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MY TOP PROVEN 5 WAYS TO FIND DEALS

01 Dialing for Dollars

Call The Folks With The Deals - One of my good friends and team members that I have coached over the last 8 years, has built a successful real estate investment business with no social media marketing whatsoever. For the purposes of this book, let's call him Ray. I've seen Ray put together six figure wholesale deals, find off market fix and flips, and keep his deal pipeline full with one simple strategy that is free, does not require any special technology or software and anyone can do it. What's his secret you ask? He's always on the phone.

This guy is calling agents, investors and attorneys everyday asking if they have any deals. This may sound like a simple strategy, but trust me it works if you do it right. As a matter of fact, he's one of the few flippers I know who consistently finds enough deals to share. What makes his process work is that he knows who to call and he is a consistent caller. He'll usually call each member of his core group of contacts once or twice per month and others at least once a week. As a real estate entrepreneur, he has structured his business around this one technique and he is crushing it.

Another great strategy is targeting distressed sellers directly. You can do this for free by getting your local tax lien or service member cases list. Tax liens are placed on properties where the owner is behind on taxes. Service member cases are essentially pre-foreclosures. Every bank must send a legal notice to anyone who falls behind on their mortgage to confirm that they are not in active military service. If they are, the bank cannot foreclose. You can get the tax lien list from your local town or city website or by going to the Town or City Hall.

Service member cases are filed with the local registry of deeds by county and are public notices so you just need to find out if you can get this online or if you have to go in person. These two list will provide you with names and addresses but you'll have to pay to skip trace the contact info using sites like Whitepages.com, ColeRealtyResource.com, and REISkip.com. I find that WhitePages.com is very accurate but it is the most expensive and I only use it for one off searches not bulk. ColeRealtyResource.com has an annual fee but it doesn't have the best accuracy in regards to the numbers and emails. REISkip.com is the best bang for your buck.

MY TOP PROVEN 5 WAYS TO FIND DEALS

02 Be A Bandith

When I first started flipping in 2009, this controversial strategy was one of my favorites and my #1 deal finding strategy until I got busted. I found numerous deals and made over six figures with this strategy alone, but it wasn't and still isn't legal. I started getting nasty phone calls, fines and visits from ISD (Inspectional Services Department) code enforcement to our office. I can't really blame them when I look back. This strategy is known as a bandit sign campaign. They are the "We Buy Houses" signs you see in neighborhoods all over the country. They're usually attached to light poles trees, near highway exits, at major intersections and any highly trafficked area.

The more you put up, the more calls you get, but the more potential trouble you can get into. At one point I had close to 100 signs up all over the city of Boston. My signs were everywhere and I got a ton of calls but I definitely went overboard. One of my signs was actually featured in a New York Times article on March 22, 2010. You can check it out using the following link: <https://www.nytimes.com/2010/03/22/us/22foreclose.html> Ironically, my office line is still the same number pictured in the article: A new flipper in 2009, this was one of my favorite strategies for many reasons. First, the cost was relatively inexpensive, secondly the signs provide high visibility in local neighborhoods and third, the ROI (Return on Investment) is off the charts! While very effective, be warned that you can get into trouble.

You will get a call from the local authorities eventually and you don't want to be the neighborhood villain, you want to be known as the hero turning the worst house on the street into the best house on the street. One deal will make it well worth your while. This strategy works great when you are a small lean real estate company with nothing to lose. There are many websites where you can purchase bandit signs including signsonthecheap.com or supercheapsigns.com. They cost about \$2/sign if you order 100+ signs. This is the best \$200 you'll ever spend to get your real estate investment business off the ground.

03 Driving For Dollars

Simply stated, driving for dollars is exactly like it sounds. You drive around looking for homes that appear to be vacant or distressed and then send the owner a mailer and/or call the owner to see if they are motivated to sell. You can do this when you're driving through any neighborhood headed to your next destination or make it a part of your strategy by carving out time to drive neighborhoods street by street looking for homes that need some love. You want to make sure you use streets you normally don't travel in neighborhoods that you are targeting, in order to find homes you normally wouldn't see during your typical driving routes. In order to contact sellers, I use the following systems after I've identified a home I'd like to purchase.

MY TOP PROVEN 5 WAYS TO FIND DEALS

- **Deal Machine App**- Use Deal Machine to send a postcard with a picture of the house on it instantly. Here's how it works. You download that app, sign up for an account (there should be a free trial). Take a photo of the house, verify some info and in less than a minute a postcard is generated with a photo on the home and it's on its way to the owner. Deal Machine cost \$50 per month plus .99 cents per postcard.
- **Mailer** - Take down address, get owners name and address from public record, and send a mailer. This is very inexpensive as it only equal to the cost of a stamp and envelope or postcard.
- **Cold Call** - Take down address, skip trace owner's info with Cole Realty, White Pages or REI Skip and call them, using my distressed seller call script.

04 Foreclosure Auctions

In densely populated cities like Boston and NYC where the population is growing most investors can attest to the fact that it is getting harder and harder to find deals. While many of my friends have recently been struggling to find deals, I've been able to consistently find deals by diversifying my strategy. One of the lesser known ways I find deals is at foreclosure street auctions. I recently purchased a two family at one of these auctions and was able to rehab it and flip it for more than \$50K profit. Foreclosure auctions are a tried, tested and proven way to acquire distressed properties. There are two primary types of auctions, street auctions and online auctions. Street auctions are exactly what they sound like. They happen on the street right in front of the property that is being sold. In most cases you have to purchase the property as-is, sight unseen.

In many instances the property may be occupied as well. This can make for a challenging situation as you may have to evict a tenant or previous owner. As a result, I recommend only purchasing vacant property at auction. Evicting tenants or occupants can be costly and depending on your local laws you may not be able to evict for up to year while they live rent free. For example, in Massachusetts a former owner who was foreclosed on can legal stay in the home for up to 12 months rent free. This is why I personally stay away from occupied foreclosures that are auctioned off. I've helped a few of my investor clients purchase occupied foreclosures and have seen them pay tens of thousand of dollars in legal fees to get tenants out. I've also helped some of them negotiate cash for keys deals.

This is when you offer the occupant cash, say \$5000 to vacate the property on an agreed upon date. If they move out past the agreed date, they may get \$3000 or \$2500 depending on the agreement. This incentivises them to leave on time to maximize their payment. Over the years I've purchased several vacant properties at foreclosure auctions. I always scout the property a few days before to see if it's occupied or vacant. If it's vacant I check to see if any of the doors are unlocked or open to see if I can assess how much work is needed. I recommend you do this with a friend, contractor or carpenter. You never know who or what you'll find in these abandoned homes.

MY TOP PROVEN 5 WAYS TO FIND DEALS

Once you assess the cost to repair the home you then calculate your ARV (After Repair Value) and calculate your max purchase price (We'll cover this more later). You can contact a local agent for a CMA or check Zillow.com to get a rough idea. Please note that Zillow's valuation or Zestimate may not be accurate as it doesn't know current condition of property and the ARV may be tough to calculate depending on your planned upgrades, this is why a local agent is the best way to get an accurate ARV. The reason street auctions provide a competitive edge is that you have to physically be there and if you work a full time 9-5 you won't be able to attend as these auctions typically happen during normal business hours. This eliminates a lot of competition. These auctions can also be very risky as your buying these homes sight unseen in many cases. Over the past 5 years or so many banks have changed the way they do auctions. They now use online auction companies that do live auction on their websites. While this may work great in some markets, I find that it's very difficult to get a good deal in the major urban markets as there is an abundance of investors and homeowners looking to scoop up properties in these areas and the values get bid up to a point where there is not profit or razor thin profit margins. You're also competing against buyers looking to rehab and live in the home. These buyers are willing to pay a premium because they are not looking to make a profit now, but rather looking to find a home they can live in and are willing to do the work. You're also competing against the 9-5 crowd. You can literally be at work and bidding right from your phone or computer.

Don't get me wrong. One of my friends who is a very successful and profitable flipper swears by the online auctions. She and her husband leverage this strategy in the rural markets outside of Boston where there is much less competition and it works very well for them. This strategy will also be great if you work a 9-5 job. Just be sure to make sure you do your homework before bidding. This includes making sure the property is vacant and calculating your max bid price. In most cases you can see the property before bidding if it is vacant so you can thoroughly run your numbers. Some of the more common auction sites include: Auction.com, Xome.com, realtybid.com, hubzu.com, Homepath.com and others. The success of your deal finding strategy all depends on the local market conditions, especially when it comes to auctions.

05 Mailers

Pick a list or multiple lists including, pre-foreclosure, tax liens, probate, etc., and start sending letters or postcards to these sellers. Good old fashioned snail mail gets me at least 4-5 deals per year. Sending a letter to a homeowner is a great way to find motivated sellers. In the letter you want to make sure you let the seller know that you are a serious buyer that has been looking for a home in their neighborhood for quite some time. You also want to let them know that you and your team are currently purchasing or capable of purchasing multiple homes in the area with cash. (see my letter template). I've also found that if you send a letter with the home owners name and address hand written on the envelope and no return address, it increases the chances of the owner opening your letter.

MY TOP PROVEN 5 WAYS TO FIND DEALS

The overarching theme here is that you must grow your sphere of influence to find deals. I've shared 5 strategies that I have used over the years and still use today but you don't have to do all 10. I've built my business only using 3-4 of these strategies consistently. You have to pick the 3-4 strategies that you are most comfortable with and just keep doing it.

The key is consistency.

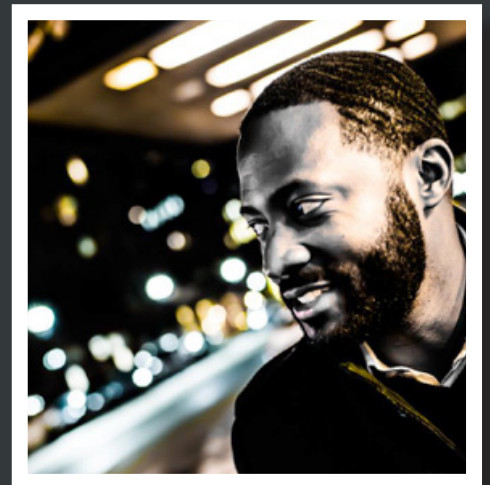
"Consistency is that foundation that a successful marketing plan is built on. Without it you may as well be playing the lottery. " Your chances of success are slim to none without a consistent marketing strategy. In real estate it's all about your deal pipeline. You can always gain the health of your real estate investment business by looking at your pipeline. As a flipper, if you have cash today but no deals in the pipeline, you're in trouble. If you have several deals lined up, it creates continued positive cash flow. Let's say a project runs over time and you are supposed to close on another deal but can't manage both. You'll have the option of wholesaling the deal to another investor to keep your cash flow.

The right deal pipeline will give you options and provide a stream of income. Let it run dry and you'll always be chasing deals. Build your marketing machine and the deals will always find you.

ABOUT THE AUTHOR

Robert L. Nichols Jr. is a real estate investor, hard money lender, real estate broker and licensed contractor. He has done numerous fix and flips, and currently owns several investment properties and his brokerage firm has facilitated over \$100M in residential sales since 2011.

To learn more, visit RobertLNichols.com.





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