Offer: $78,000 - repairs

House was just built a couple years ago and they do not seem to have a very motivating situation. Besides, too much is owed. There will be more, rest assured.

Summary

Busy with the move still. Hopefully we will be settled enough at the new house to be able to post details about the houses we recently acquired. Stay tuned.

Leads all came from website mainly because I been intentionally not doing a lot of marketing since I wouldn't be able to handle too many leads this last couple of weeks.

Plans For Next Week

• Move.
• Start picking up marketing again.
• Get more contractors started and/or work at wholesaling some houses.
The Thirtieth Week

These are the things I did this week:

Note: I am still needing to provide before pictures and details on several of the houses we recently acquired and fully intend to do so this next week. This goes for the Flatulent House, the Perp House and the Audi House.

Got Moved (Mostly)

Got most of our stuff moved on Saturday. After years of drought we ended up getting a lot of rain all weekend. We needed it but we didn't. The move went as well as any move does. I haven't done that much physical labor in a long time and could feel it for days.

I wanted to thank my friends and family for helping with the move. Our mentor showed up to see the house right after we arrived with the moving truck. He didn't know we would be unloading but helped with the entire truck load without hesitation. It is great to have such wonderful family and friends.

Next time we will be hiring movers. I say that every single move and we always end up doing it ourselves.

The reason I titled this week as 'You Must Act Fast' is because I put off returning some calls and website lead emails while we were moving for two days. All said and done, I know I missed out on one good deal and maybe two. I'm not going to beat myself up over it but we all need to realize the opportunity cost being missed when we try to save money by doing things ourselves.

I'll never forget one of the biggest rehabs we ever did and it was one of the first ones. I'd had trouble scheduling contractors and ended up with a drywall crew showing up the next day and having nobody to prep the studs where we removed all of the old drywall throughout this giant house. There were nails everywhere and they needed to be removed. Not a big deal, but this was a huge house. There were some other small things needing to be done quickly as well, but none of it was rocket surgery. I just didn't know anyone that I could hire to do the work on /such short notice.

I ended up going over to the house to do the work myself. It was taking all day
and I was very frustrated. Our mentor showed up and immediately gave me a lecture in a very irritated tone. No need to sugar coat it. I was missing out on deals that would make us thousands of dollars because I was busy swinging a hammer.

You have to realize where your time is best spent. I know you can't or don't always want to work on some things but there should be some effort to do this. This also gets into the good old 80/20 rule where 20 percent of the things you do produces 80 percent of the results. Work at focusing on those 20 percent of things.

I know a lot of investors like to do the repairs on the houses themselves and that is great. It just isn't for me. If you figure out what your time is worth and if you can hire someone to do something for less than that amount, you should hire someone to do it. Easier said than done, but something to strive for and really think about.

The reason I hesitate to hire movers is that it seems packing and unpacking is where most of the time is spent anyway. Will I ever learn?

Got the Audi House Under Contract To Be Sold

The Audi House needed more work than I wanted to tackle right now with how many houses we have in inventory needing work and attention. An investor friend of mine was looking for another project and expressed interest in this house. He looked at it very quickly and met me to sign a contract at my asking price. This should be a quick wholesale. I will post the numbers after it closes in a couple of weeks.

Found Another 2 Contractors

Found 2 more contractors. The first was a referral from a friend and the second was a referral from a Sherwin Williams store. I got several business cards off their wall there and also asked the sales rep if he recommended any of them. He was new and didn't know anyone yet and so asked his manager. His manager recommended a single contractor. I invited him to give a bid on the Flatulent House. He came in right at what I was figuring the job should cost. Just have to wait for the foundation to be leveled in the front and he can get started.

The other contractor is a painting contractor that does tape/float/texture as well. He did a small job for me at the new house and did an excellent job quickly and
for a good price. I will have him do some work at our old house.

**Def Leppard House Under Contract To Be Sold**

Don’t think I’ve mentioned it but we’ve had the Def Leppard house under contract for a couple of weeks. Inspection has been done and minor repairs have been made. The only things they wanted fixed were a running toilet, the stinky garage (pet smell), and a couple doors that had phantom swings. They also wanted the AC serviced. We should be closing this sale within in a couple of weeks and will provide the final numbers at that point.

**Strong Smell At the Perp House**

Checked on the Perp House yesterday to make sure all was well while it was sitting there waiting for me to get to it. The house was fine but there was a strong smell coming from the hall bathroom. Immediately, I knew where it was coming from and I hesitatingly lifted the lid to the toilet with a pen I found on the floor. Yep. Just as I suspected. Full of everything. Very disgusting. I turned the water on to the toilet and gave it a flush (with the lid down, because I did not want to deal with any suspense induced with watching the nasty water slowly rise to the brim. I’m getting shivers just thinking about it while typing this.

It did not overflow. Thank God. I then flushed again for good measure and thought all was well. Just to check, I lifted the lid again and noticed the water swirling around at the top of the bowl. Everything still there and the smell spewing even more strongly because of the disturbance. Gross.

Called up my trusty old contractor that we were having problems with. Old habits die hard. He immediately showed up, grabbed the plunger and went to town. This guy was crazy. The sewage water was splashing everywhere and he was just ramming that plunger in there without any concern for the water splashing out and very near to him (I’m sure he got a little on him.) I was standing a good 10 feet away mainly because the wall of stink held me back.

The joys of rehabs and what others leave for the new owner. Not my idea of a good house warming gift. :)

**Marketing**

*Total Motivated Seller Leads This Week: 15*
<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Leads</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandit Signs</td>
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<td>Been over a months since some went up.</td>
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<tr>
<td>Yellow Pages</td>
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<tr>
<td>Buying Website</td>
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<td></td>
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<tr>
<td>Drive For Dollars</td>
<td>1</td>
<td>People hold on to letters. :)</td>
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<tr>
<td>Wholesale Deals</td>
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<td>Made Offer</td>
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<tr>
<td>Absentee Owner Mailing</td>
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<td>Have not mailed in a while.</td>
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<tr>
<td>Probate</td>
<td>0</td>
<td>Have not mailed for several weeks.</td>
</tr>
<tr>
<td>Craigslist</td>
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<td>Just a basic ad saying we buy houses.</td>
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**Total Leads To Date [447]**

This is the total number of leads for each source since I started posting about the leads.

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Total Leads To Date</th>
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<tr>
<td>For Sale By Owner:</td>
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</table>

**Leads Analyzed**
1. Private Lender Foreclosure  
[Source: Website]

Lender wants to sell a 3 bedroom, 1 bath, 1200 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: Make An Offer  
Amount Owed: $0  
Repairs: Quite A Bit (unconfirmed)  
After Repaired Value: $60,000  
Max Offer: 35,000 - repairs

Private lender foreclosed on someone that bought a house with owner financing. The lender was from out of town and just wanted to recoup his money. Unfortunately, I was busy with the move this weekend to jump on this one as fast as I would have liked and another investor got it. Hate when that happens. :( This is why you need to do your best to visit houses as soon as possible. Do not put it off.

2. Does Not Want To Commute So Far  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $150,000  
Amount Owed: $?  
Repairs: Nothing (unconfirmed)  
After Repaired Value: $150,000  
Max Offer: $97,000 - repairs

Seller lives pretty far outside of San Antonio in a retirement community and wants to sell to avoid her commute. Guess she is not yet retired.

She started in with how nice the house was and every little detail about the house that she felt set it apart. These are almost always a waste of
time. I began to tell her that I would not be interested after she told me she wants what it has been listed for for the last 3 months. $150k. It doesn't need repairs. She kept mentioning that the house across the street sold for over $200k and that hers was nicer. Why hasn't it sold yet then? It's really as simple as that.

Then came the "It appraised for X back in 2007." Do I need to even say anything here? :)

3. **Headed To The House**  
   [Source: Drive For Dollars Letter]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a good neighborhood.

   Here are the numbers:
   - Asking Price: Make An Offer
   - Amount Owed: $0
   - Repairs: Everything (unconfirmed)
   - After Repaired Value: $90,000
   - Max Offer: $58,000 - repairs

   I got a message on my phone from a call made to me over the weekend while I was moving. The seller mentioned he was on the way over to the property and felt it would be a good time to meet and discuss selling it. This is the first contact with this seller. Did not get that message for a couple of days and called to see if we could reschedule. Still in progress. He did mention that his son was living there and was "fixin' it up real pretty". I won't get my hopes up.

4. **Wholesale**  
   [Source: Wholesale]

   Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a decent neighborhood.

   Here are the numbers:
   - Asking Price: $54,000
   - Amount Owed: $?
Repairs: Says $10k (unconfirmed)
After Repaired Value: $80,000
Max Offer: $50,000 - repairs

Wholesale house that is priced just a little too high. I told him that I would be in the $40's and he will let me know if he does not get any other offers close to what he wants.

5. Moved In With Daughter
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $45,000
Amount Owed: $0
Repairs: Cracks Patched, Updating (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

House has been leveled but still needs the cosmetics done. Seller just doesn’t want to mess with the house anymore. I need to make sure there is not a more serious issue with the foundation that is causing the desire to move. Waiting on scheduling for this one.

6. Missed Out
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 900 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $35,000
Amount Owed: $0
Repairs: siding and foundation (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs
Tenants are moving out and don’t want to mess with it. The asking price was good and could probably have made this a deal had I been able to jump on it. Of course, the foundation could have been horrible. Who knows. They already have it under contract.

7. **Divorce**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1500 sf house in a good neighborhood.

Here are the numbers:
- **Asking Price:** $60,000
- **Amount Owed:** $60,000
- **Repairs:** Roof, Foundation, Cosmetics (unconfirmed)
- **After Repaired Value:** $125,000
- **Max Offer:** $81,000 - repairs

Divorce situation and the seller is asking for what they owe. Seems quite motivated so I’ve scheduled to see it.

Update: The house was not that bad. Leveling is definitely needed. The problem lies with the seller. She is super ready to deal but is not on speaking terms with the ex. He seems nice but is not sure about selling for what I need to buy it for.

There is also another investor competing with me on this one and he made it there first. I am still working on this one.

8. **Needs Cash**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 1200 sf house in a not-so-good neighborhood.

Here are the numbers:
- **Asking Price:** $30,000
- **Amount Owed:** $0
- **Repairs:** Everything (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Seller needs cash. This could be worked into a deal but is in an area I don't care for. So, I birddogged this lead.

9. **Too Much To Keep Up With**
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 500 sf house in a bad neighborhood.

Here are the numbers:
- Asking Price: $15,000
- Amount Owed: $0
- Repairs: unknown (unconfirmed)
- After Repaired Value: $35,000
- Max Offer: Not For Me

This one is in a rough area, needs lots of work, is super tiny....got birddogged.

10. **Tenants Tore Up**
    [Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 1400 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $73,000
- Amount Owed: Would Not Say
- Repairs: A Lot (unconfirmed)
- After Repaired Value: $90,000
- Max Offer: $58k - repairs

Seller had tenants in the house that completely destroyed it. She does not have the financing or patience to fix it back up and rent it out again.
This one is near the Flatulent House and I knew I would want this one for around the same price that I bought that one. So I gave her a ball park figure of $45k. I did this because she would not tell me how much she owed and just didn't seem like her motivation level was where it needed to be. She immediately told me that wouldn't work. I will follow up.

11. **Too Far Out Of Town**
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 3 bath, 2800 sf house outside of San Antonio.

   Here are the numbers:
   - Asking Price: $250,000
   - Amount Owed: $220,000
   - Repairs: cosmetics (unconfirmed)
   - After Repaired Value: $?? probably around $250k
   - Max Offer: Not For Me

   Seller wants to move closer to San Antonio to be closer to her kid's school. Too high priced and too far out for me. Next.

12. **Rental Townhouse**
   [Source: Yellow Pages]

   Homeowner wants to sell a 2 bedroom, 1 bath, 1000 sf house in a bad neighborhood.

   Here are the numbers:
   - Asking Price: $40,000
   - Amount Owed: $0
   - Repairs: cosmetics (unconfirmed)
   - After Repaired Value: $35,000
   - Max Offer: Not For Me

   This would be a good deal for a landlord. I would probably contract this one to wholesale if I had a little more time. Birddogged it instead.
13. **Vacant Lot**  
[Source: Yellow Pages]

Homeowner wants to sell a vacant lot in a not-so-good neighborhood.

Here are the numbers:

- Asking Price: $6,000
- Amount Owed: taxes (several hundred)
- Repairs: It's Dirt
- After Repaired Value: $6,000
- Max Offer: $2,000

Vacant lot. I would buy this if I got it cheap enough. What I would probably do is sell it with owner financing. I offered him $1,500.

14. **Needs More Space**  
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 1.5 bath, 1000 sf house in a decent neighborhood.

Here are the numbers:

- Asking Price: $83,000
- Amount Owed: $82,000
- Repairs: AC and Cosmetic
- After Repaired Value: $75,000
- Max Offer: $48,000

Seller needs more space and cannot afford to sell the house the conventional way. Not enough equity. I cannot help either.

15. **Las Vegas House**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1700 sf house in Las Vegas. I do not buy outside of San Antonio. His asking price is $180k. If you buy in Vegas and this sounds good to you, let me know.

**Summary**
Working to get houses either sold or rehabbed and on the market. I will start shifting back to more marketing as the work is started on the houses. Will probably send out some postcards this week.

Plans For Next Week

- Finish Moving.
- Mail some postcards.
- Get contractors started and/or work at wholesaling some houses.
- Post about the houses we recently bought.
The Thirty First Week

These are the things I did this week:

Details For The Perp House

This is the 'Perp' house. Named so because of an incident we had with another house we owned in the same neighborhood. Had an issue with teenagers breaking in.

I was considering wholesaling this one, but decided to fix it up and sell it with owner financing instead. The work and materials in the scope of work below will cost $4,000. We will also need to pay for new carpet throughout most of the house. This is well below the budget of 10,000 which was estimated. So, if we have any surprises we will still be well within our budget.

House Details

This is a 4 bedroom, 2 bathroom, 1600sf house that was built in 1962.

The Numbers

- Purchase Price: $35,000
- Settlement Fees: $658 (closing fee, insurance)
- Estimated Repairs: $10,000
- Resale Price: $85,000 owner financed

Scope of Work

Exterior

- Haul off branch from side of house
- Replace hose bib that is dripping in front yard
- Remove copper line from front and side that is not connected
- Add base and dirt to backyard by the door to the back of the garage
- Power wash the vinyl siding
• Knock out dent in garage door
• Hookup dryer vent
• Cover back of washer box
• Clean out garage and shed and house and haul off
• Haul off construction debris and trash

Interior

• Remove carpet throughout house
• Replace light in living room with ceiling fan (see material specs). Remove other lamp light in living room
• Repair cracks in walls and ceiling. Tape/float/match texture
• Clean and re-caulk shower tub and toilets
• Replace knobs on the dresser in the master bedroom. (7 knobs)
• Replace return air grill
• Replace blinds (owner will pay for new if using new). If not, blinds will be cleaned
• Frame out wall in master bath for 32” door. Install door and door knob. Sheetrock tap/float/texture
• Replace hall light with new silver pendant light
• Prime and paint all paneling and doors
• Frame out mirror with trim in master bedroom
• Touch up kitchen cabinets to repair stain around where people open them
• Stain and apply high gloss to front door
• Replace doorknob and deadbolt for front door
• Replace bi-fold door pivot and wheels and re-hang 4 sets
• Remove and replace 1 entry knob for bedroom
• Prep interior for professional painting (remove all nails and things attached to walls and neatly caulk and sand) Paint interior (see material specs)
• Install new AC air filter
• Install smoke detectors and door stops where necessary

Materials Specification

Paint Colors

Interior
Walls – Realist Beige SW 6078 FLAT
Trim – Extra White SW 7006 SEMI-GLOSS
Ceiling - Flat White

Exterior
N/A

Materials
Cabinet Knobs SKU 400389 $1.79/each
Drawer pulls for cabinets SKU 803786 $2.39/each.

Light Fixtures
Ceiling fan for Living Room: SKU 412761 $80 ceiling fan

View the 'before' pictures of the Perp House online here.

Details For The Flatulent House

This is the 'Flatulent' house. Crude, I know. Named so because of the previous owner's gastrointestinal issues while we were negotiating.

This one is in the process of being rehabbed and will be listed with our Realtor when completed.

Our new contractor has agreed to do the work below with materials, for $5,500. We still need to pay for carpeting throughout most of the house and some AC repair work and landscaping. Also, the new garage doors are not a part of this bid and will be extra. These additional costs will likely make up the difference in our budget for this house.

House Details

This is a 3 bedroom, 2 bathroom, 1700sf house that was built in 1981.

The Numbers

Purchase Price: $48,500
Settlement Fees: $1,258 (doc fees, closing fee, insurance)
Estimated Repairs: $10,000
Resale Price: $90,000
Estimated Holding/Selling Costs: $9,000
Estimated Profit: $21,242

Scope of Work

Exterior

- Replace rotted siding (4 sheets) on right side of house
- Remove windows and walls and install two garage doors (convert back to garage)
- Paint entire exterior (see material specs)
- Install new exterior light fixtures (see material specs)
- Replace door to garage with exterior door
- Install new silver doorknob and deadbolt for front door and door to garage
- Haul off construction debris and trash (including junk left behind by previous owner)

Interior

- Remove carpet throughout house
- Remove wall paper and trim in entrance way
- Frame closet for two bi-fold doors in front bedroom
  Sheetrock/Tape/Float/Texture and install doors
- Install wire shelf across back wall of new closet
- Patch and texture cracks and imperfections in walls and ceilings. Match texture
- Prep interior for professional painting (remove all nails and things attached to walls and neatly caulk and sand) Paint interior (see material specs)
- Remove handles and center panel and paint kitchen cabinets and install new hardware (4 pulls, 15 knobs) (see material specs)
- Replace dishwasher with new white dishwasher
- Paint wood trim in breakfast area white
- Tile kitchen and breakfast area. Owner will pay for tile but contractor must
pick up from Floor & Décor
• Replace light fixtures (see material specs)
• Remove window treatments from above windows
• Make sure all light bulbs are working throughout
• Make sure all switch and plug plates match throughout the house.
  Replace broken / painted ones
• Re-caulk around toilets and where necessary
• Install new AC air filter
• Install smoke detectors and door stops where necessary

Hall Bath

• Tile floor. Owner will buy tile. Contractor will pick up tile from Floor & Décor
• Replace vanity with new (see material specs)
• Replace mirror (see material specs)
• Re-install faucet. Replace shower head with new
• Replace toilet seat
• Replace towel racks with new silver ones
• Install new vanity light (see material specs)

Master Bath

• Replace toilet seat, vanity faucet (see material specs), remove handles and paint cabinets, install new cabinet knobs (see material specs)
• Tile toilet and vanity area
• Install new silver towel racks

Materials Specification

Paint Colors

Interior

Walls – Realist Beige SW 6078 FLAT
Trim – Extra White SW 7006 SEMI-GLOSS
Ceiling - Flat White
Exterior

Sides and Back Siding – Tony Taupe SW 7038 SATIN
Trim - Classical White SW 2829 SATIN
Front Door - Red Bay SW 6321

Cabinets

White.

Materials

Hall Bath Mirror: Martha Stewart Living Mead 24 in. x 32 in. Framed Mirror in Espresso SKU 652509 $67
Master Bath Faucet: Glacier Bay Builders SKU 247-368 $30 (brushed nickel)
Hall Bath Vanity: Woodcrafters Del Mar 30” Espresso w/Top SKU 672-477 $199
Cabinet Knobs SKU 400389 $1.79/each
Drawer pulls for cabinets SKU 803786 $2.39/each.

Light Fixtures

Hall Bathroom Vanity Light – Hampton Bay Brushed Nickel 3-Light SKU 837-895 $10
Exterior Light Fixture (front): Spider web looking black light fixture.
Exterior Light Fixtures (back yard): Black SKU 245746 $8.97
Ceiling fan for Living Room: SKU 412761 $80 ceiling fan
Chandelier for Dining Room SKU 884-272 Commercial Electric $65
Flushmount for hallway (2), kitchen, all bedrooms (3) SKU 720163 $18 Commercial Electric
Owner will provide SKU for pendant light for over the kitchen sink.

View the 'before' pictures for the Flatulent House online here.

Def Leppard House Set To Close Tomorrow

The Def Leppard house is set to close tomorrow. I will show the final numbers for the deal next week. Profit from this one is looking to be pretty good.

3 Rehabs Currently Going

Currently have 3 rehabs in progress and still need to have a contractor do minor
touch ups at our old house so that we can get it on the market. Three at one time is really my limit. If they are light rehabs (which for the most part these are) it is manageable. Right now, rehabs are taking place at the Honk Your Horn house, the Perp house and the Flatulent house. The Front Yard Stink house is still awaiting rehab.

We are still unpacking and getting settled at our new house and all of this going on at once has made us really busy. My son is due in December and I don't want to be in the middle of a ton of rehabs and other projects so I am probably going to be doing more wholesaling as deals come up. Quick cash is always awesome and I am looking forward to working the business a little differently.

**Got Another One Under Contract**

Signed up another one. This one is one that I had looked at a couple of weeks ago. I had to offer lower than what they owed. They wanted more and were waiting to see what a couple other investors were going to offer. I have a feeling the other investor(s) were not willing to make that low of an offer.

We ended up agreeing on what they owed which was my Maximum Allowable Offer (MAO).

The husband had a job transfer out of state and was already there. The wife wanted to move and join him but needed to deal with the house first. They were hoping to make 20k or more over what they owed, but opted for a quick sale instead.

This one will be wholesaled and I will post the details after it closes. The lead came from my website.

**Mailed Postcards**

Mailed follow up postcards to 178 addresses. These were to addresses found while [driving for dollars](driving-for-dollars) months ago and that have already had several letters and postcards mailed to them.

**Marketing**

*Total Motivated Seller Leads This Week: 9*
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<td>Wholesale Deals</td>
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<td>Made Offer</td>
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<tr>
<td>Absentee Owner Mailing</td>
<td>0</td>
<td>Have not mailed in a while.</td>
</tr>
<tr>
<td>Probate</td>
<td>0</td>
<td>Have not mailed for several weeks.</td>
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<tr>
<td>Craigslist</td>
<td>0</td>
<td>Just a basic ad saying we buy houses.</td>
</tr>
<tr>
<td>Referral</td>
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<td>Word of mouth. FREE</td>
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**Total Leads To Date [456]**

This is the total number of leads for each source since I started posting about the leads.

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<tr>
<td>For Sale By Owner</td>
<td>1</td>
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</tbody>
</table>
Leads Analyzed

1. Lake House Without a View
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1700 sf house in a good neighborhood.

   Here are the numbers:
   Asking Price: $45,000
   Amount Owed: $0
   Repairs: Tenants Trashed (unconfirmed)
   After Repaired Value: $??
   Max Offer: $?? - repairs

   Homeowner lives out of town. They had started building this house years ago and then had to move. After moving, they decided to rent the house (guess it was in liveable condition if not complete). The tenants have since moved out, but only after trashing the place. This seller is motivated and wants to sell pronto.

   The house is on a 2+ acre lot and the seller owns the 1+ acre lot next to it. She is including both with the sale.

   My father went out to see this one because I was wrapped up with some things. I wanted to move fast and he helped by taking a look for me. Thanks.

   The drive for the house had been completely washed out from the hard rains we got here a couple of weeks ago. The house was built by the homeowners. Not contracted to be built, but actually built by their hand. Foundation was all wrong and it just got worse from there. Even with the acreage (which was in a bad spot as can be seen by what happened to the only way onto the property), the place was not worth the hassle at almost any price.

   The best bet for this one was to birddog it and try to make a quick referral fee instead.
None of my investors wanted it either. You would think at that price it would be a good deal, but there are some real surprising things out there.

2. Got Out of an Abusive Relationship
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 800 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $20,000
Amount Owed: $7,000 (back taxes)
Repairs: quite a bit (unconfirmed)
After Repaired Value: $40,000
Max Offer: $15,000 - repairs

Seller inherited the house and was living there with her boyfriend. The boyfriend was scum and now she wants to just get out of the relationship and the house. The area is not one that I work in, so I birddogged it.

3. House Fixed Up With Tenant
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $110,000
Amount Owed: $0
Repairs: nothing (unconfirmed)
After Repaired Value: $110,000
Max Offer: $72,000 - repairs

Seller has a house that she wants to sell to get some cash. She mentioned that the house does not need any repairs and that there is a tenant that has been there for years. She was talking about how much the house across the street just sold for and that it was a little bigger but hers was nicer. Not the kind of discussion you have with motivated sellers. I made a
ball park offer in the 60's. She wasn't pleased. Go figure.

I was tempted to say that I was more interested in the house across the street. :) Is that mean? Just thought it would add some humor to this post. I wasn't really tempted to say it.

4. Big Improvements Made
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 3 bath, 2700 sf house in a good area.

Here are the numbers:
- Asking Price: $368,500
- Amount Owed: $265,000
- Repairs: master remodel (unconfirmed)
- After Repaired Value: $250,000
- Max Offer: $162,000 - repairs

Sellers relocating soon. They mentioned having done the following: Big improvement made to the outside. Organic garden - adding fertile soil, rocks - landscaping, several garden shades convertible for green houses, 3 acres, rain water collection system, extra-large water tank, additional outbuildings.

Sounds nice...and pricey. I think this may be a case where homeowners put a lot of money into improvements for a property and expect to get 100% and then some back on what they spent. Just doesn't work that way. Next.

5. Doesn't Need Two Houses
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a not-so-good neighborhood.

Here are the numbers:
- Asking Price: $48,000
- Amount Owed: $10,000
Repairs: quite a bit (unconfirmed)
After Repaired Value: $55,000
Max Offer: $30,000 - repairs

Seller has two houses and wants to sell this one. He says he’s been working on the house and it still needs a lot. There are also two bedrooms behind the house. Sounded strange. So, I asked him if there was a bathroom and a kitchen. Nope. Just two bedrooms that are not attached to the house. I'd call that a storage shed, but whatever. He wants a lot even though he says he's negotiable. Birdogged it.

6. Can't Afford Repairs
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 1700 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $75,000
Amount Owed: $75,000
Repairs: foundation and cosmetic (unconfirmed)
After Repaired Value: $100,000
Max Offer: $65,000 - repairs

Cannot afford the upkeep on the house and it needs foundation work. The numbers just don't work as too much is owed.

7. Mother-In-Law's Condo
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 2 bath, 2000 sf condo in a decent neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $0
Repairs: cosmetics (unconfirmed)
After Repaired Value: $80,000
Max Offer: $50,000 - repairs

Selling Mother-In-Law's condo as she does not live there anymore. Seller is from Mexico and will not be here long.

The comparable sales are all over the place for the condos near this one. They go from the 50's to 90's and it is pretty hard to get a solid idea. The seller believes this one is larger than the rest and does not need much in repairs. I am putting an ARV of 80k on this one and may adjust after I see it (if I see it). I will make a ballpark offer to see where they are at on this one being that they have no idea what to ask for it (I can see why after looking at the comparable sales).

8. Foundation Work, Updates, Cosmetics
   [Source: Referral]

Homeowner wants to sell a 3 bedroom, 2 bath, 1100 sf house in a so-so neighborhood.

Here are the numbers:
   Asking Price: Make An Offer
   Amount Owed: $? 
   Repairs: foundation, updates, cosmetics (unconfirmed)
   After Repaired Value: $70,000
   Max Offer: $40,000 - repairs

Realtor calling to help clients sell a house. He does not have it listed nor does he want a commission. The clients gave him my number and wanted him to deal with me.

The house was a rental and is now vacant. It needs foundation work and all that comes with that (patching cracks, praying pipes stay intact and connected, etc.).

Have an appointment to see this one tomorrow.

9. Wants To Move
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1200 sf house in a not-so-
good neighborhood.

Here are the numbers:

Asking Price: $109,000
Amount Owed: $?55,000
Repairs: cosmetics (unconfirmed)
After Repaired Value: $75,000
Max Offer: $48,000 - repairs

Seller wants to sell his house in a not-so-good neighborhood. These are newer (built in 2002) houses built next to older houses from the 60's. The area is run down and has crime issues. The house looks nice and has updates (from pictures of listing, as he currently has it listed as well). Because of his updates, he has an very over-inflated idea of it's worth. He was asking $109k but said he wanted at least $85k if it were cash. Still cannot come close. He owes too much for what I would want to get it for.

Summary

The leads have slowed quite a bit and it is due to my time being spent on starting and managing rehabs. If I am going to be wholesaling more, I will need to ramp the marketing back up. Will need to make a solid plan for that.

Plans For Next Week

- Finish Unpacking.
- Mail some more postcards.
- Manage rehabs.
- Move staging furniture (movers will do it) from the Def Leppard House to the Honk Your Horn House.
The Thirty Second Week

These are the things I did this week:

Def Leppard House Final Flip Numbers

The final costs and profit has been posted for the Def Leppard House. We closed last Friday. See how the stupid FHA 90 day flip rule cost of thousands of dollars, yet again. Not that big of a deal though, we still made out really well on this one.

House Flip Time line

Purchase Date: June 13, 2011
Listing Date: July 21, 2011
Contract Date: September 26, 2011
Closing Date: October 21, 2011
Total Days From Purchase To Resell: 130 Days (Just Over 4 Months)

We had a very interested buyer right out of the gate, but they didn't want to wait over 60 days to close because of the darn FHA 90 Day Flip Rule nonsense. :( 

Take a look at the closing costs when selling. That hurts. We still made a great profit however and from start to finish did not require a whole lot of time. The rehab was light and easy. This was really a pretty good flip. :)

House Flip Numbers

Initial Costs and Assumptions
Purchase Price: $100,000
Settlement Fees: $2,159 (title policy, closing fee, insurance, loan fee)
Repairs:
Resale Price: $170,000 (might have to go down to $160k quickly)
Estimated Profit: $63,841 minus holding costs and selling costs and likely reduction in sales price
Actual Resale Price: $164,900
Actual Repairs: $6,758.90

Holding Costs
HOA Fees: $303.00
Mortgage Interest: $5,865.18
Property Taxes: $1,340.18
Property Insurance: $270.00
Total Holding Costs: $7,778.36

Closing Costs
Realtor Commissions: $9,069.50
Our Closing Costs: $447.95
Buyer Cost Assistance: $5,874.10
Title Policy & Home Warranty: $1,685
Total Closing Costs: $17,076.55 (OUCH!)

Actual Profit: $31,127.19

Closing on the Audi House
Closing on the Audi house this morning. I decided to wholesale it. The first person to see it is buying it...cash...as-is...fast. Worked out great. I will show the numbers this coming week after all is finalized.

Rehabs Going Well
The rehabs at the Honk Your Horn house, the Perp house and the Flatulent
The rehabs at the Honk Your Horn house, the Perp house and the Flatulent house are going well. The Flatulent house got its garage converted back from a den. It now has a two car garage again. We can't stand garage conversions. Some people like the extra space, but I think most people (especially the guys) would rather have the garage. The new contractors have been great so far and have done everything as agreed.

Got Some More Probates Leads

Got 100 more probate leads and will be mailing letters to them this week. Our family friend that is doing the letters is also preparing a repeat mailing for the addresses we already had.

More Mailings Likely

If I find myself twiddling my thumbs this week, I will put together another absentee owner mailing. Need to get the leads coming in again in force. Things have slowed a little with our preoccupation with the move.

Marketing

*Total Motivated Seller Leads This Week: 7*

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<td>Absentee Owner Mailing</td>
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<td>Have not mailed in a while.</td>
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<td>Probate</td>
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Total Leads To Date [463] Deals Under Contract To Date [11]
leads to the present.
This is the total number of leads for each source and the number of deals put under contract from each lead source.

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<td>For Sale By Owner:</td>
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</table>

**Leads Analyzed**

1. **Recently Widowed**
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 1.5 bath, 1200 sf house outside of town.

   Here are the numbers:
   
   Asking Price: $45,000
   Amount Owed: $17,000
   Repairs: Everything (unconfirmed)
   After Repaired Value: Maybe $75,000
   Max Offer: $45,000 - repairs
Homeowner was recently widowed and cannot afford the house anymore. This house is about 1.5 hours from me. The house is completely run down and needs everything. It is on 4 acres though.

It's just too far so I birddogged it.

2. **Outgrown House**  
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1200 sf house in a so-so neighborhood.

Here are the numbers:

- Asking Price: $89,000
- Amount Owed: $126,000
- Repairs: cosmetics (unconfirmed)
- After Repaired Value: $80,000
- Max Offer: $50,000 - repairs

This situation is a tough one. The neighborhood has been hit hard with foreclosures and values have dropped significantly. Houses are only 5 years old. You can see what happens when you look at what is owed versus what the current ARV is. Ouch.

3. **Divorce**  
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 1000 sf house in a good neighborhood.

Here are the numbers:

- Asking Price: $89,000
- Amount Owed: $0
- Repairs: cosmetics ($6k)
- After Repaired Value: $90,000
- Max Offer: $58,000 - $6,000 = $52,000

Divorced and need to sell this house. They owe nothing but are asking
what it is worth.

I went to see this house and made an offer of $50,000. They are considering it. Didn't seem real thrilled.

4. **Inherited and Need To Sell**  
[Source: Website]

Homeowner wants to sell a 1 bedroom, 1 bath, 700 sf house in a bad neighborhood.

Here are the numbers:
- **Asking Price:** $30,000
- **Amount Owed:** $0
- **Repairs:** Everything (unconfirmed)
- **After Repaired Value:** $45,000
- **Max Offer:** $20,000 - repairs

Inherited the house and needs to sell it because he can't afford to do anything with it. It just doesn't fit what I am doing right now and I hate the area. Birddogged.

5. **Guardianship Sale**  
[Source: Referral]

Guardian wants to sell a 2 bedroom, 1 bath, 800 sf house in a bad neighborhood.

Here are the numbers:
- **Asking Price:** $30,000
- **Amount Owed:** $25,000
- **Repairs:** quite a bit (unconfirmed)
- **After Repaired Value:** $40,000
- **Max Offer:** $15,000 - repairs

An attorney that is a guardian of a homeowner is trying to help sell their property. It is in a bad part of town and has a tenant that is not paying rent and has trashed the place. Not my cup of tea.
6. Moving Out Of Town
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1000 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: Make An Offer
- Amount Owed: $60,000
- Repairs: bathroom and cosmetics (unconfirmed)
- After Repaired Value: $80,000
- Max Offer: $52,000 - repairs

Moving out of town and wants to sell fast. The house also has a converted garage, something I don't ever like. Too much is owed.

7. Facing Foreclosure
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 1 bath, 900 sf house in a bad neighborhood.

Here are the numbers:
- Asking Price: Make An Offer
- Amount Owed: $6,000 back taxes plus mortgage
- Repairs: a lot (unconfirmed)
- After Repaired Value: $50,000
- Max Offer: $25,000 - repairs

Sounded very motivated but did not tell me everything that is owed. This area is rough and I am just not interested. Passed it on to a buddy.

Summary

Leads have slowed down a lot. Made a couple offers this week but they don't seem very promising. Time was spent focusing on the rehabs and still getting settled at the new house. My mind keeps wanting to start focusing on more marketing and I need to find the right balance. It can be difficult to rehab 3-4
properties and keep the marketing going.

Plans For Next Week

- Get some probate letters out.
- Mail some more postcards.
- Manage rehabs.
- Work at wholesaling a couple houses.
- Follow up on old leads.
The Thirty Third Week

These are the things I did this week:

Audi House Wholesale Closed

The Audi house has been sold 'As-Is' and I couldn't be happier. Less work for me and some quick cash in our pocket. My intentions were to rehab and sell this house, but just got too busy and I just couldn't resist when the first investor to see it wanted it. :)

The Audi house has been wholesaled. Bought it - check. Didn't do any work to it - check. Sold it cash - check. Got a check - check. You can never have too many checks.

This one was named the Audi house only because the seller drove a nice Audi that we talked about for a while. Just couldn't come up with any other name for it.

No high dollar crazy check picture on this one because we received a huge loan overage at the closing when we bought it because I had intended to rehab it. We actually had to bring money to the table to close it when we sold it. Really sort of weird paying money at closing when selling a house considering what we ended up making on this wholesale (don't worry it's coming...).

A lot of houses were bought in a short period of time and this one needed more work than the others so I decided to tell another investor about it when he called looking for a deal. He immediately went by the house and told me he wanted it. We quickly signed a contract and closed just under two weeks later.

I just couldn't pass up a quick $19,011 in profit! :)
This is a 4 bedroom, 2.5 bathroom, 2200sf house that was built in 1968. The house is completely outdated. I would have completely remodeled the kitchen, bathrooms, flooring, light fixtures, doors and painted everything. The house also needed some leveling. It is a single-story house in a good neighborhood. The house was also filled with the previous owners belongings (a ton of stuff) and we sold it just the way we bought it, with everything still in it.

The Numbers

Purchase Date: September 29, 2011
Purchase Price: $65,000
Settlement Fees: $1,296 (title policy, closing fee, insurance, loan fee)
Resale Date: October 28, 2011
Resale Price: $87,000
Settlement Fees: $1,693 (closing fee, half of title policy, taxes, loan interest)
Profit: $19,011:

Not bad for just buying and selling. I'd rather do these all day long than rehab and wait to sell.

The ARV for this house is about $160,000. I estimated the repairs at about $25k. 70% of $160k is $112k. Subtract $25k in repairs and you have $87k which is what we sold it for. Obviously, when I bought the house I was being more conservative. I used 60% of the $160k ARV for my offer because I knew it was going to be more time and work. My offer was below MAO to allow for some negotiating and the seller took it after some consideration (2 days). I was pretty sure he wasn't shopping it as he lived outside of town and mentioned being busy and not wanting to commute in to town to show the place.

The pictures of it can be viewed online here.

Rehabs Going Well

The rehabs at the Honk Your Horn house, the Perp house and the Flatulent
house are going well. The Flatulent house and Honk Your Horn house are almost complete. We should be putting in flooring, cleaning and hopefully staging both this next week. The Perp house is complete and up for sale with owner financing. Should be able to post the after rehab pictures for that one this coming week.

More Mailings Coming Soon

Didn't have much time to put together any new mailings but fully intend to this coming week. The letters for the probate leads we got last week should be going out this week as well. We need to generate more leads. That's all it really takes.

Almost Had a Serious Collision

Went to fly a couple of really cool older airplanes yesterday at a grass airstrip south of town. Just as I was a couple minutes from the field I noticed a giant buck running out of a field toward the road. He was running FAST!

I was doing about 55 or 60 and it seemed as though he was keeping up (sure it wasn't but it looked that way as it happened so fast). My instinct was to hit the breaks, but as I quickly mashed them I realized that I would probably beat the dear to our fateful intersection and so I returned to the gas. As I passed I saw him leap up and over the back end of my car. I watched him fall behind my car and slide on his hind end a little as he lost his footing when he landed from his, what appeared to be, 20 ft leap into the air. He didn't even wait a millisecond to transition from the slide back in to a 50+ MPH run. We were both very lucky not to have collided.

Caught Up On Follow Ups

Spent some time this week calling the follow ups reminders that I had due.

Anyway, I was calling follow ups and I had a lot. It'd been a while since I did because we've been so busy. For some of them, I was checking the county appraisal website first to see if a new deed had been recorded, signaling that they had sold the property. One of the ones I was really interested in had shown a transaction and I immediately became disappointed. Not as much as I did after I then found out that they just painted the place and have it under contract after 6 days on the market. Darn.
This goes to show why it is so important to use the follow up system and constantly be following up. You'd better believe that that put me back in the follow up mode.

**Marketing**

*Total Motivated Seller Leads This Week: 12*

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<td>Made Offer</td>
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<td>Absentee Owner Mailing</td>
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<td>Have not mailed in a while.</td>
</tr>
<tr>
<td>Probate</td>
<td>0</td>
<td>Have not mailed for several weeks.</td>
</tr>
<tr>
<td>Craigslist</td>
<td>0</td>
<td>Just a basic ad saying we buy houses.</td>
</tr>
<tr>
<td>Referral</td>
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<td>Word of mouth. FREE</td>
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**Total Leads To Date [475] Deals Under Contract To Date [11]**

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<td>Yellow Pages Ad:</td>
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<td>Driving For Dollars:</td>
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<td>1</td>
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<tr>
<td>Wholesalers:</td>
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<td>REO Realtors:</td>
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<td></td>
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<tr>
<td>Craigslist:</td>
<td>2</td>
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</tr>
</tbody>
</table>
Leads Analyzed

1. **Investment Property Wants To Cash Out Of**
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1200 sf house in a decent neighborhood.

   Here are the numbers:
   Asking Price: $70,000
   Amount Owed: $0
   Repairs: Central Air & Cosmetics (unconfirmed)
   After Repaired Value: $80,000
   Max Offer: $50,000 - repairs

   Bought this HUD house a year ago and now wants to sell. He doesn't seem to be interested in getting much less than what it is worth though. The problem with the house is that it does not have central air conditioning AND the pitch of the roof is such that it would be impossible to run duct work through the attic. It would still sell without the central air, just at a lower price.

   I made him a ball park offer. We will see where it goes. Will follow up as there may be more to the story than I am being told.

2. **Behind On Payments**
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2 bath, 1400 sf house in a bad neighborhood.

   Here are the numbers:
   Asking Price: $70,000
   Amount Owed: $62,000
Homeowner was having trouble keeping up with his house payments and then got laid off today. Bad situation. He owes too much and the house is in a bad neighborhood with a lot of houses for sale. A lot of foreclosures for sale. I'm afraid I cannot help.

3. **Lost Job. Got New, Lower Paying Job**
   [Source: Website]

   Homeowner wants to sell a 4 bedroom, 2.5 bath, 3300 sf house in a good neighborhood.

   Here are the numbers:
   - Asking Price: $180,000
   - Amount Owed: $180,000
   - Repairs: Cosmetics and Plumbing (unconfirmed)
   - After Repaired Value: $180,000
   - Max Offer: $120 - repairs

   Homeowner lost his job at the beginning of the year. He ended up having to take a lower paying job and now cannot afford the house they were living in. He mentioned low flow to several fixtures in the house and is not sure what is causing it.

   They owe what it is worth but wanted an offer from me anyway. So, I made them a ballpark offer based on my usual calculation.

   He didn’t immediately get angry so that was a good sign. He said he would have to talk it over with his wife. I will follow up with this one.

4. **Retired and Moving In With Son**
   [Source: Website]

   Homeowner wants to sell a 2 bedroom, 1.5 bath, 1200 sf condo in a good neighborhood.
Here are the numbers:

Asking Price: Make An Offer
Amount Owed: $40,000
Repairs: Cosmetics (unconfirmed)
After Repaired Value: $65,000
Max Offer: $35,000 - repairs

Seller is moving in with his son and wants to be rid of this condo. Probably more to the story, but this is all I got.

The Days on Market were horrendous for the complex and so I made my ARV conservative and increased my percentage of ARV for the Max offer.

My offer would be lower than what is owed so I birddogged this lead.

5. Relocating
[Source: Website]

Homeowner wants to sell a 4 bedroom, 3.5 bath, 2400 sf house in a good neighborhood.

Here are the numbers:

Asking Price: $150,000
Amount Owed: $150,000
Repairs: none (unconfirmed)
After Repaired Value: $135,000
Max Offer: $88,000 - repairs

Seller relocating and wants to sell his house fast. He owes more than it is worth now due to foreclosures and short sales in the area selling for below value. This is a tough position for a lot of people. Wish I could help, but I cannot.

6. Weird Complex
[Source: Website]

Owner wants to sell five one-bedroom apartments with a restaurant in front.
Here are the numbers:

Asking Price: $120,000
Amount Owed: Nothing
Repairs: Everything (unconfirmed)
After Repaired Value: Who Knows
Max Offer: FREE

Owner's health has diminished and she needs to sell this property because the city is going to tear it down. The picture of it on Google maps was enough for me to try and end the conversation early. WOW. Horrible and I can see why the city wants it gone. The place is vacant and the seller had plenty of time to comply with the city but has not and it will now be the new owner's problem. Not an impossible task, but a very time consuming one. I may have had some interest but not anywhere near the price she is expecting.

7. **Cannot Keep Up With Repairs**
   [Source: Website]

Homeowner wants to sell a 4 bedroom, 2 bath, 1500 sf house pretty far outside of town.

Here are the numbers:

Asking Price: Make An Offer
Amount Owed: Don't Know
Repairs: Flooring, Appliances, Plumbing (unconfirmed)
After Repaired Value: $100,000
Max Offer: $65,000 - repairs

Seller cannot afford to keep up with the repairs required at the house. This is over an hour from where I live and is in a rather junky area. Not interested. Next.

8. **Niece Moved Out and Cannot Afford Two Payments**
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a decent neighborhood.
Here are the numbers:
Asking Price: $70,000 ($65k is least will take)
Amount Owed: $65,000
Repairs: Lots of Cosmetics (unconfirmed)
After Repaired Value: $85,000
Max Offer: $55,000 - repairs

Seller's niece moved out unexpectedly and did not give them time to put the house on the market to sell. She cannot afford the payment for this house and the house she lives in. She is not behind on payments and is not interested in a short sale at the moment.

9. **Pregnant and Needs a Bigger House**  
[Source: Website]

Homeowner wants to sell a 1 bedroom, 1 bath, 400 sf house in a bad neighborhood.

Here are the numbers:
Asking Price: $15,000
Amount Owed: $?
Repairs: Cosmetics (unconfirmed)
After Repaired Value: $25,000
Max Offer: $5,000 - repairs

Seller is pregnant and needs a bigger house. This house is tiny and located near a huge group of train tracks and a highway. The lot is tiny as well. Birddogged it.

10. **Wants To Move Out Of Town**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2.5 bath, 1700 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $115,000
Amount Owed: $101,000
Repairs: None (unconfirmed)
After Repaired Value: $115,000
Max Offer: $75,000 - repairs

Owner wants to move out of town and needs to sell this house first. It is currently listed with a Realtor at the listing price. There is just too much owed for me to make this work. Better deals are out there. Next.

11. Lead On My Dad's Turf
[Source: Website]

Homeowner wants to sell a 3 bedroom, 1 bath, 1400 sf house outside of town.

Here are the numbers:
Asking Price: $35,000
Amount Owed: $0
Repairs: a lot (unconfirmed)
After Repaired Value: not sure
Max Offer: not sure

This lead is for a house in my Dad's area so I just passed it on to him. Too far for me and I just like to be able to give back a little.

12. Became Disabled And Cannot Afford
[Source: Yellow Pages]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $55,000
Amount Owed: $45,000
Repairs: Cosmetics (unconfirmed)
After Repaired Value: $55,000
Max Offer: $30,000 - repairs

Disabled seller cannot afford to keep up the house (repairs and payments).
Too much is owed for me but I birddogged it to see if someone else could make a deal out of it. Next.

Summary

I'm glad that the rehabs are progressing and near completion. That will free up a lot of my time to focus more on marketing and leads. The pay out on the wholesale deal was great for us this week. The front yard stink house is also being wholesaled and I will give all the details next week. I will be doing more following up this week and trying hard to finish up the rehabs, including the touch ups at our old house so that we can put it on the market.

Plans For Next Week

- Mail some more postcards.
- Manage rehabs.
- Work at wholesaling a house that I have under contract.
- Follow up on old leads.
The Thirty Fourth Week

These are the things I did this week:

Front Yard Stink House Wholesale Closed

Yes. I said the Front Yard Stink House was wholesaled. My intentions were to fix it and sell it with owner financing. With 4 rehabs going, it was just sitting and waiting for work to be done. Stuck a sign in the front yard and put an ad in the paper to sell it as-is for cash.

While working on several other rehabs, I decided (with some prodding from the wife) to put a sign in the front yard and an ad in the paper to sell this one as-is. I did already have it cleaned out and a new roof put on it. It didn't take long to sell (3 days maybe). The price I had on it was $55,000 for a cash, as-is sale. I only had to show it twice.

The second family I showed it to wanted it. They are going to fix it up and live in it. It's an interesting story really.

They called to inquire about the house and I quickly wanted to make sure they understood that the price was for CASH and that I would need to see a bank statement or other proof of funds before signing a contract. They said they couldn't do that because it wasn't in a bank. ??? I asked where it was and she told me they had the actual cash.

This was a first for me. They saw the house and talked it over for about 10 minutes while I sat in my car. Their decision had been made, they wanted it and were willing to close in 3 days (what I asked for since I was giving them a discount off my asking price). We went to a restaurant and signed the contract.

After signing, I asked if they had won the lottery. The husband then informed me that he had been shot. He works as a security guard but was not on duty. He went to visit his brother who works at a pawn shop. His wife and daughter came with him. While at the pawn shop, a robber entered the store and was ordering everyone to the floor. The guy's daughter was very scared and just froze. The guy wasn't about to allow this scum to point a gun at his daughter. He pulled his piece and opened up on the guy. Fired 8 times at the robber as the robber tried
to take cover. Hit him 5 times. The robber hit the guy once. He still was of the right mind to run to the front door to make sure the robber didn't have backup that would come and try to help him, then held him down until the police came.

The pawn shop settled with him for his pain and suffering.

What a hero. Best buyer I've ever had.

There was a slight issue with the fact that most title companies will not accept actual cash. They require a cashier's check or wire. The buyers did not want to open a bank account, as they did not trust banks. They also did not want to pay for a cashier's check.

The issue with the title companies not accepting cash has to do with them not knowing where the cash came from. In the end, the buyers ended up opening a bank account and getting a cashier's check.

**The Wholesale Flip Numbers**

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<thead>
<tr>
<th>Description</th>
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<td>Purchase Price</td>
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<td>Settlement Fees</td>
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<td>Holding Costs</td>
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<td>Property Taxes</td>
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<td>Repairs</td>
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<td>$328 (closing fee, document prep)</td>
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<tr>
<td>Profit</td>
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**One Contractor Awesome - The Other...**

I've had two new crews working at the rehabs over the last several weeks. One contractor was very professional and I did not have any problems with him. Work was great, he was on time. The extras did not cost a fortune and some
minor extras were just done for free. This is what you want.

The other guy....ARRGH!

I don't know how many times he told me he was finished. The house is about 45 minutes away from where I now live so it really was wasting my time every time I went out there. I don't think I've ever had to write that many punch lists. The items that needed to be fixed or were just not done were even plastered with blue tape so that they could walk through the house and know where things needed attention. After the first round, they even removed some of the tape and did not do the work. It's hard to keep a level head at this point. Trust me, he knew I was not happy. I'll just leave it at that.

Can you guess who is going to get the next job? The problem contractor because he keeps things interesting. Just kidding, of course. :)

**Bandits Were Busted**

Had my guy put out 40 bandit signs. I wanted to get the phone ringing right away so I had him put them up on Tuesday. Not a good idea.

He called me and was frantically telling me that code compliance stopped him and hassled him for a long time. He then made him drive back down the really long and busy street to pull the signs he just posted off the poles. He followed him and watched him take them down. He left some on the side streets and I got a couple calls from those, so it wasn't a complete waste of money.

They are REALLY cracking down on those things these days.

(Part of me is wondering about this whole situation though. Reason being that the code compliance office did not call the number on the signs. Hmmmm.)

**Perp House Going Under Contract**

Melissa got a call from a buyer wanting to see the Perp House. After seeing it, they decided they wanted it. :) Not bad for a first showing. Their credit, income, and job history were great. All looks good and we will be closing within a couple of weeks. Numbers and after pictures will be posted shortly after closing.

**Marketing**
Total Motivated Seller Leads This Week: 20

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<thead>
<tr>
<th>Lead Source</th>
<th>Leads</th>
<th>Notes</th>
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<tr>
<td>Bandit Signs</td>
<td>2</td>
<td>From the few that stayed up.</td>
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<tr>
<td>Yellow Pages</td>
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<td>Buying Website</td>
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<td>Drive For Dollars</td>
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<td>Been a while.</td>
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<td>Wholesale Deals</td>
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<tr>
<td>Absentee Owner Mailing</td>
<td>0</td>
<td>Have not mailed in a while.</td>
</tr>
<tr>
<td>Probate</td>
<td>0</td>
<td>Have not mailed for several weeks.</td>
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<tr>
<td>Craigslist</td>
<td>0</td>
<td>Just a basic ad saying we buy houses.</td>
</tr>
<tr>
<td>Referral</td>
<td>1</td>
<td>Word of mouth. FREE</td>
</tr>
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<td>REO Realtor</td>
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<td>Not good though.</td>
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Total Leads To Date [495] Deals Under Contract To Date [11]

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<td>For Sale By Owner:</td>
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Leads Analyzed

1. Military Relocation
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2.5 bath, 1800 sf house in a good neighborhood.

   Here are the numbers:
   Asking Price: $134,000
   Amount Owed: $134,000
   Repairs: None (unconfirmed)
   After Repaired Value: $135,000
   Max Offer: $88,000 - repairs

   Military and he is to be relocated. He has it listed with a rental agency, but has had no takers for several months. There is just too much owed. Next.

2. Cannot Afford To Keep
   [Source: Website]

   Homeowner wants to sell a 3 bedroom, 2 bath, 1700 sf house in a good neighborhood.

   Here are the numbers:
   Asking Price: $118,000
   Amount Owed: $118,000
   Repairs: None (unconfirmed)
   After Repaired Value: $120,000
   Max Offer: $78,000 - repairs

   Homeowner cannot afford to keep the house and needs to sell. The problem lies in the fact that they owe what it is worth. Once again, can't do it.

3. Slab Leak Likely
   [Source: Website]
Homeowner wants to sell a 3 bedroom, 1 bath, 1000 sf house in a not-so-good neighborhood.

Here are the numbers:

Asking Price: $47,000
Amount Owed: $47,000
Repairs: slab leak and cosmetics (unconfirmed)
After Repaired Value: $55,000
Max Offer: $30,000 - repairs

Seller has the misfortune of most likely having a slab leak and the resulting serious foundation problems. These houses are no joke and usually require a lot of costly repairs. Too much is owed to even consider anyway. I don’t want to have anything to do with this house.

4. Tenants Trashed
[Source: Yellow Pages]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 1800 sf house in a good neighborhood.

Here are the numbers:

Asking Price: $110,000
Amount Owed: $100,000
Repairs: trashed - mostly cosmetics and AC (unconfirmed)
After Repaired Value: $120,000
Max Offer: $78,000 - repairs

Seller lives about 4 hours out of town and had this house rented. The tenants trashed the house and she just evicted them. She no longer wants to be a landlord and is coming to town to show the house and sell it quick. I’m afraid that is not possible for me with what she owes. No thanks.

5. Manufactured Mobile Home
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, single-wide '95 palm harbor home.
Here are the numbers:
Asking Price: $50,000
Amount Owed: $0
Repairs: cosmetics (unconfirmed)
After Repaired Value: not sure
Max Offer: not sure

The seller mentioned just needing to get out of it. He does not live there and wants to get the cash out of it. This is in an area my dad buys in so I just passed it on to him.

6. **Rehabbed And Needs Out**
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1200 sf house outside of town.

Here are the numbers:
Asking Price: $160,000
Amount Owed: $115,000
Repairs: none (unconfirmed)
After Repaired Value: $100,000
Max Offer: $65,000 - repairs

Seller rehabbed this house and had it sold once but the buyers backed out. The MLS did not show any listing changes to reflect it being under contract at any time (it was listed). His idea of the value is super skewed and way too high. I'm not remotely interested.

7. **Inherited and Lives Out Of Town**
   [Source: Website]

Homeowner wants to sell a 2 bedroom, 1 bath, 800 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $50,000
Amount Owed: $0
Repairs: a lot (unconfirmed)  
After Repaired Value: $50,000  
Max Offer: $25,000 - repairs  

Seller inherited this house and does not know what to do with it. He lives out of town and would like to just sell it and avoid the hassles of becoming an out-of-town landlord. I'm not interested in this type of property in this part of town so I birddogged it.

8. **Tired of Trying To Sell Through Realtor**  
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1400 sf house in a good neighborhood.

Here are the numbers:  
Asking Price: $110,000  
Amount Owed: $100,000  
Repairs: cosmetics and minor foundation (unconfirmed)  
After Repaired Value: $115,000  
Max Offer: $75,000 - repairs  

This is another situation where knowing what has happened with a listed property really helps in determining what it should actually sell for (or at least what it hasn't sold for). This house has been on the market for a long time and has not sold. When the house does not look like it needs much in the way of repairs and is on the market, priced at it supposed value, it likely is not really worth that much.

They don't owe very much less than what they are asking and there is just no way for me to make this work.

9. **Does Not Want To Mess With Anymore**  
   [Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1700 sf house in a good neighborhood.

Here are the numbers:
Asking Price: $100,000
Amount Owed: $84,000
Repairs: cosmetics (unconfirmed)
After Repaired Value: $150,000
Max Offer: $97,500 - repairs

Seller does not live at this house and does not want to mess with it anymore. She had just had some foundation work done and the house needs some updating. She is not sure whether she wants to sell just yet so I just made a ball park offer. Waiting for her reply and will follow up.

10. **Cannot Afford Anymore**  
[Source: Website]

Homeowner wants to sell a 4 bedroom, 2.5 bath, 2000 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: $80,000  
Amount Owed: $61,000  
Repairs: kitchen and in-ground pool repair (unconfirmed)  
After Repaired Value: $90,000  
Max Offer: $59,000 - repairs

They cannot afford to keep the house anymore and are having trouble keeping up with the repairs. Though they are asking $80k, I'm sure they will be willing to take a lot closer to what they owe. I would need it still cheaper, so I just birddogged it.

11. **Bank Owned**  
[Source: REO Realtor]

Bank wants to sell a 3 bedroom, 2 bath, 1000 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $61,000  
Amount Owed: $0
Realtor called with a new listing for a bank-owned property. The starting price is a little high and there are a lot of foreclosures in the area bringing the prices down and the days on market up. I don't even really want to follow up with this one because I don't want it. Even cheap REOs are taking a while to sell.

12. **Wants a Bigger House**  
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1300 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $116,000
- Amount Owed: $82,000
- Repairs: cosmetics (unconfirmed)
- After Repaired Value: $105,000
- Max Offer: $68,000 - repairs

 Completely unmotivated seller. Does not need to sell the house, but would simply like to. And for above full market value. Next.

13. **Realtor Selling Run-Down Old House**  
[Source: Bandit Signs]

Homeowner wants to sell a 5 bedroom, 1 bath, 2000 sf house in a decent neighborhood.

Here are the numbers:
- Asking Price: $105,000
- Amount Owed: $0
- Repairs: Everything (unconfirmed)
- After Repaired Value: $150,000
- Max Offer: $90,000 - repairs
This house needs everything. The rehab costs for these old houses can get out of hand very quickly and I would rather avoid them. 5 deals can be done while you are working on one of these. I will be following up to see if I can get it cheap enough to wholesale though.

14. Wholesale
[Source: Wholesaler]

Wholesaler wants to sell a 5 bedroom, 2 bath, 2000 sf house in a good neighborhood.

Here are the numbers:
- Asking Price: $138,000
- Amount Owed: $0
- Repairs: Cosmetics (unconfirmed)
- After Repaired Value: $180,000
- Max Offer: $117,000 - repairs

Wholesaler with a deal. Based on my calculations, I would need to buy this one for around 100k. So, no go.

15. Two Super Tiny Houses
[Source: Yellow Pages]

Homeowner wants to sell two 1 bedroom, 1 bath 400 sf houses in a not-so-good neighborhood.

Here are the numbers:
- Asking Price: Make An Offer
- Amount Owed: couple thousand back taxes
- Repairs: Everything (unconfirmed)
- After Repaired Value: $?
- Max Offer: $?

Selling because she is disabled and cannot keep up with them. Also owes taxes. Too small. Birddogged.

16. Foundations Problems and Bad Economy
Homeowner wants to sell a 4 bedroom, 2 bath, 1500 sf house in a good neighborhood.

Here are the numbers:

Asking Price: $65,000
Amount Owed: $40,000
Repairs: Foundation and Bathrooms (unconfirmed)
After Repaired Value: $105,000
Max Offer: $68,000 - repairs

House needs complete leveling and the bathrooms need remodeling. I'm sure there are other cosmetics that are needed as well (especially if we level the house). Scheduled to see this one.

17. Facing Foreclosure
[Source: Website]

Homeowner wants to sell a 3 bedroom, 2 bath, 1600 sf house in a decent neighborhood.

Here are the numbers:

Asking Price: $60,000
Amount Owed: $?
Repairs: Unknown (unconfirmed)
After Repaired Value: $90,000
Max Offer: $58,000 - repairs

Facing foreclosure. Going to see this one.

18. Tired Landlord
[Source: Website]

Homeowner wants to sell a 5 bedroom, 2 bath, 1400 sf house in a not-so-good neighborhood.

Here are the numbers:
Asking Price: $50,000
Amount Owed: $0
Repairs: Everything (unconfirmed)
After Repaired Value: $50,000
Max Offer: $25,000 - repairs

Sleepy landlord. Doesn't want to deal with tenants anymore and would like to dump this headache and nightmare factory. I don't want it either so it is going to a buddy as a birddog deal.

19. Realtor Short Sale
[Source: Referral]
Realtor working a short sale on a 4 bedroom, 2 bath, 2000 sf house in a decent neighborhood.

Here are the numbers:
Asking Price: $85,000
Amount Owed: More than 90k.
Repairs: Cosmetics (unconfirmed)
After Repaired Value: $110,000
Max Offer: $66,000 - repairs

Realtor working a short sale and needs a cash offer. Will go by and make one.

20. Tenants Trashed The Place
[Source: Bandit Signs]
Homeowner wants to sell a 4 bedroom, 2 bath, 1200 sf house in a so-so neighborhood.

Here are the numbers:
Asking Price: Make An Offer
Amount Owed: $0
Repairs: Everything (unconfirmed)
After Repaired Value: $70,000
Max Offer: $45,000 - repairs

Tenants moved out, but not before trashing it. Makes for a good buy. Going to take a look at this one also.

Summary

Leads picked up quite a bit this week. With the rehabs pretty much completed, I can focus more on the marketing and flying. Did I say flying, I meant working on the business. :)

Plans For Next Week

- Mail some more postcards.
- Have 3 rehabbed houses on the market and listed.
- Work at wholesaling a house that I have under contract.
- Follow up on old leads.

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Have a long commute to the job each day? Going for a run? Why not make that time even more productive by listening to the Flipping Junkie Podcast. Each week I interview a new real estate investor and dive down into the details to bring you what works right now.
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Click here to listen to the podcast on Stitcher
Afterward: Final Numbers

Well, sad to say it but that concludes the 34 weeks of flipping houses exposed. Life was just about to get a lot more hectic with the birth of my son, Weston. I didn't want to be super busy with too many things going on. It's incredible to have a life where it is possible to switch gears and take it easy for a while when we want to. Those sleepless nights with the new baby were not so bad because I didn't have to conquer the world each morning.

This is the reason I wanted to share all of this information in the first place (besides having you all hold me accountable of course). There is a big hill to climb when you get started flipping houses and I wanted to show you that hill. I wanted to show you that is surmountable and that things do pick up and get easier. So many people give up because they don't truly believe that getting the deals is really possible for them.

It took me several months to start pulling in the deals during those 34 weeks and I was doing a lot of marketing. But, I'm sure you noticed that after a while it seemed like I was putting another one under contract every week. The snowball effect. You've got to start with a small one though. Start with those baby steps and you will eventually be running (hopefully not away from a Perp at one of your houses. :)).

I'm glad to report that Weston is now 16 months old and is healthy and smart. He's way cooler than me.

Final Flip Numbers

Below are the final flip numbers for the Honk Your Horn house, Flatulent house, Perp house and the Frustration house (curse you Frustration house...).

Frustration House Final Flip Numbers

The Frustration house has finally been sold. It is no longer ours. We traded it for a pile of money. Best...trade...ever!

House Flip Time line
Purchase Date: July 20, 2011
Listing Date: September 2, 2011
Contract Date: January 24, 2012
Closing Date: March 6, 2012
Total Days From Purchase To Resell: 230 Days (7 1/2 months)

This one took a while to get sold. I attribute it to the fact that we didn't do much to update the kitchen and master bath.

House Flip Numbers

Initial Costs and Assumptions
Purchase Price: $105,000
Settlement Fees: $2,486 (title policy, closing fee, insurance, loan fee)
Estimated Repairs: $8,000
Resale Price: $175,000
Estimated Profit: $59,514 minus holding costs and selling costs (estimating about 17k)

Actual Resale Price: $164,000
Actual Repairs: $10,232.31

Holding Costs
HOA Fees: $315.00
Mortgage Interest: $6,932.20
Property Taxes: $2,740.45
Property Insurance: $437.00
Utilities: $951.57
Total Holding Costs: $11,376.22

Closing Costs
Realtor Commissions: $12,020.00
Our Closing Costs: $87.00
Buyer Cost Assistance: $2,880.55
Title Policy & Home Warranty: $1,536.95
Total Closing Costs: $16,524.50 (OUCH!)

Actual Profit: $18,380.97

If you aren't paying attention you can easily go into the red and lose money on a deal. Once we realized how long it had been on the market we had to start dropping the price and even gave a $3,000 bonus to the buyer's agent. Sometimes you just have to stop the bleeding.

Flatulent House Final Flip Numbers

The Flatulent house sold in a reasonable amount of time (nothing like the multiple offers we are receiving in a day or two these days).

House Flip Time line

Purchase Date: September 30, 2011
Listing Date: November 23, 2011
Contract Date: December 21, 2011
Closing Date: February 3, 2012
Total Days From Purchase To Resell: 126 Days (4 months)

House Flip Numbers

Purchase Price: $48,500
Settlement Fees: $1,258 (doc fees, closing fee, insurance)
Estimated Repairs: $10,000
Resale Price: $90,000
Estimated Holding/Selling Costs: $9,000
Estimated Profit: $21,242
Actual Resale Price: $87,500
Actual Repairs: $12,652.17

**Holding Costs**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Interest</td>
<td>$2,084.64</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$410.81</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>$214.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>$471.13</td>
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<tr>
<td><strong>Total Holding Costs</strong></td>
<td><strong>$3,180.58</strong></td>
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**Closing Costs**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realtor Commissions</td>
<td>$5,250.00</td>
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<tr>
<td>Our Closing Costs</td>
<td>$540.45</td>
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<tr>
<td>Buyer Cost Assistance</td>
<td>$1,750.00</td>
</tr>
<tr>
<td>Title Policy &amp; Home Warranty</td>
<td>$761.00</td>
</tr>
<tr>
<td><strong>Total Closing Costs</strong></td>
<td><strong>$8,301.45</strong></td>
</tr>
</tbody>
</table>

**Actual Profit:** $13,607.80

The actual profit was not quite what was estimated, but is it ever? The money sure does smell good though. :)

You can view the 'after' pictures of the Flatulent House online [here](#).

**Honk Your Horn House Final Flip Numbers**

The Honk Your Horn house sold in a reasonable amount of time as well. With it being for sale over the holidays, it's understandable.

**House Flip Time line**

Purchase Date: September 8, 2011
Listing Date: November 23, 2011
Contract Date: January 23, 2012
Closing Date: February 17, 2012
Total Days From Purchase To Resell: 162 Days (5 months)

House Flip Numbers

Purchase Price: $65,000
Settlement Fees: $3,379 (title policy, closing fee, insurance, loan fee)
Estimated Repairs: $15,000
Resale Price: $120,000
Estimated Holding/Selling Costs: $12,000
Estimated Profit: $24,621
Actual Resale Price: $116,000
Actual Repairs: $18,559.65

Holding Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Mortgage Interest</td>
<td>$5,425.20</td>
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<tr>
<td>Property Taxes</td>
<td>$1,550.58</td>
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<tr>
<td>Property Insurance</td>
<td>$365.00</td>
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<td>Utilities</td>
<td>$375.89</td>
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<td><strong>Total Holding Costs</strong></td>
<td><strong>$7,716.67</strong></td>
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Closing Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Realtor Commissions</td>
<td>$6,380.00</td>
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<tr>
<td>Our Closing Costs</td>
<td>$2,440.92</td>
</tr>
<tr>
<td>Buyer Cost Assistance</td>
<td>$4,640.00</td>
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<tr>
<td><strong>Total Closing Costs</strong></td>
<td><strong>$13,460.92</strong></td>
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</table>

**Actual Profit:** $7,883.76
That's not quite the number a TV show would tell ya, is it? This is why they don't like to show the real costs. Another example of how holding and closing costs can eat your lunch (for several decades - that's a lot of lunches).

These were not really representative of our typical profits, but do show the reality of what happens when rehab budgets get busted, closing costs balloon and holding costs escalate to bad levels.

You can view the 'after' pictures of the Honk Your Horn House online here.

**Perp House Final Flip Numbers**

The Perp house was sold with owner financing. The buyer now makes payments to us instead of getting a bank loan to buy the house. We do these from time to time for retirement purposes. Much better than rentals. The buyer is responsible for taxes, insurance, maintenance, really everything. We just have to make sure they always have insurance and pay the property taxes every year.

**House Flip Time line**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Date:</td>
<td>September 26, 2011</td>
</tr>
<tr>
<td>For Sale Date:</td>
<td>November 3, 2011</td>
</tr>
<tr>
<td>Contract Date:</td>
<td>November 22, 2011</td>
</tr>
<tr>
<td>Closing Date:</td>
<td>November 29, 2011</td>
</tr>
<tr>
<td>Total Days From Purchase To Resell:</td>
<td>64 Days (2 months)</td>
</tr>
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</table>

**House Flip Numbers**

<table>
<thead>
<tr>
<th>Event</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price:</td>
<td>$35,000</td>
</tr>
<tr>
<td>Settlement Fees:</td>
<td>$658 (closing fee, insurance)</td>
</tr>
<tr>
<td>Estimated Repairs:</td>
<td>$10,000</td>
</tr>
<tr>
<td>Resale Price:</td>
<td>$85,000 owner financed</td>
</tr>
<tr>
<td>Actual Resale Price:</td>
<td>$85,000</td>
</tr>
</tbody>
</table>
Actual Repairs: $5,409.75

### Holding Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Mortgage Interest</td>
<td>$551.91</td>
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<tr>
<td>Property Taxes</td>
<td>$284.01</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>$80.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>$17.53</td>
</tr>
</tbody>
</table>

Total Holding Costs: $933.45

### Closing Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Closing Costs</td>
<td>$273.00</td>
</tr>
</tbody>
</table>

Total Closing Costs: $273.00

Spread Between Purchase and Sale (less costs): $42,725.80

Things are much different with these owner financed deals. We don't use a Realtor to sell the owner-financed ones, we do it FSBO (For Sale By Owner). Much easier to sell but you don't get a big chunk of profit right away. We are now receiving payments from the buyer for the next 30 years.
Final Note

Thank You

Thank you for downloading and reading this book. May your path to financial freedom be even more exciting.

Where To Go From Here

Be sure to visit FlippingJunkie.com for new adventures and the best tips on flipping houses you will find anywhere. Make sure you subscribe as I share all the best stuff by email. If you don't, may your dreams be haunted by the Halloweenists. ;)

If you'd like to continue your education with me, be sure to check out my training course: http://freedombyflipping.com.

Check out the Flipping Junkie Podcast

Each week I interview a guest real estate investor and cover different topics related to flipping houses and real estate investing in general. This is the best way to get in-depth information about specific topics so that you can find out about what is working right now and new tactics people are using to be better investors.

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Click here to listen to the podcast on Stitcher
Ready to get started? Focus your energy on getting leads. Nothing else matters if you don't have leads. You should start with a real estate investor website. That's how I get the majority of my leads and deals. Lucky for you, I can set you up with one. Just visit http://leadpropeller.com and find out how you can have your real estate investor website up and running within as little as 15 minutes.

Managing leads, setting up automatic follow up reminders, mailing written offers with the click of a button, analyzing deals, determining repair costs, keep track of cost per lead and cost per deal, managing direct mail campaigns, and lots, lots more is what I developed REIMobile for. Have access to all of your data from your mobile devices so that you can run your house flipping business like a real business no matter where you are. We are currently in beta release. Visit http://reimobile.com to find out more and request an invitation to sign up.

Also...if you really enjoyed this adventure, please take a moment right now to leave a review on Amazon.com. (I've got to show my family it was worth the time putting all of this together.)

Thank you!

Danny Johnson