



The Real

DEAL

THE BASICS

THIS COURSE IS DEDICATED TO KB, LD & KP
FOR THEIR INSPIRATION AND
UNCONDITIONAL LOYALTY

Don't Quit

When things go wrong as they sometimes will,
When the road you're trudging seems all uphill,
When the funds are low and the debts are high,
And you want to smile, but you have to sigh,
When care is pressing you down a bit,
Rest if you must—but don't you quit.

Life is queer with its twists and turns,
As every one of us sometimes learns,
And many a failure turns about
When he might have won had he stuck it out;
Don't give up though the pace seems slow---
You may succeed with another blow.

Often the goal is nearer than
It seems to a faint and faltering man,
Often the struggler has given up
When he might have captured the victor's cup.
And he learned too late, when the night slipped down,
How close he was to the golden crown.

Success is failure turned inside out---
The silver tint of the clouds of doubt---
And you never can tell how close you are,
It may be near when it seems so far;
So stick to the fight when you're hardest hit---
It's when things seem worst that you must not quit.

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Disclaimer: Some names and identifying details have been changed to protect the privacy of individuals.

Introduction

Hi! My name is Lezlie Barrett. I'm now a successful real estate investor and have sold millions of dollars' worth of property in the last ten years. But in 2004, things couldn't have been more different. My husband was laid off from his job with just two months' severance pay and one month of health insurance. We were living paycheck to paycheck and had thousands of dollars of bills to pay out each month. At the time, news of the layoff was the worst thing we could imagine. Now, looking back, it was the very best thing that could ever have happened to us.

I've always been interested in real estate. It's a fast-moving, exciting job that involves using a vast range of skills: customer service, sales and much, much more. Before my husband's layoff, I'd been doing a little bit of research on my own, but hadn't really gotten anywhere. I didn't have any knowledge, but what I did have was passion – in spades.

Instead of letting the situation get on top of me, I decided to just get out there and ask for help. I'm friends with a highly successful real estate agent in my local area and he put me in touch with a number of individuals in the industry, including investors, agents, office managers,

construction guys and lenders. They gave me the strategies, help and advice that I needed to get us out of the hole we were in.

We took out a loan and invested just \$1,000. In our first deal, we made \$5,000 – and the rest, as they say, is history!



Over the last five years I've put together my own set of rules and recommendations. I wanted to bring them to you so that you could experience the same success that I have. I don't recommend that you run out and quit your job today to do this, but if you'll follow these instructions, you *will* ultimately be able to give up that *steady job* and

finally get paid what you are worth. Friend, it *won't* happen if you make excuses. It will *only* happen if you just buckle down and *do it!*

The only thing I ask of you is that you carefully read and study the

print form of *"The Basics"* workbook first, before you go out and try to do this. We've included a copy of the text in audio format, too, for your convenience.

Getting Started

First things first:

~ ~ ~ You **HAVE** to get organized! ~ ~ ~

Some people are naturally very organized. Unfortunately, most of us aren't. For most of us, it takes a conscious, concerted effort to get things in order and keep them in order. If you're going to be in business for yourself—and that's exactly what this course is all about—then you need to start right now to get control of your life and affairs. If you ever want to be successful in acquiring wealth and achieving financial independence, then you have no choice. You *must* get organized. I know you might not be able to do that in every area of your life all at once, but don't let that stop you from taking the first steps.

There are a lot of people who look at a problem that they don't know how to solve immediately, one that looks too big, and they just throw up their hands and say "Forget it. This is impossible. I'm not even going to try."

Don't be one of those people.

I'm saying this because I don't want any of you to look at the information I'm giving you and give up without trying. I know some of you are already gung-ho, ready to throw caution to the wind and give it all you've got. I'm not too concerned about you folks. You'll make it one way or the other. It's those of you who struggled with your fears even to risk investing what little money you have to invest in this course in the first place that concern me. So. If you're one of those people, just relax. Take a deep breath. This isn't rocket science. It takes work, but it's not tedious, back-breaking work. You just have to learn some rules, some principles, and some guidelines. Then, once you have all of the information you need to move forwards, you can take action.

Besides being organized, you must have discipline—and that's almost a dirty word to some people. (It's almost as bad as *organization!*) One thing's for sure: without it, you'll never be financially secure, let alone rich— even if your Great Uncle Gotzbucks dies and leaves you a fortune. Without discipline, you'll just lose it. Most big-money lottery winners lose it all in short order.

A few years ago, a university did a study on this very issue. They told a group of people to imagine that they had just inherited \$100,000. They then asked the participants to write out, in detail, what they would do with the money. Based on the responses, only 5% of the participants would have had *any* of the \$100,000 left at the end of one year! Only 2% had *more* than the \$100,000!

Ahem—excuse me, but isn't that the essence of investing and creating wealth? The whole object is to end up with more than you start out with!

I know that seems like an impossible dream to many of you, but it's not impossible! Not for you, not for anybody! All you need is a vehicle (in this case, real estate), organization and discipline and you'll get to exactly where you want to be. So,

Let's start right here.



Defining Work Hours



The very first thing you'll need to decide upon is the hours and days that you plan to work. Chances are, you're starting out on this course part-time. That's fine – if you work from *8am to 4pm*, you could work on the course from 6pm-8pm. Or, fit in a few hours at the weekend, in the evening or in the morning. We all have far more time in our days than we think – it's just a question of prioritizing. With hard work and the qualities we discussed earlier, you might be able to take this business full-time. When you do, you'll be able to take time off as and when you choose, but keep in mind that even if you do work from home for yourself, you'll need to keep some regular working hours to show properties and talk to buyers and sellers – at least until you're financially secure and can start to dictate your own working hours.

Don't worry – you *will* get to take time off. After you get established, you can loosen up a bit and be more choosy about when you work. But make no mistake; *you will have to pay your dues*, so to speak, especially at first. If you don't invest your time and energy up front, you can't expect a payday later on.

The whole thing is this: for your own benefit, as well as everyone you work and do business with, you need to have some pretty set hours when you sit down and work, or go out and look for properties. In my own case, I'm actually in my office working Monday through Thursday from 9a.m. to 3 or 4p.m. I don't necessarily *have* to do it for financial reasons any more, but I enjoy it. If I want to go away, I can afford to have someone take my calls and handle whatever comes up.

This is just treating your business as a business. If you had to go to a job, you'd have set hours. You're working on your own, and that *is* a benefit, but don't take advantage of it. Remember that you do need to get your work done, and it's much easier to do that if you have a set schedule. If you have no set hours, you'd be far more likely to sit around in your pyjamas all day putting off sending emails until after your lunch.

Setting Goals

You'll also have to learn to set goals. One of the most valuable books you could ever read is Napoleon Hill's *Think and Grow Rich*. There is a section in it that tells you exactly what you need to do in order to reach your goals. According to Hill, (and his methods have worked for me and thousands of others,) you have to have a set of goals for five years out. Then you break that down into five one-year goals. From that you need to break it down into what you'll need to be doing monthly to get there, and from the monthly list, you break it down to what you need to do daily.

The following is an excerpt from-

[Think and Grow Rich:](#)

Six Ways to Turn Desires Into Goals :

1. The method by which desire for riches can be Transmuted Into final financial equivalent consists of six definite, practical steps.
2. First, fix in your mind the exact amount of money you desire. It is not sufficient merely to say, **"I want plenty of money."** Be definite as to the amount. There is a psychological reason for definitiveness, which Will be described in the next chapter.
3. Second, determine exactly what you intend to give in return for the money you desire. There is no such reality as something for nothing.
4. Third, establish a definite date when you intend to possess the money you desire.
5. Fourth, create a definite plan for carrying out your desire and begin at once, whether you are ready or not, to put this plan into action.

6. Fifth, write out a clear, concise statement of the amount of money you intend to acquire, name the time limit for its acquisition, state what you intend to give in return for the money, and describe clearly the plan through which you intend to accumulate it.
7. Sixth, read your written statement aloud twice daily: once just before retiring at night, and once after arising in the morning. As you read, see and feel and believe yourself already in possession of the money.

I really believe these six steps will help you – although reading the entire book from cover to cover will do you no harm! Remember the old saying, “Be careful what you wish for, because you just might get it!”

Establishing a Working Area

Next, you'll need to establish a set work area where you can put everything you need together in the most orderly and efficient way you can. After all, if you're scrabbling around trying to find a pen or a notepad, you're not going to be working particularly efficiently – and if you can't find what you need, it can be so frustrating that you might just give up. Don't panic – I'm not saying that you have to have a home office or even a room to yourself. A table or a desk tucked into a bedroom, lounge or dining room can be all you need – you just need somewhere to keep your things and get to work.

I know that this might pose a problem for some of you. You might be a single mother in a one-bedroom apartment with two toddlers, reading this and thinking, “Where in the heck am I supposed to put another table or desk? And how am I supposed to keep the kids out of it?”

Don't worry. You can still do this. If all you can start out with is a box that you can put everything in and then pick it up and put it out of the way, just DO IT, for heaven's sake! You can make enough money on your first deal to move to a bigger place and get a desk!

Organizing Your Contacts

You'll also need a good ADDRESS AND CONTACT BOOK. You'll need this to keep track of everyone you'll be speaking with on a daily basis. You'll need the names, phone numbers, and addresses of sellers, buyers, and vendors. (Vendors are the people you use to help you run your business. We'll discuss them later)

I personally use a **calendar** on my smartphone and computer. I can change an entry on my computer and it'll sync up on my **Smartphone**, too, meaning that I can access my schedule and contacts list from anywhere. If you'd rather keep everything written down, that's okay too. You can use a day planner/address book and simply keep it in your car. It's important that you carry an address book, planner, **Smartphone**, tablet or computer with you at all times so that you can easily update, otherwise you may well find that you lose some potentially very valuable contacts.

Planning Your Time

Whether you use a day planner or a calendar app on your **Smartphone**, you have to start organizing your time. Here's a challenge. Write down what you did yesterday – how much time you spent eating, working (doing real work, not just **checking Facebook** or flicking through your emails) and how much time you spend on leisure (**reading books, exercising, watching television, viewing emails**). Chances are, you'll be surprised at how little you actually get done.

One of the hallmarks of a successful person is that they know how to manage their time. Good time management is pretty much the key to everything when it comes to success. Your time is your most valuable asset and if you learn how to manage it properly, it'll seem like you have more of it. Although you can't plan for every eventuality, if you at least try to, you'll be much more equipped to deal with the unexpected. One way to improve your time management is to plan out the day ahead either the night before or first thing in the morning. Just jot down what you need to do, when you're going to do it and how you're going to accomplish it. Allocate time to each task and make sure you accurately plan for meetings.



Flexibility:

Remember, you can be flexible about almost everything, other than when you've told people that you'll meet with them or call them. Few things are more annoying than showing up for a meeting and the person you are supposed to meet with being late or skipping the meeting altogether. It's very unprofessional and even worse, sends out the message that while you may or may not value your own time, you value the other person's time even less. If their time and their potential business isn't important enough to you for you to make whatever sacrifice is necessary to get there or call when you said you would, it's unlikely that they'll give you a second chance. If you have no choice but to be late, call them and let them know.

Give them the chance to reschedule, if possible. Just remember: you will rarely find yourself in that position if you simply plan ahead. Perhaps just as important as committing to is remembering not to over-commit. In the beginning it might be tempting to schedule as many meetings back-to-back as possible – after all, the more people you speak to, the more likely it is that you'll make a sale, right? Wrong. The more likely it is that you'll end up running over late for one meeting and will subsequently miss all of your appointments throughout that day.

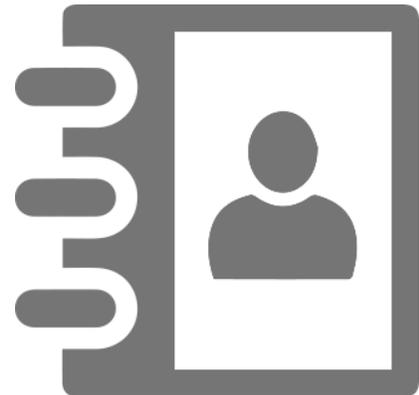
How Did You Do?



aaaaAt the end of each day, sit down and go over your schedule. See what you've accomplished. If you haven't accomplished everything you set out to, figure out why. Don't make excuses - just determine the real reason. If it was poor planning, if you over-committed, **got side tracked** - whatever it might be, admit it. Don't make excuses. Whatever the reason, figure out if there's anything you could have done differently. If there is, great. If there's not, at least you know that you did everything you could. Then, whatever you didn't get done that day, move it to the next day (**or the next appropriate time.**) Look at your revised list and see if it makes sense. Make note of the changes that you make so you can learn from them in the future.

You're Address Book

You'll want to include a list of vendors in your **address book**. These are the people in your core group; the ones who help make your business work. Also, you'll need to list your tenants (**after you get some!**). This is important because I always try to send little thank you notes every so often to the people who help me. I know when their birthdays are and I'll send them a card. At Christmas time I make sure to send Christmas cards to everyone. If they're



Jewish I'll send them a Hanukkah card. Sometimes I even give turkeys to the tenants for Thanksgiving. These are all things that you'll want to do to promote good will and to keep people working with you. Your title company, your appraiser, handymen; these are all people you'll want to remember at Christmas or during the holidays because they work really hard for you throughout the year. I guarantee you this will make difference. You won't be the only person out there doing this kind of business, so you really want to make yourself stand out in a positive way.

FILING

Purchasing a filing cabinet will also come in extremely handy. For each client, you'll want to open a folder. In these folders, you'll put copies of all the paper work and contracts, checks, etc. You'll need copies of everything you, your customers, clients, and vendors sign. You want a clear paper trail for every deal you work on. You'll need most of these records at tax time, and there are other times when carefully kept records and saved documents will prove invaluable for a variety of reasons. You can also keep copies of this information on your computer, too, if you like.

BOOKKEEPING

You'll also need to establish some sort of bookkeeping system. You don't necessarily need to hire an accountant but whether you do it yourself or someone does it for you, there are some basics you'll have to take care of yourself. I use a simple technique. I have two boxes at the bottom of my desk. In one box I put all my receipts. As I put the receipts in it,



I mark across the top what property it was for. In the other box, I keep copies of all my bank deposits. This is critical for reasons we'll get into later. At the end of the year, I put all the receipts together and hand them to my accountant. It makes no difference if you do your taxes yourself as you'll need exactly the same information.

Setting Up Your Business

At some point, you'll need to form a corporation. With a corporation, it's wise to have an accountant handle your taxes. At first, without a corporation, it should be pretty simple, so you should be able to handle it yourself.

Before you get started, it's fairly important that you open a separate business banking account so that you can keep your business expenses separate from your personal expenses. This will help tremendously at tax time. It'll enable you to easily keep track of what you're spending and what you're bringing in. This is the account you need to use whenever writing any check to anyone that has to do with your business. Also, any checks you receive for anything related to your business—**even if you think it's all profit**—should first go into this account.

It would be best if you opened a business account rather than a second personal account. Sometimes business accounts are a bit more expensive, so be sure and shop around for the best deal. If you can't afford the charges related to a second bank account yet, consider looking into credit unions in your area. Many credit unions offer free checking accounts as a benefit of membership.

Smartphone and Home Business Line

You might not have a Smartphone yet, but when you make the upgrade, you'll find it invaluable as it'll let you view properties on the move, email clients and much, much more. For just **\$30 a month**, you could bag a Smartphone with unlimited talk time, texts and mobile internet – far cheaper than you might think.



Generally, it's also recommended that you invest in a home business line, so that clients and contacts can get in touch without having to pay cell phone charges. If you're out of the house, you could divert your home business line to your business cell, or simply set up an answer phone diversion so that you don't get interrupted by business calls out of business hours.

Your Home Office

You don't need a super-duper fancy laptop – you just need a computer with internet access. The vast majority of your clients will use the internet to search for properties and may actually prefer to contact you via email than phone and you'll need the computer and internet access to keep in touch. Not only that, but it'll also make it much easier for you to file documents, keep track of your appointments, update your calendar and amend your schedule.



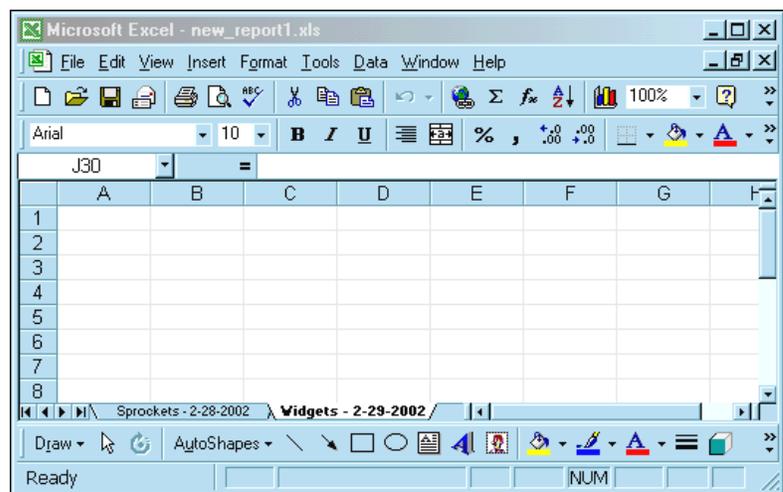
One of the most important things you'll use over and over will be a *suspense system*. You will want to set this up early on. It's basically a follow-up system. A suspense system is a filing system where you can place items—names, numbers, etc., for callbacks. It's a means of helping you remember who to call and when to call them. You can do this in several ways. I simply set up reminders on my calendar, but you could also do it on paper, too, using file folders and note cards.

Setting Up a Database

You'll also need a database for your buyers list - a list of people that will purchase properties from you when you are selling a wholesale property. You should also have a list of people who are interested in lease optioning properties. Your buyers list for wholesale properties will probably consist of investors who are looking to fix up run down properties. As for the investors list, you'll need their names, phone numbers, the types of properties they buy, the highest property cash value that they can buy for cash and all of the contact information. Your lease-option buyer list will also include names, phone numbers and contact information. You'll also need information about how much money they have available for an option fee, which areas they want to live in, the number of bedrooms they need, etc.

All this information is invaluable. When you have a property for sale or for lease you can just go back to that list and match up a buyer with a property. That list is very time sensitive. At least every couple of months you'll need to go back into the list to make sure that everyone on it is still investing or in the market for a property. If their requirements change or if they no longer want to buy a house, take them off the list.

I use the [Microsoft Excel™](#) spreadsheet program to keep track of all of the ins and outs of my lists as well as the properties I'm selling and leasing, although you can do the same using good old-fashioned pen and paper. Not only will this help you keep track of everything, but it'll also help you immensely with your income taxes and your bookkeeping.



Income Taxes

Just a word here on income taxes— Federal, State, and corporate. Every state has different laws that regulate corporations, and many have personal income taxes. The best thing you can do here is get help. I know I said earlier that at first, you *should* be able to handle it yourself, but still, it's *best* that you *don't* try to do it yourself. You really should have a tax attorney you can call on. You can also go to an accountant or somewhere like H.& R. Block. At the very least, go down to your local IRS office. They will at least explain what you have to do—though not necessarily in the way most beneficial to *you*.



Remember, each state has different rules.

This can get complicated if you do business in more than one state. For example, I live and do business at the junction of three states. It takes some care to abide by all the different county, state, and federal laws. I'll talk more about taxes and regulations later

YOUR IMAGE AND PRESENTATION

We need to talk about your image and your presentation. Your *image* is how you see yourself and how you want others to see you and perceive you. Your **presentation** is the way you relate to the seller or to the buyer—

- what you do and why they should work with you.

Starting off with the image point, the very first thing you need to think about is your actual physical image. It doesn't matter in the slightest if you're thin or fat, tall or short, male or female, young or old, but your general appearance *does* matter. Of the several of the things that we need to discuss, the first one is how to dress.

Sounds obvious, but you should always meet a buyer or seller (or just about anyone that you want to do business with) in presentable clothing. Leave the t-shirts, sweatshirts, blue jeans, shorts, flip-flops and slippers at home! The best way that I can describe how you should be dressed is probably to dress like you do to go to church. (Now, some people go to churches that are ultra-casual and others to churches that are ultra-formal. I'm talking about a typical, middle-of-the-road, nicely dressed appearance. *Business casual* is also a term many people are familiar with today.)

Ladies, I'm not going to tell you that you should wear a skirt. You don't have to. I like to wear a skirt, a smart t-shirt and a boyfriend blazer. You might prefer to wear a traditional skirt or pants suit, or, you might just want to wear a smart pair of pants and a nice shirt or smart blouse. Whatever you feel comfortable in and confident in will work well. Open or closed-toed shoes are fine; however, it's important to make sure they are appropriate for the outfit you're wearing.

Above all, just make sure that your image conveys professionalism. That's not to say that you shouldn't keep up with the latest fashions and trends – in fact, depending on the buyers and sellers that you're working with, this could work in your favor. As long as you look smart, well-put together and professional, you'll do just fine. Oh, and make sure you wear shoes that you can walk in – tottering around in heels is all well and good if you can walk well in them, but if not, you'll just look a bit immature – which is definitely not what you want to portray.

As for men, business casual is generally the rule for you too. A tie usually isn't necessary, or even advisable, unless you happen to be working in an area or environment where neckties are the norm. It's best to be dressed at least as well as the person you are meeting with, perhaps a *little* better, but not *too* much better. It's best to avoid blue jeans. They evoke an air of immaturity in a business setting—although there are some regional exceptions to that rule of thumb. For example, if it's common where you live for wealthy men to do business with a bank officer in cowboy boots and a ten-gallon hat, you could go with the jeans. Just make sure they're clean and leave the ripped jeans at home!

It sounds obvious, but I have to mention it anyway. Your hair should be clean and well-groomed (it doesn't have to be dyed and doesn't need to be particularly fashionable or stylish) – as long as it's neat and clean you'll be fine. Make sure your nails are clean and well-shaped. You don't have to get a manicure – just clean your nails at home and shape them with a nail file. Ladies, if you have open-toed shoes, make sure that your toenails are clipped, neat and clean. Again, it sounds obvious – but make sure that your breath is fresh and that you smell fresh and clean. Wear deodorant to prevent body odor, but make sure that your perfume or cologne isn't too over-powering. Just opt for a light, fresh scent – something you'd wear through the summer, rather than something that you'd wear for a date.

In a way, I hate having to mention these things. But one of the most important things that I've learned so far is that first impressions count. Once you've made a first impression, that's it – you don't get a second chance. A generation ago, everyone took these things for granted as common knowledge in almost every strata of society. Given some of the things I've seen in the past few years, though, I felt I had to include this. If you're reading this and thinking, "For heaven's sake! Who does she think I am?!" then I'm not writing it to you. But if there is *ANY* chance that you might have gone out inappropriately dressed or without fixing yourself up, please take this to heart. It's all well and good knowing how to do a deal. But unfortunately, no-one's going to want to do it with you if you don't dress, look, and act the part! The main thing is that we don't want to *do* or in anyway *be* anything that will distract the buyer or seller from the deal.

First Impressions

When you do into someone's house, you *obviously* need to use all of your charm and be as friendly as you can. When I first meet people, I refer to them using their title (**Mr, Mrs, Miss, Ms, etc**).



When they give me their name, I'll always call them by their surname, regardless of whether they are older or younger than me and whether they're male, female, a doctor – whatever. It's a sign of respect in my eyes and keeps everything on a professional level. In fact, I wouldn't dream of calling them by their first name or nickname unless they ask me to. But I always wait for the person I'm dealing with to invite me to call them by their first name and if they don't do that, I'll continue to call them by their surname.

Business Materials

Whenever you go to meet someone, make sure that you have some kind of business material with you. I totally understand that when you're first starting off, it's kind of expensive to order cards and all these things, but here's an idea: you can actually go into a **business supply store like Staples, get what you need and make your own business cards - just so that you have something that has your name, address and phone number printed on it.** You need something to make you look professional and if they ask for your details, it's important that you can provide them without having to jot them down on a napkin or scrap of paper.

When you start doing lease-options, some other business tools that facilitate delivering your message include a website, brochures, logo, letterhead and signs.

