

10 Things You Must Have If You Want To be A **Wholesale Real Estate Investor**

1. You must have access to real time comparable sales data

No offense to any of the following websites but if you are using Zillow, Home Gain or Yahoo Real Estate then you do not have access to current comparable sales information. If your information is not correct then you cannot figure out what a house is worth. If you cannot afford to pay a monthly subscription fee then partner with one or two people that can. You must have access to real time sales comps or you are simply wasting your time as an investor. We use Sitexdata with all of our students and we recommend their service because it is not county specific. Call Sitexdata and ask for Scott Bergman at 877-436-3282 ext 1166 and mention Lex Levinrad for a free trial account and 15 free comps. Sitexdata costs \$125 per month for up to 150 comparable sales (comps).

2. Access to real time emails is a big advantage

Wholesale real estate is very dynamic and fast moving. Sometimes deals sell in 30 minutes or less so if you do not have access to email on your cell phone or if you only check email every few days then you are simply operating at a huge competitive disadvantage. Picture this scenario. You as an investor are driving around an area looking at wholesale real estate when you look at your blackberry and see that a wholesaler has just emailed out a new deal. Since the house is around the corner from where you are, you decide to go and take a look. After speaking with the wholesaler you ultimately decide to buy the house. Not having a blackberry or other email capable cell phone device in this example would have cost you up to \$30,000. Why? Because when you get home and look at your computer in the evening and you see the email the house will already be sold (if it is a good deal). If you keep wondering why the deals are gone before you get to them ask yourself one question. Do I have access to mobile email on my cell phone? By far the biggest problem that I have when I work with students is that they do not have access to email during the day when they are out looking at properties. It is virtually impossible for me to work with them when they insist on calling instead of emailing me. I have so many students and deals to look at that I don't have time to discuss them all on the phone. It is also very difficult for me to remember all of the information from a phone call when I speak to so many people every day. A clear concise email with the property address, repair

estimate, after repair value and a picture is all I need to make a decision. It is well worth your while to pay the \$50 per month or whatever it costs to get access to emails on your cell phone. This will make you a more efficient investor.

3. Have a digital camera with you at all times

Always have a digital camera on you at all times. And make sure that the battery is fully charged or buy a portable car adapter to charge the battery in the car. Having a video camera is an added bonus that I highly recommend but a camera is a must. If you call me with a great deal and you don't have a picture then as the saying goes "a picture is worth a thousand words". If you are trying to wholesale a house and you don't have pictures then you are going to have to go back to the house to get pictures. Always have a fully charged camera with you and carry spare batteries or a charger at all times. When you get home it will be easy for you to transfer your photos onto a computer and then label your photos by property address. This will come in handy when you are reviewing your repair estimate forms later (see below).

4. Always have a flashlight with you

Many REO properties are boarded up and there is no light or very little light inside the properties. Always carry a flashlight with you so that you can see inside the house. I recommend the "Mag Light" since they are so big and sturdy they can do more than shine a light if you know what I mean. That can come in handy when you are entering a boarded up house alone in a not so great neighborhood.

5. Always carry pepper spray with you

I don't care how tough you think you are. A pit bull is not going to care how tough you are when it charges at you and the only thing protecting you in that scenario will be a can of pepper spray in your hands. Some humans behave like they are pit bulls too which is another reason to carry a pepper spray. Hopefully you will never need to use it but if you ever do you will be glad you brought it along. Vacant boarded up houses sometimes have dogs in the backyard. That is a fact. And they don't take too kindly to strangers entering the yard. Always be safe and when in doubt do not get out of your car and leave the area immediately.

6. Get A GPS to save time and gas

This should really be number 1 because it is such a huge time saver. You can buy a good GPS from Best Buy for under \$200. Besides getting you to the properties quicker and saving you time and gas there are also many other handy features. For example you can find a gas station or a restaurant or even get a telephone number instead of

calling 411 which will save you money. Also just because you have a GPS does not mean you should not have a good map with you. You need to know where you are not just how to get there. Make sure that you have a map that shows zip codes and sub divisions. I like Dolph Maps that are laminated for this purpose.

7. Have one page repair estimate forms with you

If you look at a lot of properties every day then you are never going to remember which house had linoleum floors, which house needed a new bathroom and which house needed new kitchen cabinets. Make photocopies of a repair estimate form like the one that we provide our students with and carry a stack of them on a clipboard. This way you can have the address, the comps, and the repair estimates all in one place.

8. Watch the MLS as well as the sold comps

When real estate prices are moving up rapidly the MLS will reflect higher prices than the sold comps. When prices are moving down rapidly then the MLS will reflect lower prices than the sold comps. You need to look at both. I am constantly amazed at students that bring me a wholesale deal when there is a house listed on the same street for a retail price that is less than their wholesale deal. Always look at the comps and also what is listed for sale. Don't forget to look around you when you are looking at properties. Notice what is for sale, how many properties have for sale by owner or realtor signs. Inquire as to how much these properties are listed for in order to understand where current MLS listings are being priced.

9. Have a scanner to convert documents to pdf's

If you are faxing offers all day to realtors then you are going to have a lot of paper flying back and forth. If you want to keep yourself sane and organized invest in a scanner that allows you to create adobe acrobat (pdf) which can be named by property address. I always tell my students to label all of their pdf documents by property address so that it is easy for me to find. If you are still faxing using an old fax machine then get yourself a free fax number from a company like Efax, Onebox or Ring Central. Your fax provider should convert your incoming faxes automatically to pdf's and you should be able to access them via email anywhere. If you are on the road looking at properties all day then a lap top computer will be a huge plus for your business. If you Invest in Adobe Acrobat Professional then you can even put your signature into pdf documents and sign and email them back instead of having to get to a printer or fax machine.

And The Final and Most Important Tip:

Understand How to Calculate the Maximum Offer Price

If you have all of the above tools then the only thing that you need is to understand how to establish what we call a maximum offer price. In order to arrive at this number you need to understand wholesale prices compared to retail prices. Know what prices houses sell for retail to retail investors and what prices houses sell for wholesale to cash investors. You should know both the dollar price and the price per sq foot for both wholesale and retail. You need to understand how to calculate after repair value (ARV), repair estimates and how to price a house in order to know how much to offer. If you don't know these things then you need to get training. We teach all of these concepts very comprehensively at our 3 day Distressed Real Estate Boot Camps. You can find out more information by visiting our website at <http://www.lexlevinrad.com> or call us at 800-617-2884.

To your success as a real estate investor,

Lex Levinrad