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How to Find Incredible Real Estate Deals! TURNER

How to Find **Incredible** Real Estate Deals!

By Brandon Turner,

Author of The Book on Investing in Real Estate with No (and Low) Money Down

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THE FOUNDATION TO A SUCCESSFUL INVESTMENT

Fear is a funny thing.

You see, after the crash of 2007 & 2008, people were afraid. They hid their money in their bank accounts, moved in with family or friends, and decided real estate was too risky.

Of course, this is the time when savvy real estate investors went outside to play… and play we did.

Between 2007 and 2012, I bought every property I could find, 95% of them through real estate agents that anyone else and their brother could have purchased... but were too afraid to. I quickly grew my real estate portfolio believing (correctly) I was living in a unique moment in history and knowing I needed to take advantage of such a time. The best part is: I hardly needed to work to find good deals because the good deals just showed up on my doorstop (or in my email inbox) from my real estate agent and I simply needed to put together the financing to make it happen.

It was almost too easy.

Back then it was possible to simply call up a real estate agent and tell them what you wanted; the agent could easily provide a smorgasbord of potential properties, and you could simply cherry pick the best ones. All of this was made possible because of fear.

Because of this, I love fear… when it's not mine. As Warren Buffet once said, "*Those who invest only when commentators are upbeat end up paying a heavy price for meaningless reassurance.*" Fear causes people to skip out on the best investments, the best opportunities, the best advice. They cling to their hard-earned money and wait for popular opinion to help them feel better about investing. Buffett built his billions by adhering to the "buy when everyone is selling" mentality, and it's a principle that real estate investor should take to heart.

I took advantage of this fear and built a solid foundation through real estate, as did millions of other real estate investors. But then things changed. The market began to recover. The housing market began to heat up, public opinion shifted, and America once again fell in love with real estate.

This is the market we find ourselves in today. Everyone "knows" real estate is a good deal. Everybody wants to jump into the world's largest game. But… for most people, it's too late. The deals are no longer lying around like dimes on the street, waiting to be picked up by the next passerby. As Bob Dylan sang, "The Times They Are a-Changin."

So what am I saying? Did you miss the boat? Should you sit out now that everyone else is coming in? No! Herd mentality may be bringing America into the real estate game, but I have a secret for you: **The general public doesn't like to work hard, at least not when it comes**

to real estate. They want the smorgasbord that was readily available several years ago, so they end up buying bad deals and paying too much as a result, which is the most deadly mistake a real estate investor can make.

As a creative real estate investor, I believe **finding an incredible deal is the foundation of a successful real estate investment.** The better deal you find, the more options you have to build wealth from that investment.

For example, let's say there is a house worth $100,000 in your area you would like to buy it as a rental property. If you buy it for $100,000… there is a not a lot you can do. You will probably need to put in a sizable down payment just to get the property, and if you needed to sell, the value would likely not be more than $100,000. However, if you were able to secure that home for just $60,000… now you have options. There are a lot of clever things you can do, both in terms of financing and deal structure, when you have a deal like this. (For more on those clever things, check out my other book, "**The Book on Investing in Real Estate with No (and Low) Money Down**.") You could attract some great private lending, partner with someone to invest in it alongside, use hard money to fix and flip the home, or one of dozens of other strategies. Again I'll say, finding an incredible deal is the foundation of a successful real estate investment.

That is what this little book is about. I want you to be successful and to start living the life you've been dreaming about and that dream begins with finding good deals.

However, you are not going to get there using the old methods. The deals are not going to fall into your lap. **You are going to have to work for them.** Real estate investing is as much a "business" as an "investment" when trying to find good deals, and I want this book to be your business plan in finding those discounted properties. Yes, you will need to work at it. Yes, you may need to put some extra time or money into working these strategies, but in the end, I believe it will be worth every moment.

ABOUT THIS BOOK

This book was written for anyone interested in doing more deals in this changing and competitive real estate market; for anyone interested in going deeper with their business, escaping the herd mentality, and working to find the best deals. This book was designed for landlords, house flippers, wholesalers, or any other real estate investor who is working to build their wealth during a rising market. It’s for people who understand that **the future rewards those who hustle.**

This book contains numerous different strategies for finding good deals in today’s market. Not every one of these strategies will work in every area, as real estate is different in every area. Some of these are super creative, while others are more traditional. Some are easier, some are more difficult. Some require money, and some don’t. However, I encourage you to read through and internalize each and every method: you never know when you might need one of these strategies.

Additionally, you may decide to tweak these strategies to fit your style, your location, and your financial position in life… and that’s okay! The point of this book is not to be a step by step guide for how you should find deals, but to open your mind to a variety of methods that real estate investors across the world are using to find the best deals. Then, focus on the strategies that fit your time availability and work in your market.

With that, let’s begin.

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HOW TO FIND GREAT DEALS ON THE MLS

Let me ask you a question: if you wanted to go fishing and wanted to catch the most fish possible... where would you likely cast your rod? Probably where the most fish swam!

The MLS, which stands for the Multiple Listing Service, is the lake with the most fish in the real estate world. In other words, this is where the majority of homes in the US are listed for sale to the general public. (In reality, the MLS is not "one list," but rather dozens of small lists owned by local or regional real estate brokers that, when combined, we refer to as the MLS... but that's getting a little too deep for this conversation.) Because this is where the most “fish” can be found, it’s also where the most fisherman spend their time fishing - which means greater competition for you. I won't say it's impossible to find great deals on the MLS, but because of the exposure homes on the MLS have, the competition is much greater especially in a hot market, like much of the US is experiencing today. But hidden gems can be found on the MLS if you look carefully enough, act quickly enough, and negotiate intelligently.

I would estimate that 90% of the deals I have done in my career have been purchased from the MLS, but as I mentioned in chapter one: the times are changing. The MLS is getting more difficult, but I still find deals today because I know how to search for them.

Now that you have an idea of what the MLS is, let’s talk about how to access it. Getting access to the MLS can be difficult, and finding deals in the mess is even more troublesome. The rest of this chapter is going to focus on those two problems to help you get the best deals from the MLS.

There are two primary ways to access the MLS:

1. Through a real estate portal
2. Through a real estate agent.

Let’s talk about both:

SEARCHING THE MLS THROUGH AN ONLINE REAL ESTATE PORTAL

Chances are, if you have ever searched online for real estate for your own home or an investment, you most likely were searching using on of the online real estate portals. These websites have special licensing agreements with the various MLS’s that allow them to publicly share much of the information an agent has on the official MLS.

The most popular online real estate portals are:

- Zillow.com
- Trulia.com
- Realtor.com

- RedFin.com

Although similar, each has their own strengths and may work better or worse in different areas of the country. When looking for deals, I tend to switch between all four and don't necessarily have a preference, though you may find one is better for you, so be sure to try them all out.

Most of the online portals are fairly similar: type in your search criteria and get a list of properties. The key to finding great deals, however, is in quickly getting rid of the majority of the properties you don't care about. This is accomplished through the use of *filters* and *sorting*. You see, when you get to the homepage of one of the portals, it will typically just ask for a Zip Code and proceed to show you all the properties in that defined area, usually starting with the most expensive or those properties whose agents have paid to feature their listing at the top. As an investor looking for a great deal, this likely is not very helpful. Instead, you will want to qualify your search with a filter and then sort the data you receive. Don't worry - this is easier than it sounds.

A filter is a special search condition that you set up, usually under an "advanced search" option. This allows you to tell the portals to only show deals that meet certain characteristics. You can get extremely specific with these search options, being able to filter for things like:

- Location/Neighborhood
- Property Type
- Property Square Footage
- Number of Bedrooms or Bathrooms
- Price
- Lot Size
- Year Built
- Special Keywords
- And More.

As you can imagine, this can help eliminate a lot of the data you are presented with, giving you only properties that fit what you are trying to buy. You don't need to waste as much time combing through thousands of houses that don't matter to you; instead, you get to narrow that list down right away.

Next, once you have your list, you are able to sort the list by certain factors like price (high or low), date added, location, and more.

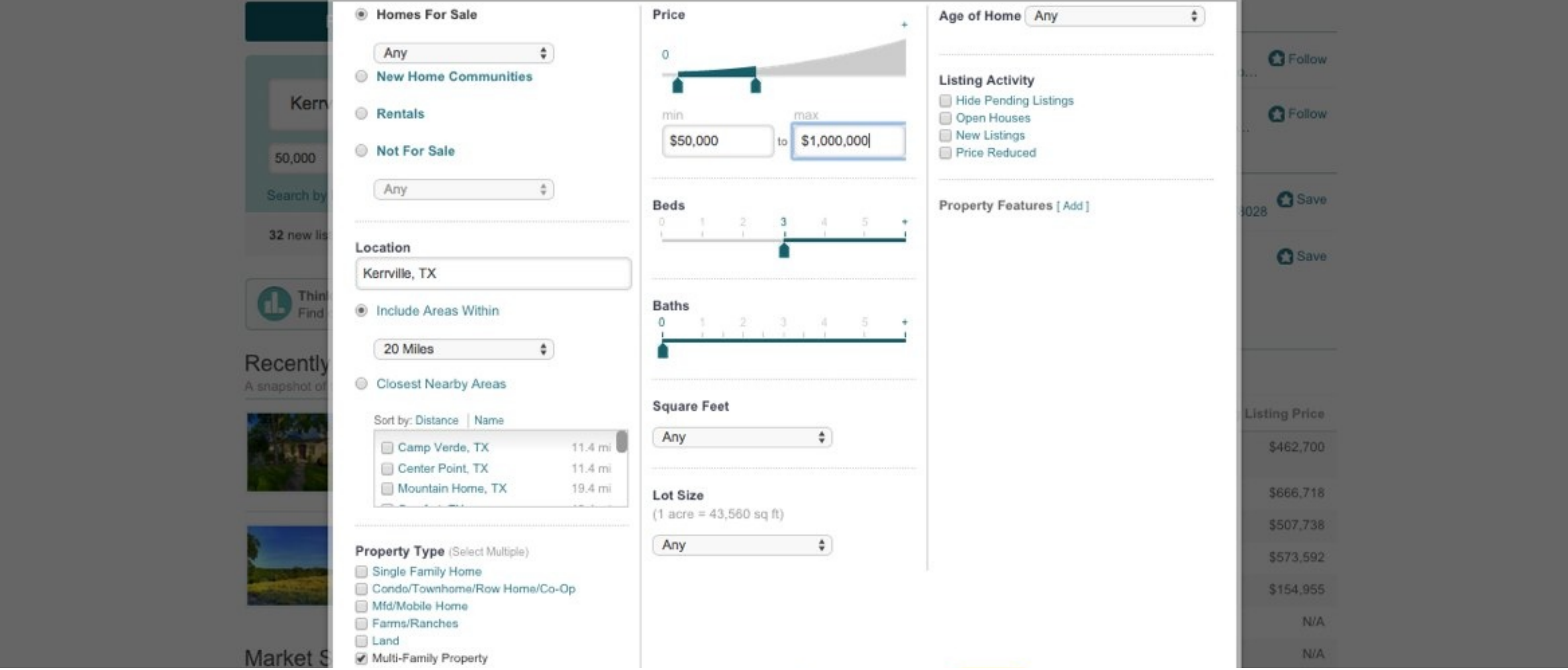

Photo above taken from Realtor.com, showing how I would apply filters for a multifamily property.

When I search the online portals, I like to be as specific as possible, while still leaving room for exploration. For example, I am a big fan of small multifamily properties. Therefore, I like to search for only small multifamily properties within 20 miles of my zip code, but I will include any price range in the filter. Then, on the results page, I will sort the listings by price, from lowest to highest. This way, I know that the list I am looking at will have the cheapest multifamily properties within a 20 mile radius of me. Now, I can get to work looking for deals that stand out.

Keep in mind, none of the online portals have all of the information from the MLS, nor is it always perfectly accurate or up-to-date. To obtain more perfect data, you will need to directly access the MLS. Let's talk about that.

HOW TO SEARCH FOR DEALS ON THE MLS USING A REAL ESTATE AGENT

When a home is listed on the MLS, it generally means there is a real estate agent behind the listing who will get paid a commission from the *seller*. Notice: There is typically no fee to the buyer when a home is purchased off the MLS, but instead the seller pays the commission to both the agent who listed the property and the agent who brought a buyer to the table. So what does this mean for you?

This means **it is free for you, the buyer, to use a real estate agent to buy a property on the MLS**! Since it costs you nothing to use an agent, it only makes sense that you work with one to find you deals if you are not an agent yourself (which is a debate for another time!).

A real estate agent can help you in numerous ways, but I wanted to point out seven of the most important roles an agent will play when buying on the MLS:

1. A smart real estate agent can set you up with automatic property alerts. This is extremely helpful and if your agent can't do this: find one who can. I have given my real estate agent a list of "filters" I care about and he has plugged them into his software so that every time a property hits the MLS that meets one of my filters, I receive an instant notification. Due to the heavy competition, buying on the MLS is largely a matter of speed, so getting automatic notices is mandatory.

2. An agent can get inside information about properties that are not yet listed for sale but will be coming on soon, giving you an edge over the competition.

3. Your real estate agent should also have a solid grasp on your local real estate market, so use your agent as a source of information on neighborhoods, comparable sales, areas of growth, and other market data that can help you in your investing.

4. An agent can get you inside almost any property on the MLS, which is obviously helpful. Most agents can use their smartphone to unlock a lockbox at the property and give you a tour of the property. Without an agent, this becomes incredibly difficult.

5. An agent will also write up your offer for any deal you want to pursue. You will simply need to communicate what you want to pay, when you will close, how you will finance it, and other details they may ask about.

6. A real estate agent will help you navigate the due diligence process, including but not limited to giving you recommendations for property inspectors, contractors, lenders, and title companies. They will also help guide you through the entire closing process, ensuring that the deal is closed quickly and efficiently.

7. Finally, a *good* agent will be your advocate and consultant in getting a good property. However, keep in mind that most agents are not real estate investors and as such, they may not understand exactly what you are doing, so take the "consultant" role with a grain of salt. I once had an agent who told me I needed to start paying more for my properties because I was contributing to the economic collapse of America. Clearly, that agent did not have my best interests at heart, so I quickly moved on!

Clearly, real estate agents are helpful in working with deals you may find on the MLS. So let's talk about what kind of deals you are looking for.

On the MLS, there are typically three types of properties you'll need to deal with: Normal, REOs, and Short Sales. We'll look at each in a little more detail now.

A. Normal

The vast majority of homes for sale on the MLS are private sellers: people just like you who are simply trying to sell their house through a real estate agent. They may be investors, but most likely they are homeowners who may or may not live in the home.

Typically, when offering on a home that a private seller has for sale on the MLS, your real estate agent will submit an offer to their agent, you will negotiate via the agents and may never actually meet the seller face to face until the closing table (or maybe never.)

B. REOs

REOs, or "Real Estate Owned," is a term given to property that has been foreclosed on by a lender and are being sold. For the sake of this chapter, I'll include "HUD" homes in this group, which are properties that have been foreclosed on by the Department of Housing and Urban Development. (For a great discussion on buying HUD homes, check out *BP Podcast 038: Unique Strategies for Buying Real Estate with Travis Daggett*.)

These properties are generally sold by a bank "as is" (meaning the seller is not going to fix any further problems with the property) and, as such, carry some additional risk - which make them great for real estate investors. The homes are often in a condition that would make financing impossible for the average buyer, so most of the "retail competition" from homeowners is gone, leaving just other investors to fight over the deals. Additionally, because you are dealing with a bank and not an emotionally attached homeowner, you can sometimes negotiate and get much better deals.

Finally, be sure to look into the fine print from the seller as some properties contain an "anti flipping" provision that is designed to stop a person from buying and selling the same property within a 90 day window, which can be a problem if you are a house flipper or wholesaler. The FHA was the most notorious lender to enact this provision, but since 2010, has waived the rule.

C. Short Sales

Short Sales are an interesting cross between a private seller and an REO. In a short sale, the homeowner currently owes more money on the property than it's worth, but the bank has agreed to "take what it can get" and let the homeowner sell for less than what's owed. A short sale is generally listed on the MLS and is documented as a short sale in the listing so the buyer knows what they are getting into.

Short sales can be very time consuming and require a large amount of paperwork, especially for the agent. When you make an offer on a short sale, the bank needs to approve the offered amount because it is the bank facing the financial consequences, not just the homeowner. The homeowner already gets nothing from the deal, so the bank has to be okay with losing money on it.

Therefore, dealing with the bank can be cumbersome, but for those willing to endure the hardship, great rewards can be found. Because of the work involved, most people ignore short sales, driving the competition (and the price) down.

Although the time it takes to close on a short sale can be a drawback (from 2-12 months typically), the timeframe can also be a strong benefit as wholesaler Anson Young pointed out in *Episode 34 of the BiggerPockets Podcast*. Anson coined the phrase "Short Sale Time Machine" because he is able get a property under contract for one price, let the bank waste all the time they want before closing the deal, and by the time they are ready to close - prices have gone up, and he has even more equity than he had originally planned for. It's like getting last year's prices this year! This can work in the favor for any investor, not just a wholesaler, as getting more equity is never a bad thing.

If you plan to offer on short sales, be sure to find a great real estate agent who has experience navigating these muddy waters and can get your deal through the paperwork and help you snag a great deal.

WRAPPING IT UP: BUYING ON THE MLS

Hopefully this chapter gives you a good introduction to buying real estate on the MLS. As mentioned earlier, finding great deals on the MLS is a little like finding a needle in a haystack. However, if you know how to clean and organize that haystack, the needle becomes a little more easy to find.

ADDITIONAL GREAT READS:

For more information on buying properties on the MLS, don't miss:

- Buying a HUD Home: The Ultimate Investor's Guide to Getting a Great Deal on a HUD Home
- How to Buy a Foreclosure : The Comprehensive Guide to Buying a Foreclosed Home
- Five Tips to Get Great Deals On the MLS (Including Buying Houses on Friday…?)
- *What is a Short Sale? The Definitive Guide*
- Why The MLS Is A Goldmine For Real Estate Investors

3

DRIVING FOR DOLLARS

"Driving for dollars" is the name investors give to the practice of simply driving around an area looking for potential good deals. The benefit of this strategy is that it costs very little to accomplish - and is a true example of using creativity to replace cash when investing in real estate. However, this isn't just driving aimlessly down random streets hoping someone comes out and asks you to buy their home. Instead, you need to follow a four step process:

1. Pick a specific location
2. Drive the streets looking for potential leads
3. Research those leads
4. Contact the owners

Let's take a few minutes to dive into each part of this four step process to give you a better idea of what's involved and how to get the most out of your driving for dollars experience.

1.) PICK A TARGET LOCATION

In your city there are likely thousands, if not hundreds of thousands, of streets. There are rich neighborhoods, slums, commercial districts, residential neighborhoods, inner city streets, suburban parts, rural locations, and more. It can feel productive to just hop in your car and start driving, but I'd caution against this. Instead, you need to focus on the areas that will bring you the greatest potential for real estate success. What are those areas?

Honestly, I couldn't tell you. This depends on you and your strategy. What kind of real estate are you trying to invest in? Are you looking to flip homes or buy rentals? Are you looking for a triple net lease on a commercial building or trying to wholesale a $30,000 house?

Decide what it is you want and pursue the neighborhoods that have the greatest opportunity for finding the deals you need. You can easily use an online tool like Zillow (or the Zillow App) to scan neighborhoods and determine the average purchase price for those neighborhoods.

If you are a real estate wholesaler (someone who looks for good deals to sell to other investors) or a real estate house flipper, I'd recommend looking in the areas that your buyers want to buy in. For example, if most first time home buyers are looking to buy homes in a certain school district, perhaps focus your attention on driving roads within that school district. If you are trying to wholesale under-$30,000 houses to a local landlord, don't drive neighborhoods where prices are $100,000 or more! This may seem obvious, but you'd be surprised at the number of investors who forget these simple rules and just drive to feel productive, rather than drive for dollars.

2.) DRIVE THE STREETS LOOKING FOR POTENTIAL LEADS

Once you have chosen your location, it's time to get in the car and start driving, looking for potential deals. But what does a "deal" look like from the street?

When driving for dollars, you are looking for signs of motivation on the part of the owner, indications that the property owner may want to sell cheap and sell fast. There are numerous indicators that can tip you off that there is potential in the property, such as:

- Overgrown lawns
- Boarded up windows
- Eviction or other notices on the doors or windows
- Roofs with tarps
- Obvious exterior maintenance problems
- Piled up newspapers
- Terrible, old, or unfinished paint jobs
- Hand-made "for rent" signs
- Mailboxes filled to the brim
- "For Sale By Owner" signs in the yard
- Anything else that makes the house look distressed, vacant, or different.

Keep in mind, the property doesn't need to be vacant, as distressed landlords dealing with unruly tenants can also be a great source of deals. However, vacant houses are probably the most motivated properties you can find.

Also, depending on your strategy, it may be best to avoid looking at homes that have real estate agent signs in the yard. When a home is listed with an agent, you will not be able to simply contact the owner and negotiate a great deal outside of that agent because the owner will have a contract. Additionally, these deals (when listed with an agent) are available for everyone to see through the MLS (which we talked about in the previous chapter,) so you lose your "hustle-advantage." However, depending on your strategy and market, these agent-listed homes may still fit your model, and you may get lucky finding a deal that was just listed or that has been listed a long time and forgotten about. The nice thing about agent-listed homes is that you can easily pull up the sales information about the property on your smartphone through apps like Zillow, Trulia, Redfin, or others.

As you drive, bring along a photocopy of a local map and a pad of paper – and use them. Highlight the route you've taken so you don't repeat neighborhoods in the future (trust me, after a while, they all start to look the same) and record the details that drive.

- Was this a declining neighborhood or a neighborhood on the rise?
- Does it look like an older neighborhood or newer?
- Are there any streets that you want to always stay away from?

These notes will not only help you now, they will come in handy in the future when potential leads call you. You can simply look back on your notes for that neighborhood and make better-informed decisions on the phone. You may even want to take along two highlighter markers – one in green, one in red, so you can highlight each road that you travel and determine if it's a street you would ever consider investing on.

I recommend taking along a partner, spouse, or friend to drive with when driving for dollars. In fact, if you have small children, why not make a game out of it and bring them with, giving you the opportunity to spend time with your family while still scouting for deals? Not only does it make the driving time more fun, it also helps you keep your eyes on the road (don't write and drive!) and enables you to have more pairs of eyes searching for deals rather than just your own.

Once you find a potential lead, it's time to take some notes. At minimum, I would do the following:

1. Write down the address of the property
2. Write down the general condition of the property – and why you think it's a good potential property (old eviction signs on the door, boarded up windows).
3. Write a very brief description of the property (large, possibly 4 bedroom, small yard, purple). Also make note if the property appears vacant or if it appears to be a rental.
4. Take a photo of the property. Yes, you can use your smartphone for this, though it may be easier to buy a cheap camera for $30 that is used exclusively for this purpose. Try to include the house address number on the photo for easy identification later, or hold up a small handwritten number in the photo that corre-

sponds with your notes so you can connect the photo to the note later.

5. Leave a quick note on the door. Not all investors driving for dollars follow this step, but since you are out at the property anyway, this quick step can potentially help you reach the owner better than the other methods we'll discuss soon. This note can be very simple, stating, "Are you interested in selling your home? If so, please give me a call. 555-555-5555. -Brandon" As an additional benefit, by taping a bright yellow note to the door, not only will the owner potentially see it, but others in the neighborhood driving or walking buy may see it as well. You never know where leads are going to come from!

This whole process should take no longer than 3 minutes at each potential deal. Remember, *these are just potential deals* not slam dunks. 99% of them will probably never lead to any deal, so don't go overboard here. Your goal is just to get enough information to be able to do some research when you get home.

3.) RESEARCH THOSE LEADS

At this point, you've been out for several hours finding potential deals. You arrive home with a list of 50 potential properties scattered across your notes. The first thing I'd recommend doing is getting organized. If you handwrote your leads on a piece of paper, transfer that information to a spreadsheet. I like using Google Docs, which is an online cloud-based word processing software that allow you to access the information from any computer. Other investors use a CRM (Customer relationship management software) like Zoho.com to manage their leads. Whatever you feel most comfortable using – use it!

There are several things you'll want to start digging up about the property, but the most important is the ownership.

Research what you can about the property, such as the ownership status (is it being foreclosed upon, or does a bank already own it?), condition, rental status, property tax delinquency, and anything else to help you decide if it's worth pursuing.

Your goal is to find the owner and, if that owner is a person (as opposed to a bank,) you'll want to get in touch with them about selling their home. There may be a few methods for finding the owner, but let's focus on the easiest: the public record.

In the United States, property ownership is part of the public record, which means anyone can find out about it. Sure, savvy individuals know ways to hide their ownership through companies or trusts, but those are likely not the individuals you'll be buying from.

I can't tell you exactly how you should look up the public information in your area, because every location is different, but I can tell you how I look up mine in case it helps. When I am looking for a property, I head to my local "Assessor's Office" website. The county assessor is a government official who determines the property taxes on an individual property and is usually the best source of public data. To find your local assessor's page, simply go to Google and search for your county's name and "assessor," and you'll likely find it. Finding the place on the website to start your search may be a little more difficult, but look around or call the assessor to find out and you'll get there.

Next, I search for the address of the property I am interested in. On my county's website, I have to type the address in *exactly* the way they have it or it won't show up, so it can take a few tries. (For example, if I type "1st street" and they have it as "first street" or "1st st" it won't show up.) At this point I usually have the name of the owner as well as the address that the tax bill is sent to. If I want the phone number (which I probably do) I can head over to the internet to do a search for their name on a site like whitepages.com. I can also do a "reverse address" search using whitepages.com as well. If you really want to find their phone number, you can also hire an online skip trace company, but this can get expensive. Also - don't forget about searching social media, as nearly everyone has a Facebook page. You can oftentimes contact the individual that way much easier (and cheaper) than other methods. Finally, you can always reach out to the neighbors, as they may have an idea where the owner is and how to get in touch. Trust me: the neighbor would probably love if you purchased the home and cleaned it up! No one loves to live next door to a distressed home.

4.) CONTACT THE OWNER

Finally, reach out and contract the owner of potential properties, offering to buy their property. Obviously, if you have found their phone number, reach out that way first. However, if all you have is their address, feel free to send a letter, which we'll cover more in-depth in the next chapter.

Remember that your job as an investor is to solve the owner's problem, so before you start throwing out numbers and strategies, sit down and try to understand what their fundamental problems are that you can help them solve. Seek to be a voice of comfort and wisdom for those sellers, and you'll be rewarded - even if you don't get the property.

WRAPPING IT UP: DRIVING FOR DOLLARS

Driving for dollars can take a lot of time, but for those without any financial resources to get started, it can be a great way to start talking with motivated sellers and find some good deals. The important thing to remember when driving for dollars is to have a process that helps you get as much accomplished as possible. Don't simply wander, but have a system and follow it. The four steps in this chapter will help you on your journey to get a great deal from simply driving around.

ADDITIONAL GREAT READS:

- Driving for Dollars Bible: Finding Distressed Properties and Marketing
- Driving for Dollars Bible 2: Tracking Down Owners & More Tips!
- How To Drive For Dollars, A Primer

4

DIRECT MAIL

Last week I received a car key in my mailbox.

The key looked different… it had no grooves in the side, just smooth. Furthermore, the key was attached to a brightly colored postcard that claimed, “You’ve Won!”

Did it have my attention?

Of course!

I had to continue reading, despite the fact that I knew this was just another piece of junk mail. Looking over the card, I saw that a local car dealership was giving away a free car to someone who would come down and test drive a car that weekend. (Reading the small print, I see that the odds of winning the car was 1/3,000,000 but the odds of winning a free cup of coffee was 2,999,999/ 3,000,000. I wonder which prize I won…?)

So why did the dealership send me this colorful postcard and key?

Simple: this is direct mail marketing, and it's used by marketers all across the world to sell products. From cars, to insurance, to mortgages, to electric fireplaces and more, direct mail marketing is a proven technique for growing your business.

Today we are going to dive deep into the topic of direct mail marketing and focus specifically on how you can use direct mail to find incredible real estate deals.

DIRECT MAIL… WHAT IS IT AND HOW DOES IT WORK?

Direct mail is the practice of sending mail to a targeted list of people with the assumption that a very small percentage will respond to the campaign. Chances are you receive a lot of direct mail every single day in your mail box at home and just consider it "junk mail" and toss it in the trash (like the postcard with the key I mentioned above.)

Have you ever wondered why they send this junk mail?

Because a small percentage will end up responding to the mail and a small percentage of those will end up buying the product – hopefully making their campaign worth the expense. At its core, direct mail marketing is about one thing: playing the odds. Let me give you an example of what I mean:

Wholesaler Kevin is looking to find real estate properties he can get under contract for cheap. However, he knows that the MLS is drying up, and all the good deals are being bid up too quickly, forcing him to look elsewhere for deals. So Kevin turns to direct mail marketing to find deals.

- Kevin sends out 1,000 letters to a targeted audience, costing him $1,000.

- Out of those 1,000 letters, 5% of the people call back Kevin (1,000 x 5% = 50 phone calls).
- Of those 50 phone calls, Kevin filters out the duds, negotiates, and gets the contract on 2% of them (1 deal).
- Kevin then sells the contract to a local house flipper for $5,000.

As you can see in the example above, it cost Kevin $1,000 upfront to fund his direct mail campaign, but he was able to make $5,000 in revenue from that campaign, netting him a $4,000 profit.

Hopefully you can see the potential here. What if Kevin took that $4,000 profit and put it back into a direct mail campaign? Using the same percentages as above:

- Kevin sends out 4,000 more letters to a targeted audience, costing him $4,000.
- Out of those 4,000 letters, 5% of the people call back Kevin (4,000 x 5% = 200 phone calls).
- Of those 200 phone calls, Kevin filters out the duds, negotiates, and gets the contract on 2% of them (4 houses).
- Kevin then sells the contracts to local house flippers for $5,000 profit on EACH, for revenue of $20,000!

Kevin now turned that $4,000 into $20,000 using direct mail marketing. So what if Kevin used that $20,000 and put it into another direct mail campaign? How much could he make? I'll leave that to you to do the numbers! (hint… it's six figures!).

Direct mail marketing is exciting because it's scalable, which means the more you put in, the more you get out (within reason, which we'll talk about in a bit). ***If*** you can get those numbers to work – you can just keep pumping money into that ATM and keep getting more money out of it, assuming you have a business system in place to handle those leads, which we'll also talk about in a bit.

As I have said many times: math doesn't lie. It's a universal language, which means IF you get a direct mail letter printed and sent for $1, and IF you can get 5% of people to call about your letter and IF you can get 2% of those calls to sell you a great deal and IF you can make $5,000 per deal – you WILL succeed at the rates seen in the example above.

However, that's a lot of "IFs". Four of them to be exact. Those four metrics are:

1. Cost Per Direct Mailed Item
2. Call Response Rate
3. Contract Conversion Rate
4. Profit

Therefore, the job of a direct mail marketer is to master those four IFs and ensure you are meeting the minimum to make you succeed. What if only 1% of people call about your letter, and what if only 1% of them accept your offer? The numbers look very different (go ahead … try it out and see.) What if your mail costs drop to $.50 per piece of mail? What if it doubles to $2? What if you only want to make $4,000 per deal? What if you want to make $30,000?

It's tough to say what a "typical" rate is on any of those things. Some marketers claim a 10% phone call response rate, where others claim 1% or less. Some claim to sign a contract with half of the appointments they set, while others only close 1/10. These numbers are going to vary wildly depending on numerous factors including:

- What list you are mailing to (we'll talk about lists in a bit)
- How consistent your marketing is
- What your direct mail says
- How good of a negotiator you are
- The price range you are looking in
- That market conditions
- The cost of your marketing
- …and a lot more.

The fact is: you don't know what your conversion rates are going to be until you try. This is why I recommend starting small and building larger as you begin to "crack the code" on what works in your market.

Furthermore, having more of one metric and less of another is common. For example, if you send to a particularly targeted list (which we'll talk about shortly,) you may get only a 2% Response Rate to your ad, but you may close 30% of those calls. Other times, you may get a 25% Response Rate and only close .5% of the calls. For this reason, many people look at marketing, and direct mail in particular, as a game that needs to be beat. It's one of the things that makes wholesaling so fun! The goal, however, is to beat the game without spending all your money.

We are about to talk about a lot of different direct mail strategies, but keep in mind: what works for one direct mail marketer might not work for another. A good marketer is always testing, always tracking, and always perfecting their skills. This is what sets apart a successful direct mail marketer from one who fails.

Let's go on and talk about some specifics with direct mail marketing, starting with "The List."

THE DIRECT MAIL LIST: WHO SHOULD YOU MAIL TO?

Before you can start printing your direct mail, you need to decide who will be the recipient of those letters. Yes, you could use something like the USPS's Every Door Direct Mail service and hit every single home in an area… but the vast majority of those leads would be pointless. Instead, you want to mail to people who fit a certain profile.

In a recent BiggerPockets Blog post, Joy Gendusa, CEO of PostcardMania, said this:

"*First, you have to get the idea that 'marketing is persuasion' out of your head. You aren't convincing someone to buy from you. You are showing the recipient of your card why you are the best choice in your industry. You know they are already going to be interested in your products or services, because you are going to make sure of it by finding a mailing list filled with prospects who are HIGHLY likely to be looking for what you offer.*"

I think this quote perfectly summarizes why you should be targeting specific lists. Simply put: in an ideal world, you would only mail to people who are already interested in what you offer! Imagine getting 100% of people who you mail to to respond and sell their home to you. Yes, it's probably impossible… BUT you can improve your response and conversion rates by marketing to the right people. So let's talk about how to do this.

There are numerous different lists you can mail to. I'll first discuss a few of the most popular types of lists and then go into the specifics of where to get these lists.

1.) Absentee Owners – These are owners whose mailing address is different from the property address. This could be for a number of reasons but typically indicates a rental property. Many landlords find themselves motivated to sell because, quite frankly, they are not very good landlords. Landlording is not easy, and many people fail at it. Other times, absentee owners may be property owners who have moved from their primary residence, but failed to sell their previous home or owners who inherited a property from a relative.

2.) Inherited - Exactly what it sounds like: people who inherited a property.

3.) Eviction Records – As anyone who has been through the process of evicting a tenant will understand – evictions can be extremely difficult to deal with emotionally. During the stress of an eviction, many landlords realize they no longer want to own the property and would gladly sell in a hurry.

4.) Probate – When a person passes away, depending on the way their estate planning was set up, their home goes into probate. Oftentimes, the family needs to deal with emptying out the home, cleaning up the property, doing necessary repairs, and selling the property. For many, this is simply an overwhelming task. This can make probate lists very receptive to a direct mail campaign. Keep in mind, however, that you are dealing with people in an emotional time, so an ugly yellow postcard might not be a great marketing tactic.

5.) Pre-Foreclosures - When someone stops making their mortgage payment, the bank will begin the process of foreclosure. During this time, it's possible to reach out to the homeowner and offer to help stop the foreclosure and save their credit.

6.) Expired Listings - When people try to sell their home through a real estate agent but are unable, the property becomes an expired listing. Although they may have had trouble selling because the price was too high, there may also be other issues with the property that made it difficult to sell. This is when an investor can come and help save the day by purchasing the home from the motivated seller.

7.) Tax Delinquent - Not paying one's taxes is a good indication there is something wrong, and there may be significant motivation to sell.

8.) Divorce - I don't need to expand too deeply on this, but when people go through a divorce: they often are VERY motivated to sell quickly.

WHERE DO YOU FIND DIRECT MAIL LISTS TO MAIL TO?

Lists can be built in a few different ways; some free, some not. Let's go over the four most common ways to build your list:

County/Public Records - You'd probably be surprised at the amount of information that can be found through public records. Generally, it's the County Assessors Office that has most of the pertinent information, and much of this can be obtained online. Keep in mind – some counties are much better than others at keeping their records current. If you are unsure of where to access your local government's public information, check out http://www.netronline.com/ to find links to your county's public records.

Driving for Dollars – As we talked about in the last chapter, driving for dollars is definitely not the fastest way to build a list, but driving for dollars can be one of the cheapest ways. Driving for dollars is the process of getting in your car and driving around, looking for properties that indicate there is a problem, such as long grass, boarded up windows, or public notice signs on the home. By writing down the address, you can search the public records at home or on your smart phone to create a list of potentially motivated sellers to mail to.

List Brokers - Perhaps the fastest and most expensive way to compile a list is using a list broker. There are several large companies that you can purchase lists from, but most get their data from the same sources. The most widely used by investors are ListSource, Melissadata, and Click2Mail.

When using the list brokers (and to some extent, the county records,) you are also able to narrow down your list to get even more specific. For example, you probably would not want to mail to someone who just bought their home last year because there is likely not enough time for them to be "motivated." Additionally, you may only be interested in buying certain property types or characteristics. Let's say that three bedroom homes are the most popular for flipping in your area, and you plan to wholesale to a house flipper. You may not want to mail to properties with only one or two bedrooms. For this reason, it's important that you scale down your list more specifically.

Depending on the list site you use, you may be able to filter based on:

- Equity
- Number of Bedrooms/Bathrooms
- Year built
- Year the owner purchased
- Late payments

- Notice of Default filed
- And a LOT more

It's easy to get overwhelmed when trying to build your list. However, don't fret! There is no "magic bullet" when it comes to direct mail marketing. As we'll talk about later, direct mail is not about getting the perfect list, but about continually testing and tweaking to find a great list that works for you. So get out there, jump into the BiggerPockets Forums and discuss the merits of what YOUR list should include, and then do it.

"Doing" is the only way to find success with direct mail.

At this point, hopefully you have your list, or at least a firm grasp on how to build it. Now it's time to start mailing… but first, what should you mail? The next section is going to cover the two most common types of direct mail you can send.

TYPES OF DIRECT MAIL

When choosing what to send to your direct mail list, you have a few good options. Debates swirl as to the "best choice," but the following will give you a fairly good idea of what's out there, so you can make the best decision for you and your business. Keep in mind: you don't need to pick just one form. Many wholesalers mail all three types on a rotation. Find something that works for you and your market!

Yellow Letters

Yellow letters are exactly what they sound like: letters written on yellow paper. Usually handwritten (or printed with a font that looks handwritten), these letters are designed to look like they are personal and not from a large business – like some average guy quickly wrote a note and tossed it in the mail. This casual style is designed to encourage the lead to pick up the phone and call you.

As mentioned above, yellow letters can either be done by hand or printed from a computer (you would be amazed at how realistic a printed yellow letter can be,) and furthermore, you can either do them yourself or hire the job out. Many investors without a lot of money to start with spend their evenings hand writing hundreds of letters each night – but most quickly discover that it simply takes too much time. Some investors hire people from Craigslist to write them, and still others hire large companies to take care of the entire process. It really depends on your budget and your time availability.

These letters are typically sent in an envelope, but marketers tend to find the best success when the envelope doesn't look like a business envelope, but rather a card from a friend – with handwritten addresses and a slightly smaller envelope size.

How Much Does Yellow Letter Direct Mail Cost?

The cost of yellow letter direct mail depends greatly on whether or not you do the job yourself. The paper, ink, and envelopes are inexpensive (under $.10 per piece of mail,) but the preparation and postage are the costs that quickly add up. Expect to pay between $.40 and $.60 to do it yourself or $.75 to $1.50 if hiring an outside direct mail company to handle the whole process for you, depending on what they offer.

Typed Letters

While most yellow letters are written like a 3rd grader, direct mail does not have to be so casual in order to be successful. Many wholesalers find success by sending more professional letters, complete with a company logo and sometimes a photo of the owner. Others include a photo of the property itself, which can drive a lot of phone calls, but can be time intensive to create.

Perhaps the most common use for formal letters is the probate niche, where a bright ugly yellow paper would simply offend the family of someone who just passed away.

When using a formal letter, consider handwriting the envelope to increase the open rate. Many people simply throw away envelopes that are typed, so don't let your lead die in the trash.

How Much Does Typed Letter Direct Mail Cost?

About the same as yellow letters.

Postcards

Postcards can be a cost effective way to reach more people in your direct marketing campaign, as they are cheaper to produce and mail, though many marketers believe better response rates can be achieved through letters. Again, it all comes down to testing what works in your market.

How Much Does Postcard Direct Mail Cost?

Postcards can generally be printed for just pennies, and postage for a 1st class postcard stamp is just $.34 at the time of this writing, meaning you could print and send postcards on your own for under $.50 each or hire an outside company to do it for you between $.40 and $1.00.

WHAT SHOULD YOUR DIRECT MAIL SAY?

The purpose of your message is to get the reader to call you. Simple as that. However, the way you do that is not as simple. Entire books have been written on the best way to write sales messages, and we can't get too in depth here on that. However, most investors would agree: short and sweet is best.

Your message should be simple, to the point, and "benefit driven." In other words, the recipient should be able to clearly know within just seconds what's in it for them. Some of the best messages tend to be less than 20 words and say something as simple as, "*I want to buy your house for cash. I can close in 10 days. Please call me today!*"

When drafting your message, it's okay to get creative. Remember the story at the beginning of this article about the key I received in the mail from a local car dealership? The key was just a gimmick to get me to read the junk mail… and it worked! So experiment with ideas to get people to call you.

Speaking of experimenting, let's talk about that.

SPLIT TESTING TO AMPLIFY RESULTS

No matter how smart you are (or think you are,) the fact is: you don't know what is going to work. Is a message on a yellow piece of paper going to get more calls or a message on a white piece of paper? What about a blue envelope versus a red envelope? What about a long message versus a short message?

We can make guesses and assumptions all day long, but until you get out there and try it, an assumption is all it will ever be.

Split testing is the process of trying out different things and tracking the results. For example, you may want to set up two phone numbers for people to call. On half of your direct mailers, with the yellow paper, offer Phone Number A. On the other half, with the white paper, offer Phone Number B. Then send them out – and see which group offers the most calls. It's important that you be extremely diligent in keeping good paperwork on how well your split tests perform or it will quickly overwhelm you.

It's unlikely that small changes like the color of paper will make that big of a difference. However, larger changes (like including a fake key) may drastically change your results. Even a small difference in conversion rates can make a drastic change on your bottom line. For example, if 5% of people usually call on your direct mail letter and you can increase that to 8%, it may seem small, but if you are mailing to 2,000 people a month, that's a difference of 60 phone calls. If you close 5% of those deals, that could be an extra three deals every month – just by raising the phone call conversion rate from 5% to 8%. Now don't you think it's worth spending some time on a split test?

I can almost guarantee – the local car company did their split testing and learned that the key provided a higher conversion rate.

Additionally, when split testing, it's important that you allow for enough results to consider the test valid. For example, if you send out 10 letters to Group A and 10 to Group B, and Group A gets you 3 phone calls and group B gets you 4, don't assume group B was better.

With such a small number, it's hard to get a solid grasp on a "trend." Maybe a couple people in Group A were out of town, or were dead, or whatever. Therefore, I'd recommend sending to at least 500 per group to do an adequate split test.

A good marketer is always testing, tweaking, and improving in an effort to achieve the greatest return on investment. Once you "crack the code" to a successful direct mail campaign, you can ramp up your marketing and make an incredible profit for your business.

HOW OFTEN SHOULD YOU MAIL?

Do you remember the first time you ordered something from Amazon? Best Buy? Ebay?

Chances are, the first time you purchased from them was not the first time you heard of them. People usually need to build trust with brand before making big decisions with a company. The same is true for wholesalers. When a person receives your direct mail for the first time, chances are – they will ignore it. However, after receiving multiple letters, they build familiarity with your brand and trust is built.

Some wholesalers suggest mailing every month to your list. Others put their list on a 3 month rotation (1/3 of the list each month, so people receive four letters per year). Others simply mail every other month.

How often you mail will depend largely on the list you mail to and... trusting your gut. It can be difficult to "split test" how often to mail, so you may just need to pick a frequency based on an assumption (or what has worked for others) and run with it. I would suggest somewhere between once a month and once every three months. Then, continue to mail until one of three things happen:

1. They ask you to remove their name from your list.
2. You buy the house.
3. They sell the house to someone else.

A "no thank you" is often just a "not right now." Most successful wholesalers can tell you story after story of deals they've done with sellers after being told "no" more than once.

As we talked about earlier in the quote from Joy Gendusa, direct mail is about being the solution sitting on their kitchen table the day they realize they have a problem. Only by regular mailing can you optimize your chance of being the solution on the day they need it.

WRAPPING IT UP: DIRECT MAIL

Hopefully by now you have a good idea of how to get started with your direct mail campaign. However, just in case you are still confused, let me give you a quick and dirty 10 step process for getting your direct mail campaign going:

1. Establish your budget.
2. Decide on WHO you want to target.
3. Decide HOW you want to target them (Postcards, Yellow Letters, etc.)
4. Buy your list (or get it free).
5. Plan your split test (optional).
6. Print your letters/envelopes OR hire it out.
7. Answer calls.
8. Track responses from the split test.
9. Continue to mail to the list on a regular basis.
10. Land your deal.

By following this 10 step process, and continually testing and tweaking different aspects about your direct mail campaign, you'll be able to maximize your return, attract new leads, and grow your business to new heights.

Direct mail can, and should be, a major lead generator for your business, and hopefully this chapter has given you the tools needed to find success with direct mail.

If you have any questions, I invite you to leave them below in the comments. However, I also recommend heading over to the BiggerPockets Forums, where real life direct marketers with hundreds of years of combined experience hang out and offer answers to your questions!

ADDITIONAL GREAT READS

- 10 Commandments for Your 2014 Direct Mail Campaigns
- How to Get Started with a Direct Mail Marketing Campaign for Your Real Estate Business
- How to Successfully Use Direct Mail In Your Real Estate Business
- Real Estate Marketing: One Size Doesn't Fit All
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5

DRIVING LEADS THROUGH THE INTERNET

Many people turn to the Internet to solve their problems.

Whether it's trying to figure out how to keep their dog from "going potty" indoors, learning how to solve a Rubik's cube in ten minutes or less, or trying to figure out what that terrible noise is coming from the engine of their car, people turn to the internet in hopes of an answer. As we've talked about numerous times already in this book, real estate investing is about solving problems, so it would make sense that people would use the internet for a cure to their home difficulties. And they do, everyday.

So how can you get your solution in front of their quest for answers?

Your website.

If you don't have a website, you are missing one of the most important ingredients to real estate success. People tend to check out a website before ever making a phone call, so a professional looking website is not optional - it's mandatory.

But how do you get people onto your website?

This chapter is going to cover several key ways you can drive targeted traffic to YOUR website, so you can start getting incredible deals, almost on autopilot!

HOW TO GET YOUR WEBSITE

If you do not currently have a website, don't worry. Ten years ago, building a good looking website required an expensive web programmer or a ton of technical knowledge and ability. But times are a-changin,' and today a website can be build in minutes by anyone with a computer, regardless of their computer skills..

Perhaps the easiest way to build a lead generating website is through a company such as Wix.com or SquareSpace.com, both designed to help you build a website easily and efficiently.

If you are interested in the exact step by step process I used to build my lead generating website, check out How to Create an Awesome Lead Generating Website in Under an Hour with No Technical Abilities on BiggerPockets. You can even copy the exact words I used on my site to build yours!

Once you have your website, it's time to start getting traffic there. But how? Obviously, you should include your website on all your marketing material - but your business cards and direct mail will only drive so many. Instead, let's talk about some other methods for driving traffic.

SEARCH ENGINE OPTIMIZATION

SEO stands for "search engine optimization" and refers to the process of getting your website listed higher on the results page for Google, Yahoo, Bing, or other search engines. The goal of a search engine is to find the very best content and serve it to the searcher, and the more the search engine feels it can help solve the searcher's problem, the higher your web page will be listed on the page... and the higher it's listed on the page, the greater chance of it being clicked on.

SEO means doing everything you can to let Google know that your page has the answers to the person's problems. Although I could spend another 10,000 words on the best practices for SEO, I won't bore you with the details, but will give you a real high-level overview. Although the search algorithms that define what gets to the top of the page are constantly changing, there are some tried and true methods to help your page stand out that you can begin implementing today. The following are 10 tips for ensuring your site is Search Engine Optimized.

10 SEO Tips for Beginners:

1. Have a clean, modern, helpful website. Without a website, none of this matters.

2. Provide a lot of good written content. As smart as the search engines may be, they still can generally only use the text on the page to decide what the page is about.

3. Write with specific keywords in mind. Use words that people would search for, like "How to sell my house fast" or "sell my house fast Denver," several times throughout your content, and consider making entire pages of content focused around those keywords. The header at the top of your page is perhaps the largest indicator to the search engines what the page is about, so if you want to rank well for the words "How to sell my house fast in Denver," you should probably make the title of an individual page on your website "How to Sell My House Fast in Denver," and use that phrase a few times on the page, as well as

other similar variations of the term, but don't overdo it.

4. Write for a Child. Would a child be able to read your article and understand the major theme? If not, a search engine probably won't either. Consider most young children's books you have read: the key to comprehension is repetition and simplicity.

5. Write amazing, epic content. Although it's not a perfect correlation, articles with more depth and longer length tend to get picked up more often by the search engines. Seek to become the number-one best content available for the topic you are writing about.

6. Get social media links to your articles. Even if it's just you sharing your content on Facebook and Twitter... do it!

7. Read SEO blogs for advice. Sites like Moz.com or Backlinko.com are great for learning new tips and tricks about SEO.

8. Interlink your pages. In other words, on each page of your website, link to other pages on your website. Every page should have several links to get to that page.

9. Get other websites to link to you. The more links you get from legitimate sources, the more authority the search engines will see that your page has. You can get links in a variety of ways, but the best way is to write great content and let people know.

10. Consider hiring an SEO expert. SEO is a constantly changing field and trying to stay up-to-date with the current best practices can be difficult. You might be surprised at how inexpensive a good SEO expert can be in helping your site reach the top, as minor tweaks that take only a few hours can cause dramatic changes to your rankings. To find a good SEO expert, ask for referrals from other website owners, or look for a freelance SEO expert on a site like eLance.com or oDesk.com.

By adhering to the ten tips outlined above and changing your strategy as the whims of the search engines change, you can dramatically improve how the search engines view your website, helping to drive more traffic (and more leads) to your website.

The more leads you get, the more deals you can close, the more people you can help, and the more money you can make.

PAID ONLINE MARKETING

In the previous section, we talked about using SEO techniques to get to the top of the search engine page. However... what if you wanted to show up there without doing all the SEO work? What if I told you there is a way to get to #1 on the top of the page just by paying a small fee?

With the emergence of the internet over the past several decades came the unique marketing strategy known as "pay per click" ads, or PPC. Unlike traditional mail, which you pay to print and mail no matter who reads it, PPC marketing is especially effective because the marketer only pays when someone clicks on the ad (hence the name "pay per click"). Try asking the post office if you can only pay when the recipient actually opens the letter... and you'll be laughed out of the building. However, this is exactly what PPC marketing does.

The two largest providers of PPC ads are Google and Facebook. Yes, all those ads on the right side of your search results on Google are likely PPC. The ads on the right side of your Facebook wall... PPC. Even the sponsored posts within your Facebook newsfeed... yep, probably PPC (there is also CPM, which is a price an advertiser pays per thousand ads that are shown, but we won't get into that).

PPC ads can be incredibly powerful because of the extreme targeting a marketer is allowed. For example - do you want the ad to only show to people between the ages of 30-60 in Detroit? You can do that with Facebook ads. Do you want to target people searching the web for "how to sell my house" who live in Denver? You can target those people with Google ads.

How Much Does PPC Marketing Cost?

Because you are paying "per click," you only pay when someone actually clicks to go to your website, which you'll obviously need to have built. As for the cost per click, the ad prices are determined in a behind-the-scenes "auction" style, so you are able to tell the advertiser how much you want to spend, and they'll deliver a certain number of ads based on the competition.

So if there are a lot of people in your area using PPC marketing to reach motivated sellers, you may pay a lot more than someone who has little competition. Typically, Facebook ads cost between $.50 and $1.00, and Google ads between $1 and $10, depending on the area.

10 Tips for PPC Advertising Beginners:

1. Research the best way to run your campaign. PPC marketing can get very expensive, very fast if you don't know what you are doing. Take time to learn or hire someone who will.
2. Target your audience specifically. It probably makes no sense to advertise, for example, on Facebook to people under the age of 25 because they are not going to be having house problems (because they probably don't have a house!) It also doesn't make sense to advertise to people on Google who are searching for "How to buy a kitten in Denver" if you are trying to find motivated sellers of distressed property. With both these advertisers, you can set strict parameters for whom your ads are shown to. Use it.
3. Make your ads stand out. Your ads should look professional, but eye catching.
4. Write compelling copy. Your ad copy (the words you use to convince someone to click) should be carefully chosen. You don't want every curious looky-loo clicking the ad, costing you money, so be specific but also compelling enough that someone who clicks knows that there will be a solution by doing so. Also, consider using a call to action phrase, like "Click here to find out more" within your ad.
5. Continually test. You don't know what ad is going to work the best, so test a lot of ads and see what gets the most qualified leads.
6. Set a budget. Set a daily limit on how much you are spending so you don't spend too much cash right away.
7. Start small to figure out what works. Once you "crack the code" and find an ad that works really well, ramp up your budget.
8. Test out different ad platforms. Facebook, Google, Bing, and other advertising companies all serve ads, so test and see what is working the best for you and your audience.
9. Consider retargeting. Retargeting is the process of showing ads only to people who have visited your website. There are several companies online who can help you with this including Retargeter.com and Adroll.com. This can be exceptionally powerful.
10. Consider hiring an expert to run your campaigns. Just as I mentioned in the ten tips for

SEO, an expert to run your campaign can mean the difference between success and failure, so don't be shy about hiring one.

Pay per click advertising can do incredible things for your business if properly set up, monitored, and executed. You may end up spending $500 on advertising, sending 500 people to your website, getting 5 to call you, and closing one of the deals. Or you might do better. Or you might do worse. There is no way of knowing until you get out there and start building your PPC campaign today.

USING CRAIGSLIST TO DRIVE LEADS

Craigslist has truly taken the world by storm. This website, which unashamedly looks like the internet circa 1995, is currently the 10th biggest website in the United States, with more than 60 million people using the site in the US alone each month. Craigslist is essentially the world's largest classified website, where people of all walks of life post their needs or their wants. You can buy, sell, trade, or rent anything from cars, spouses, chainsaws, and houses. The best part is: Craigslist is totally free (unless you are posting a job opening or rental in certain cities, which is where Craigslist makes their money).

Every real estate investor should be using Craigslist on a daily basis. Because of the popularity of the site, posting "I buy houses" ads is a no-brainer. Additionally, looking daily for owners listing their homes FSBO is also a no-brainer - and you can do it automatically.

Another great idea: contact the “non professional” landlords who post their “for rent” ads on craigslist. You never know- those landlords might just be ready to hang up the towel and get out of the business and may offer you a great deal to take their headache.

One great trick to help automate your Craigslist postings was taught to me by Jaren Barnes. It involves the use of a free online service known as “If This Then That” (Ifttt.com) to send leads instantly to your inbox that match certain keywords on Craigslist. To learn more about that strategy, visit 5 Simple Strategies For Real Estate Acquisition Domination!

In addition to Craigslist (which is the largest), there are other similar sites, such as eBayClassifieds or Backpage, so be sure to search those sites as well for potential deals.

WRAPPING IT UP: DRIVING LEADS THROUGH THE INTERNET

As the world continues to turn more and more digital, a website is going to become more and more important for you to use your website to drive deals. As I've mentioned numerous times already: the real estate market is highly competitive today, and the best way to outsmart your competition is by going where they don't go. Today, the internet is one of the best ways to do that.

ADDITIONAL GREAT READS

- How to Create an Awesome Lead Generating Website in Under an Hour with No Technical Abilities
- 14 Effective Pages for a Fully Optimized, Lead Generating Website
- The Simple Website Fix That'll Transform Your Real Estate Business
- The 16 Elements of a Highly Effective Real Estate Website
- How To Attract 10,000 Visitors A Month To Your Real Estate Website
- How to Use a Home Buying Site to Boost Your Conversions & Credibility

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ADDITIONAL STRATEGIES FOR FINDING DEALS

There are dozens and dozens (maybe hundreds) of unique, clever ways to find good real estate deals, and one of the fun parts of being a real estate investor is coming up with new strategies. However, in this book I don't have the time nor the knowledge to cover every single one. There are simply too many!

However, I've decided to list a variety of different strategies that investors are using in hopes that I can spur creativity on your part to get out there and find more deals. Let's do it!

FSBO

Many homeowners decide to sell their properties without listing on the MLS and simply stick a sign in the yard or throw an ad up in the newspaper. These properties are known as FSBOs, or "For Sale By Owner."

There are many reasons a seller may choose to sell their home by themselves, including:

- They think they can save money and sell it without help
- They distrust real estate agents
- They don't have enough equity to pay an agent
- They may not be fully committed to selling, just "testing the waters"
- They tried selling with an agent, but couldn't
- Or many other reasons.

FSBOs can be a good opportunity to get real estate under contract from motivated sellers, but finding great deals can also be difficult because there is no central location for FSBOs to be listed.

To find FSBOs, ask yourself, "How would a motivated seller try to advertise their home?" A few thoughts come to mind, including:

- Sign in the yard (probably the #1 indicator)
- Craigslist
- Grocery Store bulletin boards
- FSBO.com
- Newspaper Ads

You can also get creative in seeking out FSBOs, like chatting with your local mail carriers and asking them if they know any homes with hand written for sale signs in the yard.

Most FSBO homes are listed too high or have no equity, but finding incredible deals is a number's game… so the more you look at, the greater chance you have of finding a great deal.

SIGNS

Let’s talk about signage.

Signs are perhaps the most popular form of advertising on Planet Earth. You can’t walk two feet in public without seeing a dozen signs advertising a dozen different products or services. Clearly: signs work. But should you use signs in your business? Maybe. There are a few different kinds I would like to talk about, so let’s get to them.

Bandit Signs

Bandit signs are the ugly (usually white or yellow) signs you probably see on the side of the road, on telephone polls, or lying in a ditch. They may be hand written or printed, but the message is usually the same: I buy houses for cash.

Similar to a direct mail letter, this simple sign will be ignored (or hated) by most people, but those who are motivated to sell quickly may call the phone number on the sign and sell you their home.

Let's briefly talk about the pros and cons of bandit signs, so you can get an idea where I stand on them.

Pros

- They work. People do call
- They are relatively cheap to buy

Cons

- They are often illegal or against local government codes
- They litter the street with garbage
- It takes a lot of time to put up/take down
- They make neighborhoods look worse

As real estate investor Marty Boardman stated in his article ***Bandit Signs: The Ugly Way to Advertise Your Real Estate Business*** (A MUST READ article for anyone interested in using bandit signs), "*As responsible real estate investors we should be cleaning up our neighborhoods, not littering them with illegal signage*." I couldn't have said it better myself.

At BiggerPockets, we take a stand against most bandit signs, and I personally don't advocate that people use them. However, if you do use them, be classy about it, work within the bounds of the law, and don't leave them out indefinitely. Be smart.

Banners and Other Signage

Bandit signs are not the only kind of signs you can place. It would be impossible to come up with a list of every situation where a sign would be possible, but this might give you some ideas:

- Rent space on a park bench
- Sponsor a golf hole at your local golf course
- Rent a full sized highway billboard in your town
- Get vinyl or magnetic signs and stickers for your vehicles
- Sponsor a local youth sports team and put your name on their t-shirts
- Place ads in local free "penny saver" newspapers
- Place an ad in a local restaurant's menu
- Put up a banner on your real estate business's office

Hopefully this list gives you some good suggestions, and I encourage you to add to the list as ideas come to you!

WORKING WITH WHOLESALERS

So far, we've talked about a lot of strategies you can use to "hustle" your way to a deal. However, there is one strategy that you can use to let others do the hustle work for you: working with wholesalers.

A wholesaler is an entrepreneur who goes out and does all the strategies we've talked about so far, signs a legal contract between himself/herself and the property owner, and then before closing the deal sells the contract to an investor to actually close on the purchase. The wholesaler, therefore, typically never even owns the property, just a contract. For their efforts, a wholesaler will charge a premium on the price they got the property under contract for, collecting the difference as their fee.

For example, let's say I was a wholesaler and I did some hustling to get a great deal under contract for $125,000. I then go to you and offer the deal to you for, let's say, $135,000. If $135,000 makes sense to you and is still a great deal for you, we will let the title company take care of the paperwork, and I'll make $10,000 for my wholesaling efforts. You will buy the property, the original seller will get their $125,000 they agreed to, and I will collect the $10,000 difference.

While theoretically that sounds really great, in practice there can be some difficulties working with wholesalers. The biggest problem is simple: good wholesalers are incredibly hard to find.

Far too many wholesalers don't understand the process, don't understand how to estimate rehab costs, try to take too large of a fee, or simply present deals that are... well... not deals. Some wholesalers simply take publicly available properties from the MLS, tack on a hefty wholesale fee, and then try to pass the deal on to you as if it was some killer good deal. Watch out for these types.

The following are some "best practices" to understand when working with wholesalers:

- **Cash Buyer?** - Most wholesalers need to, or prefer to, work with cash buyers. In other words, if you don't have the cash (or don't have access to the cash) to be able to close quickly, finding a wholesaler to work with you can be tough.
- **Look for Those Who Know The Lingo** - There are a LOT of wannabe wholesalers out there, fresh out of a guru bootcamp where they were given only a small bit of information and a lot of hype. Rather than get excited over the first wholesaler you find, see if they know what they are talking about. Find out how they attract deals. See how their communications skills are. These are important things to know if you'll be working closely with a wholesaler.
- **The Best Wholesalers** - As the previous tip mentioned, most wholesalers are brand new to the game of real estate. However, the best wholesalers typically have experience in other types of real estate investing or have been involved with wholesaling for quite some time and fully understand the process. That said: a new wholesaler is fully capable of finding deals, so don't rule out a newbie.
- **Are They Consistent?** - Look for wholesalers who are in it for the long haul - in other words "consistency." Anyone can find one good deal every now and then, but it takes someone with consistency in their marketing to bring you consistent deals.
- **Finding Wholesalers -** There are several ways you can find wholesalers to bring you deals. First, be sure to check out the BiggerPockets Forums to see if there is an active wholesaler in your area. The easiest way to do this is by having keyword alerts set up for your local city name, so when someone on the site mentions that city, you'll be notified and can dig in. Outside of

BiggerPockets, follow the marketing trail. In other words: when you see a "I buy houses" sign - give them a call. Chat with them. When you see an ad online - check them out. When you get a direct mail ad, call them! Start building your relationships now with wholesalers you may work with in the future.

- **Be Clear -** When you begin working with a wholesaler, be clear as to what you want and need. Your definition of a good deal and their definition of a good deal may be miles apart.

- **Train Your Own Wholesaler -** If you can't find a good local wholesaler, consider training someone you know to do the task. There are a lot of people looking for extra side work, so give them this book, and work closely with them to help them become a key member of your team. This can truly be a "win-win."

While it can be difficult to find a great wholesaler, I highly recommend you explore this route on your journey to find incredible real estate deals. It can truly be a fantastic win-win partnership, and a great wholesaler can save you time, money, and stress, paying for themselves over and over by growing your business without you needing to lift a finger.

EMPOWERING OTHERS

Finally, the last strategy I wanted to touch on might be the most powerful: leveraging other people's talents, time, and skills to bring deals to you. After all, your circle of influence is relatively small, but the more people you work with, the greater your collective network is and the more potential deals you'll be able to find.

There are a variety of ways you can empower other people to find deals for you. For example,

- Offer a brand new real estate investor a piece of the prize for any leads they bring you (that actually close). This can get a new investor involved and not cost you a penny - unless it works!

- As mentioned earlier, asking your local mail carriers to keep an eye out for potential deals can bring you a never-ending supply of deals.

- Talk to your local newspaper carriers about them keeping an eye out for potential deals. Train them on what to look for and offer them a reward if they bring you a deal that bring you a wholesale fee.

- Carry around business cards that offer a $500 referral for any deal someone brings you. When you are chatting with others about what you do for a living, whether it's in the grocery store, Home Depot, or sitting in the ER (after getting hit by a car while putting out your ugly bandit signs), hand out your card, and let the person know about your reward program.

Getting others to help you find great deals can truly take your business to a whole new level, so don't be afraid to get out there and ask others to help. If you make it worth their time and incentivize correctly, you can build a river of leads that never dries up, without having to do the work yourself!

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WHERE TO GO FROM HERE?

What's holding you back from making incredible strides in your real estate business?

If you are like most people, it's the absence of solid real estate deals in your market. It's the fear of paying too much, wasting your money, losing it all. Fear, as I said in the beginning of this book, is a funny thing. It causes us to make all sorts of bad decisions. It causes us to miss out on some of the most amazing experiences life has in store.

Hopefully this quick book has given you the tools necessary to overcome that fear and go out and get a great deal. After all, a great real estate investment starts with a great deal. By obtaining a solid property up front, you dramatically increase your chance of success and profit.

The deals are out there - they are just a little harder to find. Gone are the days when the deals would simply show up in your email inbox, and no one else would seem to notice them. Today you need to have a strategy, work hard, move fast, and hustle to get the kind of deals that will grow your business to new heights.

However, I want to present a warning:

Be patient.

I know real estate investing is exciting, and you are ready to get your next deal. However, don't let your excitement cloud your judgment and push you into a bad deal. Also, don't let your diligence cause you to get frustrated and quit. The deals will come when they come, and you can only do so much. Accept the fact that this takes time. Be smart; enjoy the ride.

HOW TO LEARN MORE ABOUT THE STRATEGIES DISCUSSED IN THIS BOOK

I want to leave you with one final piece of advice for finding incredible real estate deals: ***Don't do this alone.***

Real estate marketing takes a lot of trial and error, figuring out what works and doesn't work. However, that trial and error doesn't necessarily have to be *yours.* Instead, surround yourself with other real estate investors who are going through the same thing.

If you are interested in joining hundreds of thousands of others on this same journey, I want to invite you to join the world's largest real estate investing community: BiggerPockets. BiggerPockets is a social network, a blog, a forum, a software provider, and so much more all made for (and by) real estate investors.

Most likely you have questions and ideas about the material covered in this book, which is normal. One book could never hold all the information there is about any of these subjects. However, every single topic covered in this book has been discussed, dissected, explored, and critiqued on BiggerPockets over the past ten years. If you have questions - it's there you'll find the answers.

Don't just join BiggerPockets: *get involved*. Ask questions, get answers. Start discussions. Read articles. Write blog posts. Listen to other investors on the BiggerPockets Podcast and learn how they are finding deals. The one trait we've seen over and over on the site is this: those who stay active on BiggerPockets find greater degrees of success. Remember: you are the average of the five people you associate with the most... so make BiggerPockets one (or more) of those five. Don't do this alone.

If you have not yet signed up for BiggerPockets or you simply need to log in to your account, you can do so by visiting BiggerPockets.com.

WRAPPING IT UP

Thank you so much for taking the time to read this book. This book has been a dream of mine to write for many years, and it is an honor that you allowed me to accompany you on your real estate journey. I wish you all the luck and success in the world and look forward to hanging out with you on BiggerPockets.

Now get out there and go get yourself an incredible rental property deal.

Sincerely,

Brandon Turner

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