



DEAN GRAZIOSI PRESENTS

REAL ESTATE PROFIT SYSTEM

REPS

THE FAST TRACK INTERACTIVE BLUEPRINT TO WEALTH

WEEK 1

Real Estate 101

Real Estate Profit Systems

WEEK 1 – REAL ESTATE 101

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DEAN GRAZIOSI PRESENTS



REAL ESTATE PROFIT SYSTEM

REPS

THE FAST TRACK INTERACTIVE BLUEPRINT TO WEALTH

WELCOME TO REPS!

Matt Larson's Real Estate Profit System

The Fast Track Interactive Blueprint to Wealth!

How Matt went from over-worked and underpaid to a joyful, financially independent Real Estate MILLIONAIRE through a unique strategy!

First off, congratulations on taking action and trusting us to guide you on the journey to becoming a successful real estate investor. In this 5 lesson program, Matt provides the exact blueprint and strategies you'll need where ever you are in your real estate investing career. This is an interactive program so make sure to take as many notes as you can and follow through with each action step Matt provides. This program was specifically designed for action takers so make sure you follow each and every step to get the most out of it.

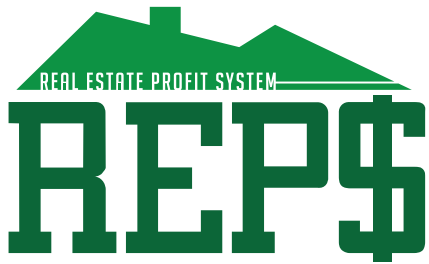
There isn't no magic pill or secret sauce to real estate success. Like Dean says, the pattern of success is having the opportunity, gaining the knowledge and taking action. Now is your opportunity, it's the perfect time to get into real estate if you haven't already. This program provides all the knowledge you will need to jump right in so now it's time for you to take action.

Now, let's go make this your best year yet!

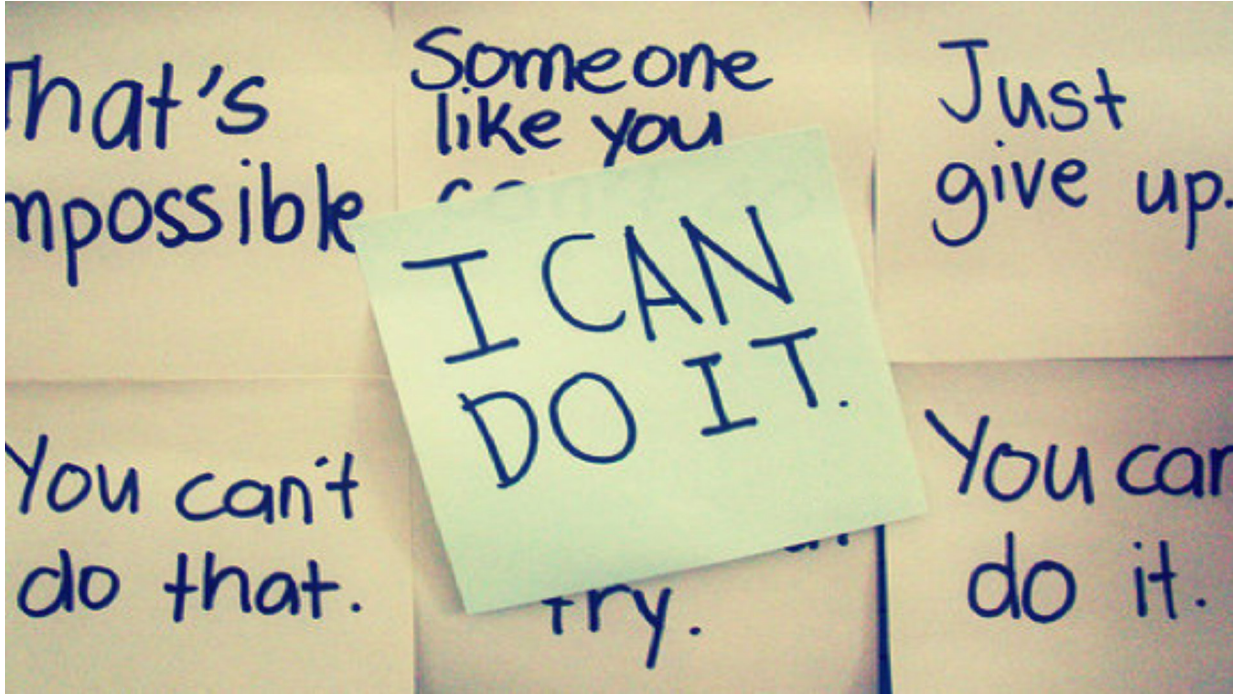
*Sincerely,
Matt Larson*

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It's time! Change your mindset, eliminate any limiting beliefs and know that you CAN do this. This is your time to step up, be the best you and start getting the success you want and deserve!



Real Estate 101 – Fundamentals and Foundation for Investing from A to Z

BASICS OF WHOLESALING

What Is Wholesaling?

Wholesaling is legally assigning a buyer with a property with contracts and making money in between. No matter where you live, you can ALWAYS wholesale. This is an easy way to make money using none of your own money or credit.



ASSIGNMENT OF CONTRACT - What Is Assignment of Contact?



A= Seller | B= You | C= Cash Buyer

- Property is worth \$100K
- Seller (A) Sells You The Property For \$50K (*purchase agreement*)
- You (B) Profit \$10K
- Cash Buyer (C) Buys The Property For \$60K (*assignment of contract*)

What Do You Need To Complete A Wholesale Deal?

- Purchase Agreement between you and the seller (A to B)
- 14-day inspection period.
- As little earnest money as possible.
- Close in 30 days.
- Assignment of Contact between you and the cash buyer (B to C)
- Cash Buyer gets 0 days to inspect, must do that before they sign the contract.

NOTES

DOUBLE CLOSE:




When do you use a double close?

- When you want to hide your profit. Usually over \$10K.
- If the property you're purchasing is a foreclosure or REO.



What Is A Double Close?



A → B → C

A= Seller | B= You | C= Cash Buyer

- House is worth \$100K
- Seller (A) Sells You The Property For \$30K (*purchase agreement*)
- You (B) Profit \$17,600 (*\$20k minus closing costs, generally 3% of sale*)
- Cash Buyer (C) Buys The Property For \$50K (*purchase agreement*)

What Do You Need To Complete A Double Close?

- Purchase Agreement between you and the seller (A to B)
- 14-day inspection period.
- Close in 30 days.
- Purchase Agreement between you and the cash buyer (B to C) -- This must close the same day as the agreement between you and the seller.
- Cash Buyer must submit earnest money check to lock up the property and ensure the buyer doesn't flake. We recommend \$5K because it's enough to keep everyone motivated to close the deal.
- Cash Buyer gets 0 days to inspect, must do that before they sign the agreement.

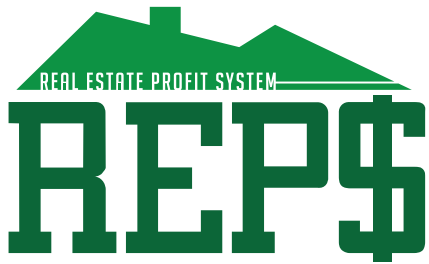
BASICS OF FIX & FLIP



What is fix and flip?

- Big risk, big reward!
- Profits are usually bigger. Average profit is \$10K-\$20K per deal.
- You don't have to find an end buyer until the property is finished but you still have to find a killer discounted deal.
- You do need to fund this deal unlike wholesaling.

NOTES



BASICS OF RENTAL PROPERTIES

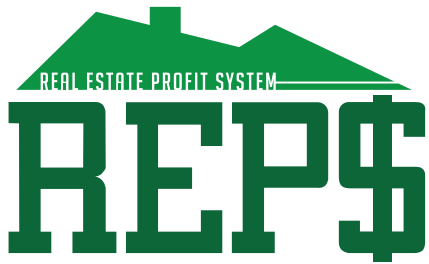
Wholesaling and fix & flip build income, rental properties build wealth!



What do you need to know about rental properties?

- You'll still need to find a killer deal to make rental properties work.
- Rental properties create cash-flow and increase each year.
- Rental properties create tax shelter.
- Rents go up 3% each year.

NOTES



BASICS OF LEASE OPTIONS

Also known as Rent To Own or RTO. Lease options are a hybrid between rental properties and fix & flips.



What do you need to know about lease options?

- With lease options you eliminate two risks you have with rental properties: vacancy and maintenance.
- Your cash flow is set in stone and consistent!
- With a lease option, buyers give you a down payment (or option consideration) -- On average down payments are 3-5%.
- Why is it good for a buyer? They build equity and they can do whatever they want to the house unlike a rental property

***** ACTION STEP: Fill out the goal setting exercise below: *****

GOAL SETTING WORKSHEET

	<p>How Many Deals?</p> <hr/> <hr/> <hr/> <hr/>	<p>PROFIT?</p> <hr/> <hr/> <hr/> <hr/>
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	<p>How Many Deals?</p> <hr/> <hr/> <hr/> <hr/>	<p>PROFIT?</p> <hr/> <hr/> <hr/> <hr/>
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	<p>How Many Deals?</p> <hr/> <hr/> <hr/> <hr/>	<p>PROFIT?</p> <hr/> <hr/> <hr/> <hr/>
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THINK BUSINESS!

- This is your business; this is for you, not anyone else! Think long-term. Setup a Gmail account that relates to your business.

***** ACTION STEP: Watch the how to video and setup your Gmail account *****

- Setup a Google Voice number. You will do this inside of Gmail.

***** ACTION STEP: Watch the how to video and setup your Google Voice number *****

NOTES



MARKETING

BANDIT SIGNS FOR BUYERS

Where Do You Get These Bandit Signs?

- SignWarehouse.com
- Need “H shaped” wire frame stakes

BANDIT SIGN MUSTS (FOR BUYERS):

Size: 18” X 24” Corrugated Plastic Signs

Color: Yellow With Black Writing



Writing: Needs To Be Hand Written With Magnum Black Sharpie *(Both Sides of Sign)*

Phone Number: Local # Using Google Voice

Where: Busy Intersections

How Many: 25 Signs

ACTION STEP: Go Order Your Bandit Signs!

NOTES



TALKING WITH POTENTIAL BUYERS

What do you say to buyers whenever they call you?

Potential Buyer Interview Form

Name: _____

Phone: _____

Email: _____

Company location: _____

1. Do you prefer move in ready or rehab? _____

2. Do you have rehab teams in place? _____

3. What areas are you targeting? _____

4. How many properties did you buy last year? _____

5. How many properties do you plan to buy this year? _____

6. How come you don't plan to buy (*Double the amount stated above*)?

Bottleneck: _____

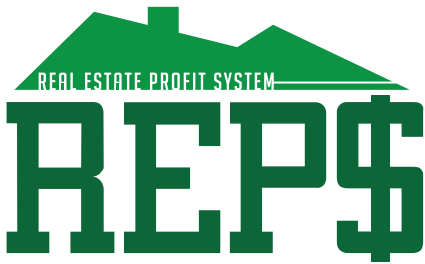
7. How do you finance? _____

8. Do you prefer single family homes or apartments? _____

9. Do you base your purchase price on equity or COCR? _____

10. How much equity or COCR do you expect to make per house? _____

11. What is your maximum purchase price? _____



BANDIT SIGNS – FOR SELLERS

Where Do You Get These Bandit Signs?

- SignWarehouse.com
- Order 18” X 24” Yellow Corrugated Plastic Signs
- Order “H shaped” wire frame stakes

BANDIT SIGN MUSTS (FOR SELLERS):

Size: 18” X 24” Corrugated Plastic Signs

Color: Yellow With Black Writing

Writing: Needs To Be Hand Written With Magnum Black Sharpie *(Both Sides of Sign)*

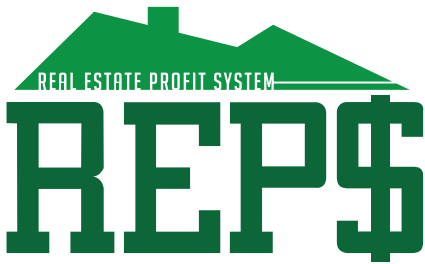
Phone Number: Local # Using Google Voice

Where: Busy Intersections

How Many: 25 Signs



NOTES



TALKING WITH POTENTIAL SELLERS

What do you say to sellers whenever they call you?

Real Estate Lead Sheet

How Did You Hear About Us: _____

Sellers Name: _____

Phone/Email: _____

Property Address: _____

Type of Property: Single Family Mobile Multifamily Other: _____

Number of Beds: _____

Number of Baths: _____

Garage/Basement _____

Is there a Pool: _____

Square Footage: _____

Year Built: _____

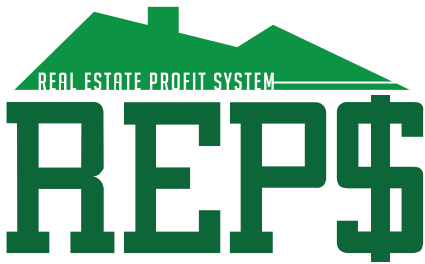
Type Of Repairs Needed: _____

Cost to Put In Mint Condition: _____

Why are you selling?: _____

Do you have HOA Fees (current?): _____

How much do you owe on the property? _____



If They Owe – If I Pay Cash and Close Quickly Would You Take The Payoff?

Yes No _____

Are Payments And Taxes Current: _____

Asking Price: _____

Is that Price Flexible: _____

INTERNAL USE:

What is the assessed value of the property? _____

When did the seller buy the property? _____

What price did the seller buy the property for? _____

What school district is the property in? _____

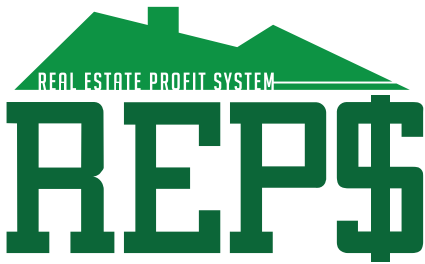
Quick Comps: _____

Making an Offer? YES NO _____

How Much? _____

Things to remember when going through the real estate lead sheet:

- Track all lead sheets! If someone calls back, you'll want to reference it.
- Listen to them. You will find there are certain things they say that will help with negotiating the deal
- Find out what areas are working for your bandit signs. This is important because out of 25 signs you put out, most of the time, 90% of the calls will come from 2-3 signs.
- If someone doesn't know square footage or year built, that's okay. You can find it on the country courthouse website.



FINDING THE ARV OF A PROPERTY (COMPS)

The proper way to run comps is with a realtor using MLS listings that have sold. If you don't have realtor comps pulled from the MLS- you can find your own comps using nearby recent similar sales pulled from a website such as Zillow, TotalView.com or Redfin.

The 7 Steps To Finding Comps of A Property

1. Find 3-5 Solds (Retail) – Don't mix with foreclosure properties
2. Solds have to be sold within the last 3-6 months
3. Solds need to be within ½ mile radius of your property – Use your judgment and search houses only in like
4. Solds need to have the same number of bedrooms and bathrooms
5. Solds need to be + or - 20% of the square footage of your property
6. Compare only same style homes (2 story/ranch/2 car garage/basement, etc)
7. Age needs to be within range. The newer the house, keep the age within 5 years. The older the house (50 years), the less the age matters for the comps but stay within 10 years

***** ACTION STEP: Watch the video about finding comps for a property and then pick out a house you want to buy or use your own home and find out the value *****

NOTES



FINDING & ONLY WORKING WITH “A” PLAYERS

Taking the time to hire the right person that fits the “A” player description is a critical component to making sure that the job will not only be done right, but that you will not be required to spend your time micromanaging the person’s tasks. The difference in hiring the right person is significant, it’s literally the difference in getting deals done or not.

Some people think that hiring a “B” player VS hiring an “A” player means the difference in how much money they will make per deal or the amount of deals they can do but that is wrong. There is no in between. *The difference in hiring someone putting in 99% compared to someone putting in 100% is 1000% productivity.*

Here are the things to look for in an “A” player:

- Always shows up on time
- Does what they say they are going to do
- Says please and thank you
- Never has to be told twice
- You never have to follow up on their work to make sure it was done right
- Pay rate doesn’t create an “A” player
- Takes a little info and completes the rest by figuring things out and thinking
- Takes accountability and admits mistakes
- Takes on problems, fixes them, then tells you what they did
- The bigger the workload, the bigger their resource fullness



FINDING YOUR REAL ESTATE AGENT

Believe it or not, not every agent wants to work with investors... There are two companies out there that like to work with real estate investors and are actually trained to work with investors. Remax and Keller Williams are two companies that are owned by real estate investors and teach their agents how to work with real estate investors.

Whenever you contact a real estate office, this is what you should say?

Listen how they answer. If they say it can't be done, go to the next one. If they act or say they've done it before, then you've got one you want to work with... Let them lead you to the areas based on their expertise.

When the receptionist answers the phone, say, *"Hi, my name is _____. I'm an investor in the area and I'm looking to speak to a real estate agent that works with investors. Is there someone available that I can speak to?"*

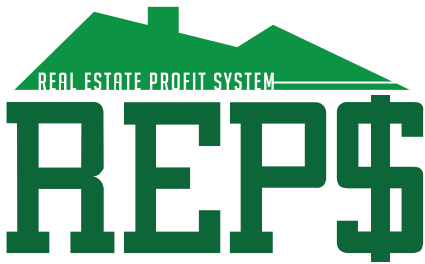
Once the agent gets on the phone say, *"Hi, my name is _____. I am an investor planning to buy property in the area and I'm looking for a local real estate agent to work with. Your receptionist said that you would be the one to talk to correct?"*

"Well what I'm really looking to do is buy a house, fix it up and make a \$15,000 to \$20,000 profit."

Questions to Ask The Agent:

- Where are the hot spots right now?
- Where are most of the investors active?
- What part of town are the investors making all of the money? (Let them lead you to the areas based on their expertise.)

Once you have discovered where the hot spots and hot properties are; now your intention is to ask the agent to send you some listings of properties that meet those criteria to look at which is explain in the next section called "25:1 strategy"



USING THE 25:1 SYSTEM

The 25:1 system is not just throwing out a bunch of offers at anything and hoping one gets accepted. This is a fine tuned filter and you have to follow the process the right way to make it effective.

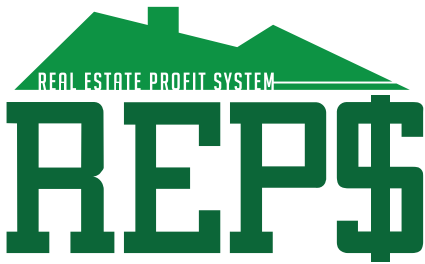
The 25:1 system also means that you put out 25 offers and got 1 accepted, this is the ideal number. It is not the 25:3 system. If you put out 25 offers and got 3 accepted, then you are offering too much for the properties and we don't want that. By using the 25:1 system, you create enough of a spread with that ratio that you will be able to make money by wholesaling.

This system is generally used with a realtor from MLS properties. You want properties that are listed:

1. **AS IS** (Needs work/desperate seller/Can buy at discounted price)
2. **Vacant** (shows motivation because seller is paying for two houses)
3. **Price Reduction** (means that the seller needs to sell fast/ highly motivated)
4. **3 Bedrooms** (most people want 3 bedroom homes over all others)
5. **Starter Homes** (entry level homes that first time homebuyers or landlords would want to buy)
6. **Hot Areas** (focus on areas with the most transactions recently)

Ask the realtor to send you 30-40 listings meeting these criteria. After the realtor sends you these listings say this, "Listen, I appreciate all the work you've done; now it's my turn. I'm going to do all the work and sort through these 40 listings and weed out the ones that won't work."

NEXT FILTER: How are you going to weed through the listings? Look in the comments box for the keywords that we want to see such as:



FINDING YOUR TITLE COMPANY OR ATTORNEY

1. Go to yp.com and type in “your city” and “real estate attorney”
2. Several pages of real estate attorneys will come up.
3. Start with the last page and work your way forward. We like to work with the smaller attorneys so we get personalized service and more flexibility.

When the receptionist answers the phone just say “Hi my name is “name” and would like to speak to a real estate attorney. Is someone available?”

Side Note** We only work with attorneys that do real estate closings only, not an attorney that does divorce, lawsuits, bankruptcies, etc. So when filtering the yellow pages be sure to notice what the attorneys specialize in.

Once you have an Attorney on the phone follow the script below:

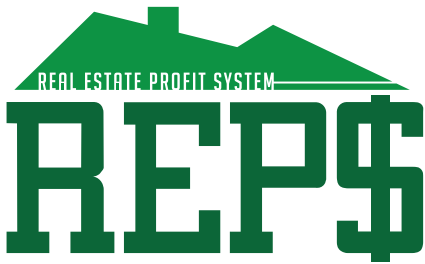
“Hi my name is “Your Name” and I’m a real estate investor in Name of city. I’m currently looking for a real estate attorney in the area and I have a few questions for you to see if we would have a good fit.”

Attorney will say: *“ok, what would you like to know?”*

“Well what I do is make multiple very low offers every week, many times I get 2 offers accepted at the same time, but I may only have the cash to close one of those deals. But the other deal is still under contract at a very low price. So I have several other investors that want any deals that I can’t close myself. In that case I generally assign the contract or double close. You do handle assignments of contracts and double closes correct?”

If the attorney says yes, then proceed. If no, thank them for their time and move to the next call.

If yes say *“ok, great. When I double close a deal I like to do the first transaction dry, meaning, the second transaction funds the first. That is how you handle double closes as well, correct?”*



- **If yes** great you can do a dry double close and transactional funding isn't required.
- **If no**, keep calling because you may find an attorney that can do them dry. EVERY ATTORNEY DOES THINGS DIFFERENT!

Now go through the Real Estate Attorney Lead Sheet below and ask the rest of the questions.

Real Estate Attorney Lead Sheet

Name of Office: _____

Name of Attorney: _____

Phone Number: _____

Email Address: _____

Handles assignment of contract: YES NO

Handles Double Closings: YES NO

Does "Dry" Double Closes YES NO

Cost of a average closing fee _____

Cost of Title Insurance: _____

Cost to do a Title Search _____

Areas They Will Cover _____

Discounts Available for Volume: _____

Thank them for their time and tell them you will back in touch with them.



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