



# Working with Investors

The good, the bad and the downright ugly

Is working with investors for you? If so the first thing you need to do is learn the lingo. Here's a few terms and definitions that will help you to understand their world:

1. **Distressed Property:** A property where the mortgage is behind, or that back taxes are owed.
2. **Short Sale:** Negotiating with the mortgage holder to purchase a property for less than what is owed to the bank.
3. **Pre-foreclosure:** A home that is in danger of going into foreclosure.
4. **Foreclosure:** a court action initiated by a mortgagee for the purpose of having the court order that the debtor's real estate be sold to pay the mortgage or other lien. Generally a home that goes through the foreclosure process is offered for sale at auction.
5. **REO:** No not the band.. Real Estate Owned. This is a property that has gone through the foreclosure process and was not purchased at the auction.
6. **ReHab** the rehabilitation or restoration of a property to satisfactory condition without drastically changing the plan, form or style of the architecture.
7. **Wholesaling:** The process of flipping a deal to another investor. The investor finds property and negotiates a selling price. Once the property is under contract, the deal can be sold to another investor after adding a "commission" .
8. **Flipping:** buying a property at a discounted market value, and resaling at ARV (Average Retail Value)
9. **Analyzing the deal:** Determining the maximum price that an investor is willing to pay for a property by starting at the ARV, subtracting the holding cost, Rehab costs and selling costs. Usually investors look for properties that can be purchased at ~ 65 Cents on the dollar.
10. **Lease Option:** Lease with the option to buy the home.



**Where do you find these guys anyway?**

**Local Real Estate Investing Association.** To find it go to:

REIA: Real Estate Investing Association: <http://www.nationalreia.com/>

While the mission of local associations is to educate members to become better real estate investors, the national association's vision was something altogether different. From the very beginning, the national group's objective was to teach leaders how to make this educational mission happen.

The National Leadership Conference (NLC) was the first incarnation of National REIA. Its successor organizations, Real Estate Leadership Association of America (RELAA), continued with the annual Orlando winter leadership conference and instituted mid-year regional conferences. These meetings continued to promote friendship, sharing of ideas, and training of leaders.



[www.meetup.com](http://www.meetup.com)

Add Real Estate Investing to your interest, search for Investing meet up groups.

LinkedIn

Look For REALTORS who are  CERTIFIED DISTRESSED PROPERTY EXPERT<sup>®</sup>, Short Sale Specialists

Hang out at Auctions. How do you find them? Search on Foreclosure auctions for your County.



Favorite Color Schemes:

**Walls**

Accessible Beige SW 7036

Ivoire SW 6127

Navaho White SW 6126

Ethereal Mood SW 7639

**Trim**

Any Bright White

**Granite**

Topazino Imperial

Cashmere White

Top Advice?

Be confident. Investors are business people, they understand Return On Investment.

Know your statistics, they understand \$\$ and Cents.

Be flexible and easy to work with. I have gained and kept clients because I don't walk away when the home isn't ready. I do my best to work around MOST but not ALL problems.

Know your value and hold your ground. There will always be someone out there that will undercut you. DON'T work for nothing.