

# **A Simplified 3 Part Guide to Fast Profits In Real Estate**

**By Dean Graziosi**

## **Part 2: Building Your Sellers List**

**In this section you'll learn how to find sellers with properties you can lock up and pass on to your buyers or keep as cash flow properties for yourself.**

# Finding Properties/Building Your Sellers List

Whether you use a computer based contact management program like ACT, MS Outlook or you simply keep a list in Excel or on a yellow legal pad, after you've built a buyers list of any size, or found even your first buyer, you're obviously going to need something to sell them.

Building your sellers list is the next essential pieces to earning as an investor. As in part one of this guide, we've compiled information and simple strategies to help you build your sellers list quickly.

As in part one of this guide, I want to state that the majority of tips in this section come NOT from ME, Dean Graziosi, but from my Academy Instructors as well as from many of your fellow students and their posts at [www.deangraziosi.com](http://www.deangraziosi.com).

## Where to search for a motivated seller!

Drew, one of the instructors from my **Real Estate Success Academy** [www.deansacademy.com](http://www.deansacademy.com), offers this little tool for remembering where motivated sellers can be found.

Remember the "4 D's"

- Disaster - loss of job, bankruptcy, fires, acts of "god."
- Disability - injury or advancement of condition
- Death - including the loss of a loved one.
- Divorce, (check with the courthouse for divorce filings).

When people go through any of the above experiences there is generally a house involved. In many of these cases, that property needs to be sold, particularly in the dissolution of a marriage in order to satisfy the divorce settlement.

But what about disaster? In many areas the City Department of Code Violations has to inspect any properties where the fire department was called out to extinguish any type of fire. That becomes a matter of public record and you can simply access those property addresses that meet that criteria and mail to the owner listed on county assessor's property records.

For example; in the first\*<sup>1</sup> letter they receive it will go like this:

Dear Mr. and Mrs. Smith,

I hope my letter does not reach you during a time of tragedy and I do pray that everyone is safe. I am writing because I noticed the other day that your property had extensive fire damage.

I wanted to ask if you might consider the possibility of allowing me to perhaps buy the property due to this unfortunate event. I have no doubt you have some decisions that need to be made.

It is not my intent to be intrusive to your personal situation but rather to simply provide an option if you need it. I am an investor and can close quickly if you have flexibility on your price, terms, or both. I do hope to hear from you soon if your situation needs immediate attention. If not, please keep my name and number on this correspondence if another time would be more beneficial for you.

Sincerely,  
John Dough  
555-555-5555  
johndough@yahoo.com

I have heard stories where investors had marketed to an owner of a property with extensive fire damage and that owner did not have insurance on the property. The owner also did not have the money to repair the property and needed income. The investor was able to

---

<sup>1</sup>I suggest sending at least 3 and 7 is better.

come in and help at a highly discounted price. It turned out he could have repaired it three times with the purchase price and still be under 80% LTV (loan to value) on the property!

Even individuals with insurance may not want to repair after a fire because the damage is too great for his taste. Even if the damage is too great for you to oversee, you may still be able to do a wholesale for a quick couple of thousand, making a profit without having a time consuming extensive rehab project on your hands.

Divorce filings are public record and can be found by visiting your county courthouse. You can usually access these records online by searching for your county courthouse.

You can periodically visit your county courthouse either physically or online, if they permit access, to search for great deals.

Let me give you a suggestion here. Many other investors may be competing for the same property you find. Typically you will hear this advice:

"Once you get the (Insert circumstance, i.e. divorce filing, etc) information send a letter to the family/person/couple involved letting them know that you are interested in buying their property."

That's good advice, but you probably will not be the only one doing this. If you are just another letter in a pile of other letters, you have no advantage.

## **Do Something Different.**

You want to do whatever you can to stand out from the crowd. So maybe that means you use a colored envelope instead of white.

Maybe you go all out and create a standard "newsletter style" piece with information on how to deal with the specific situation.

Say you create a newsletter targeting divorce. You could put together a few articles on topics relevant to people going through

divorce. There is an unbelievable amount of copyright free information online that you can use to create a newsletter.

You can also email authors of articles you find for permission to reprint in your FREE newsletter.

You could include lists of support resources in the newsletter both local and national.

Sure, it's a lot of extra effort compared to just copying a letter from one of my books, but it will stand out.

You could even mail the "newsletter" inside a larger envelope with a letter enclosed explaining why you are sending it and you hope it will benefit them, and by the way if they are looking to sell their house, you're interested.

You could create one newsletter style piece for each of the "4 D's" and then have them handy or ready to print from your computer when you need one to send out.

You could also mail your letter in a small box so it stands out, buy an appropriate greeting card and send it handwritten to the person.

Be careful about this, and use good judgment. For example, just because someone is getting divorced doesn't ALWAYS guarantee the parties are both unhappy about it.

How about sending a "lumpy" letter? Perhaps enclosed a pencil or a pen and use a headline on your letter like:

**"Don't Write Off Your Chance to Sell  
Your Home for Maximum Value...Here's  
How The Enclosed (Pen) Can Help  
Guarantee You Sell Well!"**

Or

**What about gluing a REAL single dose package of aspirin to the top of your letter with a headline like:**



**Here...If You Don't Call Me Soon,  
You May Need These to Manage the  
Headaches Involved In Selling  
Your Home**

How about gluing 15 cents in coins to the top of your letter and using a headline like:

**How to Sell Your Home Fast, Without  
Being Nickel and Dimed to Death!**

**Or**

What about a bandage stuck to the top of your letter with a headline like?

**I Take the Hurt Out of Selling Your  
Home So You Can Focus On Healing**

Also, any investors who you might be "competing" with who do mail letters, often send only one letter and quit.

I suggest sending at least 3 and 7 is better. Those additional contacts don't all have to be letters either. They can include postcards, letters, copies of articles on coping with the situation, etc.

## **How To Find Prospective Sellers to Contact**

The most useful public records for Real Estate Investing are:

- Notices of default (pre-foreclosures)
- Real Estate Auctions (foreclosures and Tax sales)
- Wills (Probate Properties)
- Divorce Records ( Divorce Records)

Sadly, when anyone goes through one of the "4 D's" it can cause a quick and desperate need to sell their property fast. This is a time to be of help to a person and create a chance to profit in doing so.

The "4 D's" is an effective tool to remember. It can help you locate sellers in places you'd least expect it.

But what are some additional and even more specific ways to build your list?

Here is a quick list of tactics you should already be familiar with from reading my books and doing your own learning, but this is a list you can copy and put on the wall in your office, bathroom, in your notebook, wherever you want, to remind you of opportunities.

## **Use Newspapers**

- Run ads in the major newspaper in any town you wish to invest in.
- Buy ad space in the local penny savers, Thrifty Nickel, Greensheet and other low cost or free local papers.
- Check newspaper for listings of Estate Sales.
- Search "For Sale by Owner" classifieds in newspapers and other local publications.
- Check newspaper for Tax Sales and City and County sites.

## **Don't Fly Solo**

- Get a real estate agent who will regularly search the MLS for expired listings, fixer-uppers and ugly houses for you.
- Network with service people (utility meter readers, newspaper delivery persons, mailman etc.)
- Find or be a bird-dogger (people who get a referral fee to find you fixer uppers.)
- Network with professionals (CPA's, Attorneys etc.) and non-professionals, (plumbers, landscapers)
- Use other wholesalers who find properties and sell them to you at a mark-up that leaves room for you to make a nice profit on sale.

## Do Some Snooping

- Check court records for landlords who are evicting tenants. Ask the County Clerk's; it's not hard if you ask for help.
- Find Owners, whose property has building or health code violations; check City for list of violators.
- Owners of condemned properties, check tax records for these owners.
- Owners of fire-damaged houses, check tax records for these owners.
- Absentee landlords, check tax records for these owners.
- REO's (Bank owned properties), call banks for listings.
- HUD and other government foreclosed properties, check their web sites for listings.

## Be Proactive

- Create flyers, Bandit signs etc and post wherever you can.
- Put Magnetic car signs on your vehicle, your spouse's vehicle, your mom, your dad, the teenager (hey, they want to drive, why not make'em advertise?) you get the idea...
- Get business cards and hand them to everyone wherever you can.
- Drive neighborhoods looking for vacant houses and FSBO's, Call FSBO ads.
- Create door hangers and place them in targeted neighborhoods.
- Contact landlords with for rent signs, they may be tired of being landlords.
- Make some "professional" attire (company polo "We Buy Houses", tee-shirts etc, ties.).
- Billboard or mobile billboard advertising, expensive but can be very effective if placed in the right location.
- Online local internet advertising. Put your web address on everything.
- Private Real Estate Auctions, check local auctioneers for listings. Drive through your neighborhoods looking for vacant homes and For Sale by Owner signs.

There are several unique strategies to find a killer deal; you just have to get creative in your search for these deals.

## **Direct Mail to Quit Claim Deeds**

In divorces there is often a filing of a quit claim deed. It is one way to transfer real property such as a house, land, or certain mobile homes. The person who transfers the property by selling it or making a gift of it is called the 'Grantor'.

The person the property is transferred to is called the 'Grantee'. One of the most important differences between a quit claim deed and other types of deeds is that the Grantor makes no guarantee or promises that the property is free of debt and the Grantor makes no promises that no one else claims to own the property.

The quit claim deed says, in effect, that the Grantor is signing over whatever ownership interest he or she may have in the property. It does not even guarantee that the Grantor has any ownership interest at all.

Carol Stinson, one of my students, offered this suggestion:

Check out the public records in the County Recorder's office to find quit claim deeds being executed on property. To find out, check your county recorder's office website. If they do not have a website, you will have to call and then go there.

You can cross check the names on quit claim deeds with the filing of divorce decrees to see which ones are from people going through a divorce and mail them a letter expressing your interest. Many times you will be contacted by the person who decided to keep the house and now they can no longer afford it.

The best thing is that these are sellers that have likely been trying to sell their house for a while and are now more motivated than they were when they first listed their property.

They may have fallen behind in their mortgage and tried to sell their house to prevent foreclosure. If this is the case than you

now become a new hope to them and you get a chance to help someone out while making a profit. You can offer these sellers another chance to relieve their burden.

Again, if you have a Real Estate Agent on your team, have them send you all of the expired listings in a particular area that you have buyers in. Now go through the listings and pull out the ones that say "Motivated seller", "Handy man", "Bring Offers" etc. Contact them and see if the property is still for sale.

If it is, then go through the sample phone script below and schedule a time to see the property. Remember to do as much research as possible on the property before you get there. This will help in your negotiations.

### **Phone Script for Cold Calls on Vacant Properties:**

Hello, my name is... I am calling about the property located at\_\_\_\_\_ are you still selling or interested in selling this property?

If they say no, ask them if they can give you the owners contact information then repeat the attempt with the owner.

If they say yes:

Are you the owner? Oh good. May I ask your name?

\_\_\_\_\_ Nice to meet you over the phone\_\_\_\_\_, again my name is\_\_\_\_\_

Can you give me a little information about the property?  
How long have you owned it?

\_\_\_\_\_

How many bedrooms, baths? \_\_\_\_\_

Is there a basement or an attic?

\_\_\_\_\_

What kind of heating /cooling does it have?

\_\_\_\_\_

How is the: Roof \_\_\_\_\_

Plumbing \_\_\_\_\_ Electrical \_\_\_\_\_

Furnace \_\_\_\_\_ Kitchen \_\_\_\_\_

Bathroom(s) \_\_\_\_\_ Furnished \_\_\_\_\_

What are you asking for it? \_\_\_\_\_ How did you come up with that amount? \_\_\_\_\_ . Have you had it appraised and if so how long ago? \_\_\_\_\_

Is your home vacant? How long has your home been vacant? \_\_\_\_\_

Is it listed with a real estate agent? Who? \_\_\_\_\_ . Have you had any offers? Any written? \_\_\_\_\_ . If I offered you all cash and could close in 30 days, what is the least you would take? (wait patiently for them to answer) \_\_\_\_\_

When did you get your mortgage? \_\_\_\_\_ What is your mortgage balance? \_\_\_\_\_

Is it current? \_\_\_\_\_ Do you happen to have the totals of what your payments are:

- a. Taxes \_\_\_\_\_ Mo / Qtr / Yr?
- b. Insurance \_\_\_\_\_ Mo / Qtr / Yr?
- c. Utilities \_\_\_\_\_ Mo / Qtr / Yr?
- Net Expenses \_\_\_\_\_ Mo / Qtr / Yr?

18. Do you have any other mortgages? \_\_\_\_\_

a. Is it assumable? \_\_\_\_\_ c. What are the payments? \_\_\_\_\_ Fixed or Adjustable? \_\_\_\_\_

b. When was it originated? \_\_\_\_\_ d. Interest rate? \_\_\_\_\_ f. Are the payments current? \_\_\_\_\_

Can we set up a time for me to see the property?

You have to search for deals where no one else is looking. The best deals are those that are sitting right in your back yard.

Many wholesalers have day jobs and are not able to bird dog the streets in search of a deal. This is why they search endlessly on the Internet for their deals.

I know your saying, "wait a minute I have a day job too". I am not suggesting that you spend your whole day driving around.

Simply leaving 30 minutes earlier for work or taking another route home to drive down side streets is enough to find a great deal. Make sure you keep your camera in the car so you can readily take pictures when you find a vacant property. Write down the address and research the owner when you get home.

Get the owner's name from the tax records and hopefully their address and phone number from one of the owner research resources on [www.deangraziosi.com](http://www.deangraziosi.com) or <http://www.totalviewrealestate.com>.

Research the ARV (approximate retail value) of the property to find out what the property is worth. Many of the ARV sites will also tell you how much they paid for the property and when they purchased it.

This amount can change if they refinanced the property. So don't depend on the purchase price being the amount they owe on the property.

Contact the owner and find out if the property is for sale. Ask them to give you the least amount they would take for the property if you paid cash and closed in 30 days.

Once you get their price (don't agree on the price yet) ask to schedule a time to see the property. Go look at the property, estimate repair costs and tell them you will get back to them in 24 hours. Now go and put your deal together.

If it seems like it is a good deal then call the seller and Lock it up with an option agreement.

Call every buyer on your buyer's list and tell them about your deal. Post your deal on Craigslist and other classified sites. You are now a cut above the rest with a deal that no one else knows about. Hot off the streets!

**Great information! Thanks Carol!**

## **Online Ads / Networking:**

Craigslist is popular as ever and growing more so every day. In fact my team and I are working on a project dealing with using Craigslist, but more on that later.

For now let me share with you some tips for maximizing your use of the site:

To attracting sellers post in "real estate wanted" you can also post ads in "real estate jobs" if I you are looking for bird dogs.

These ads that have worked for students:

We Buy, Sell & Finance Used Mobile Homes.  
Affordable Prices - Flexible Terms. No Banks!  
Call:

Behind on your mortgage? Facing Foreclosure?  
I buy homes. No fees or commission.  
Call:

HELP I NEED MORE INVENTORY!  
I can't keep up with the demand of my investors!  
If you have any properties please call:



**Having trouble renting or selling your home?**

**Has your Real Estate Agents listing expired and you are still holding a house?**

**Anxious to sell and move on but need the tax breaks for a few more years?**

**Then WE CAN HELP!**

We ARE NOT REAL ESTATE Agents. We help homeowners sell their home and retain the benefits for 1-3 more years using our Proven Method of Lease Options.

For more information on this and other services we can assist you with please *(if using online say click on the link below to be directed to our website...if in print add number to call)*

Anita reported that she used this ad successfully and did a general agreement with the people that responded. It stated that when she finds a buyer (tenant) for their home, she gets a payment equal to one (1) months payment on said property for her fee.

She posted it on craigslist and bokrin.com and the general agreement she used was a revised and edited promissory agreement. Stating they would pay me x amount for the referral and acceptance of a qualified buyer/tenant in said property. Due upon signed agreement with buyer.

**GENERAL AGREEMENT**

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, by and between \_\_\_\_\_ (First Party) and \_\_\_\_\_ (Second Party).

WITNESSETH: That in consideration of the mutual covenants and agreements to be kept and performed on the part of said parties hereto, respectively as herein stated, the said party of the first part does hereby covenant and agree that it shall:

- I.
- II. And said party of the second part covenants and agrees that it shall:
- III. Other terms to be observed by and between the parties:

This agreement shall be binding upon the parties, their successors, assigns and personal representatives. Time is of the essence on all undertakings. This agreement shall be enforced under the laws of the State of \_\_\_\_\_ . This is the entire agreement.

Signed the day and year first above written.

Signed in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
First Party

\_\_\_\_\_  
Second Party

## Spot a Sellers Hot Prop

Be constantly on the lookout for deals. Be like a kid on a scavenger hunt, or a detective on the case. Clues you are looking for are anything that might potentially lead you to a flexible seller.

These are some of the things that should catch your eye:

- Tall grass
- Spray paint
- Piled up newspapers
- Neglected notices or fliers on the door
- Broken or boarded up windows
- Disconnected utilities
- Structural damage
- Fire damage
- Peeling paint
- Rotten wood
- No curtains and bare rooms

Be alert to these clues as well as others you might think of or notice. There is actually an art to spotting prospect properties.

Any time a house is empty and neglected it is most likely a drain on someone's finances, so such properties often represent golden opportunities.

The ideal situation is a house that is vacant and accessible so your buyers can inspect it freely, but very ugly houses may be candidates even if they are occupied. A house does not have to be advertised for sale to be a prospect.

You should also pay attention to things like garage sales, estate sales, and moving trucks to turn you on to potential leads.

Soon you will start to notice these types of properties automatically and be able to see the profitable house hiding underneath the filth (if there is one). If you notice this happening to you, take encouragement.

## Know What You're Working With

Once you locate a seller, you don't want to just bulldoze them with your offer. The secret to finding out what kind of seller you have without causing an upset is in the questions you ask in the first few minutes on the phone.

The first question to ask is "Do you need (x amount/all) of your equity out of your home to go and buy another home?"

If the seller needs all of his equity up front, they need to find a retail buyer to sell the house to. This means that this house is not for you, just wish the seller luck and get on to your next prospect.

If they don't need their equity out of the property, then continue with your phone call. The next qualification is to simply ask if the seller is open and willing to look at a creative offer.

"I invest in a variety of ways and I'm not sure which of these methods might be able to help you. Sometimes I'll lease a home for a year or two and then cash the seller out at the end of the lease...Will that work for you?"

If the seller answers yes or maybe then he's worth a visit. If the seller says "no I wouldn't ever do anything like that", then you gently and quickly get off the phone.

To fully qualify a seller you'll take the conversation a bit farther. A common mistake that beginners make is to race right to these final questions before asking the initial questions I've just shared with you. The problem with this is that without the initial questions, you'll sound too eager. I said. Go slowly but surely and you will be successful.

Your final questions are going to involve laying out a possible deal right over the phone. Saying things like, I don't know if I could offer you this exact deal or not, obviously I'll need to see the house. But if I were to offer you rent of... and a price in 2 years of... Is that something that would work for you? If not, what did you have in mind?

What you are really doing is roughing out the negotiating arena with upper limits for what you might possibly pay. You'll hopefully be able to negotiate down in person from the numbers mentioned on the phone.

Now if the seller seems inflexible or just wants way too much then you should save time by moving on, quickly, to your next possible deal.

Sissy posted this on [www.DeanGraziosi.com](http://www.DeanGraziosi.com) and it's a great technique.

## HOW TO GET A SELLER TO SAY "YES" TO YOUR CREATIVE OFFER

by Peter Conti

Most beginning investors walk in to meet with the seller and hand them the completed, written offer and sit back and wait for the seller's response. The trouble is that most sellers will tell you they need to think it over or that they need to speak with a friend/spouse/relative/etc. before they can agree with it. This puts the average investor in a very weak negotiating position. They are in what I call "chase" mode—chasing after the deal.

You are going to do things differently. Instead of laying your offer at the seller's feet and hoping they do you the favor of giving you the deal, you are going to qualify the owner before you do them the favor of presenting them with an offer to solve their real and pressing real estate problems. I'm sure that sounds pretty good to you, but you might be wondering just how you are supposed to do that. Here's how:

What you are going to do is leave your offer in your folder or, better yet, in the car. You are not going to present the actual offer until the seller "qualifies".

To qualify for your offer, you and the seller need to agree on four key areas. The powerful thing is that when you finish with all four areas, the offer is basically fully negotiated. And it is at that point that you can present your pre-written offer or get out a blank form and just fill it out on the spot.

Of course if you and the seller cannot come to agreement in each area, then you simply stand up, thank the seller for his time, and start to walk out. Nine times out of ten the seller will plead with you to stay and present your offer—their curiosity alone will get them to ask you to stay to finish working through the four areas and to present your offer. This is the ultimate tool for putting you in the role of the reluctant buyer. We have found it to be the easiest, most effective

way to help the seller feel good about talking us into giving them an offer on the property. And this will help you to smoothly transition the seller to say yes to your offer.

The first area is called the “Up-Front Agreement.” You simply explain to the seller that you are a straight forward type of person and would appreciate either a yes or a no answer from them. In return you will give them your own yes or no decision. The key in this quadrant is to let the seller understand that you will take any “think it over” answer as a NO.

The way that you do this is to tell the seller that you will respect his and your time by giving a yes or no answer and you are asking for the same courtesy in return.

Area two is where you are going to talk about the seller’s needs. Ask the seller what they were hoping you could do for them and then be quiet and listen. As they bring up areas of concern, the very best thing you can do is to draw out those problems in an innocent and gentle way. For example, if a seller’s problem is that he hates being a landlord, you can say something like, “The good thing is that you probably enjoy working with renters and putting the time in to care for your rental property”. Because you say this in a caring tone of voice, the seller will most likely pour out his guts about how he hates dealing with renters. This approach is radically different from most investors where they will argue with the seller over all the problems the seller faces. All that does is put the seller on the defensive.

Area three is about money. You are going to go over some specific dollar amounts with the seller before you ever present your written offer. This could be the monthly payments on a lease or owner carry-back and the sale price. This way you know what the seller’s real financial needs are and whether you can meet them while making a profit for yourself.

Area four is the “What If?” step. Rather than give a seller your offer and hope they will say yes, you are going to make sure they will accept your offer before you ever officially give it to them. How can you do this? By using the two magic words in all negotiations -- "What If".

"Mr. Seller, what if I were to cover your payments for two years and then cash you out of the property? Would that work for you?"

“Mr. Seller, what if I were willing to give you \$212,000 for the house. Would you be willing to carry back a second?"

These magic two words let you make your offer in a completely hypothetical manner. Then when you finally come up with the winning “what if” scenario, you simply write it up and get them to sign right there and then. By just falling these simple strategies, the seller has said "yes" to your creative offer.

As an investor, you want to make a profit on every home you invest in. There are two basic ways that you can do this. You need to get either a good price or good terms.

A good price means buying at a low price so that you can resell quickly. Good terms means that you get to control the property without putting much money up front and you wait for the property to go up in value.

Sometimes you need to buy extremely low to make the profit you need, and in some cases that will leave the seller quite upset...so it can be easier to offer terms.

As long as the seller gets their price they will be happy, even if they have to wait a few years for it.

It is important for me to help people to be happy, hopefully you feel the same way as an investor. - End Part Two - Dean