

SECTION I

REAL ESTATE DAY TRADING: A NEW WAY TO MAKE BIG MONEY BUYING AND SELLING HOUSES THE SAME DAY

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CHAPTER 1

CLICK A MOUSE, SELL A HOUSE: REAL ESTATE DAY TRADING IS THE EASIEST AND FASTEST WAY TO MAKE \$90,000 A YEAR (OR MORE) WHILE KEEPING YOUR JOB ... IF YOU WANT TO

Forget all the stories you have heard about real estate being difficult and risky. Technology-based real estate day trading is a whole new way to do real estate, which is only possible because of the Internet, fax, e-mail, cell phones, digital cameras, and other new technologies. I can look online and see dozens of pictures of houses for sale in my nearby city of Charlotte, North Carolina, or all the way up in Medford, Oregon. I've actually day traded houses in more than nine states so far over the Internet without even seeing the house or leaving my office. So far my team has bought and sold houses in North Carolina, South Carolina, Florida, Ohio, Pennsylvania, Illinois, Michigan, Georgia, Texas and Tennessee.

I communicate with buyers and sellers using my web site. They use my web site to get information, apply for funding, and view pictures of my houses. The web site also contains contracts and full instructions so that they can make offers without me being involved. I call the web

site my “Ultimate Internet Marketing Machine.” I’ve set up my web site to send out e-mails from me automatically to keep in touch with my buyers and sellers. I use my web site to interact with attorneys, contractors, appraisers, title companies, and home inspectors in many locations who do my closings for me. You can check out my site at www.InvestorsRehab.com and get on my buyer list or submit a property to me there as well.

I use the Internet and e-mail for social networking with investors, online user groups, and online classifieds. Google and eBay play a pivotal role in my real estate day trading business. The way I do real estate it’s almost like virtual real estate—no more driving from house to house; rehabbing; or dealing with mortgages, taxes, insurance, or tenants. Just a clean buy-sell transaction in one day with a quick \$5,000 or more paycheck. And no bricks-and-mortar encumbrances to deal with afterward. It’s a lot like day trading stocks. You’re in and out by the end of the day. And you are \$5,000 or more richer.

But actually, “I” do none of it. For when I use the word “I,” I mean we; I mean my company and my system. I am *personally* only a very small part of my real estate day trading system. It is actually *my system* that does all these things for me.

REAL ESTATE DAY TRADING MAKES FAILURE A THING OF THE PAST

The biggest reason people fail in real estate is because they are alone. At work there are other people around, and you don’t have to do everything by yourself. But in real estate it’s different.

When people start out in real estate, they have a high level of excitement. They hear stories about the success many people are having in real estate. These stories make it all sound so easy. Uncle Harry comes for Thanksgiving dinner and brags about how much money he’s making in real estate.

With a head full of success stories, neophytes plunge in. But it doesn’t take long before reality sets in. Soon they get hung up on all the boring details and get frustrated by all the mind-boggling unknowns that haunt their every move. Their enthusiasm starts to cool.

Finally it’s too much to bear. Their confidence wanes, and their resolve is broken. They can no longer muster the powerful enthusiasm they need to succeed in this game. They conclude that real estate is just too difficult and risky.

SMALL PROBLEMS APPEAR LARGE THROUGH NOVICE EYES

Actually, it only seems that way because novice real estate investors lack knowledge. Everything looks daunting at first. Problems like making offers, that are nothing to a real estate veteran, seem insurmountable to the novice.

Most novices find it hard to make offers on houses. Their heads are filled with doubts and fears. They wonder if they are making a mistake and offering too much. They're afraid the seller or realtor will see through them or not believe they are for real. They are afraid their offer will be rejected, and they are even more afraid that their offer will be accepted. The biggest fear is getting stuck with a house they paid too much for and/or will never be able to sell.

To the experienced real estate day trader, making offers is just a routine task they do every day. They know exactly what to do, what to say, and how much to offer. It's no big deal. I make 10 or more offers to buy houses every single day. Later in this book, I'll explain how I can do this with complete confidence, safety, and zero risk.

Finding a buyer is another big problem to most novices. They are so afraid nobody will ever buy their house. The truth is the exact opposite. Buyers are desperate to find good houses to invest in. Later, I'll show you how to find the kind of houses that buyers desperately want to buy and how to buy them at steep discounts. Then buyers will line up to buy houses from you.

To me, buyers are never a problem. As you'll see, I have buyers fighting to buy houses from me. They even send me deposit checks in advance for houses I haven't even bought yet. That's how motivated my buyers are.

Closings are also a big bugaboo for most beginners. It seems so intimidating to close a real estate deal. With all the formidable paperwork and formalities it does seem daunting. But it's really not.

Once you've been through it a few times, it's a piece of cake. More important, once you have a few competent professionals on your team, an attorney or title company, you don't need to be involved in closings. Let your professionals handle all the details. That's their job, and they're much better at it than you or me, anyway.

Funding is also a big problem in most peoples' minds. But when you're day trading, you don't really have to know about mortgages, bankers, brokers, or underwriters. You don't need long-term debt because you're not investing in the house long term. I close many of my deals

without any money at all out of my pocket, except for a small deposit or option fee.

If you need some funds to close, as I'll explain, it's easy to use your own lines of credit or find private day funders to let you use some of their money to close a deal. They give you the money in the morning, and they get it back in the evening, with a fee. It's a no-brainer. I do it all the time. Later, I'll show you how.

Another big mistake that beginners make is getting involved in complicated forms of real estate investing. They have heard about somebody making big money in luxury houses. So they start chasing luxury houses. They soon discover how treacherous it is and find themselves in way over their heads. The luxury house market is tricky and best left to experienced investors. It's not a good place for beginners to start.

Some people get enamored with multifamily houses, apartments, or commercial real estate. Sure, many real estate moguls have built fortunes in these markets. But it's much too complex for someone who's just starting out part time.

Another problem is delayed gratification. It took Donald Trump about three years to complete his first commercial deal buying a huge property on New York's west side from the bankrupt Penn Central Railroad. Donald Trump had the guts and years of previous experience to see him through. But most of us are not Donald Trump. Especially in the beginning, we need to see some tangible results a lot faster than that.

Even investing in fixer-uppers to rehab and rent is a long complicated process fraught with dangers that can take up to a year or more to complete and sell. There's a lot to know, a lot to understand, and a lot of pitfalls and surprises that could haunt you along the way. Real estate day trading is nothing like this. It's fast, there's no financial risk, and it's simple and uncomplicated. It's find it, flip it, and forget it.

REAL ESTATE DAY TRADING IS A CONFIDENCE BUILDER

With real estate day trading, you're in and out in one day, with no risk and no unpleasant surprises. You don't need to know as much. It's also less time-consuming to do. You can do it all using the Internet, e-mail, phone, and fax. You don't have to look at properties because it's all done by the numbers.

You have no tenants, mortgages, maintenance, taxes, or insurance. You don't have to worry about tenants not paying, destroying your property, or frantic phone calls in the middle of the night.

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As I'll show you, real estate day trading is the simplest and least complicated form of real estate there is. It's the kind of real estate business that you can systematize and bring in others to run for you. That's exactly what I have done. I'll show you how to do this, too.

It's a perfect business for beginners who just want to do real estate part time while they keep their jobs. You can use this system for part-time income, as a business to build your wealth, or just to buy a house to live in at below market prices.

Real estate day trading is a real confidence builder because you get small victories fast. After you read this book, you'll be able to do your first deal in 90 days or less. I've hired people with no experience and trained them to day trade houses for my company. Using my system, some were able to close their first deal in as soon as five weeks. Follow the directions in this book, and you'll be able to do the same thing.

MAKE \$90,000 A YEAR (OR MORE) WHILE KEEPING YOUR PRESENT JOB

I'll show you how to find houses that you can make money on and explain how to make offers on them. I'll show you how to find lots of motivated buyers who will immediately buy houses from you. I'll teach you how to make \$5,000 or more on each deal. I'll show you how to turn this whole process into something that you can systematize and automate. After that, it's just a numbers game. The more offers you make, the more money you'll make. It's that simple.

Let's look at the numbers. If you make 10 offers a week every single week, you'll be making 40 offers a month. Of the 40 offers you make, you should be able to sign about six contracts every month. Some months it will be more, some months it will be less. But six contracts is a reliable estimate, if you make 40 offers. That's six potential deals and six potential \$5,000 paydays.

But not all of these deals will close. Don't worry too much about any one deal. Remember, it's just a numbers game. If you get six deals a month, you'll probably close one to two deals a month, maybe more.

These numbers are based on the actual results we get in our office. My people are making 5 to 10 offers a day every day and closing 10 to 15 deals every month. This is what it takes. If you make 40 offers a month, you'll close one to two deals.

That averages out to roughly one and a half deals per month. If you close one and a half deals a month, you'll make \$90,000 a year. And that is

assuming you only make the minimum of \$5,000 on each deal, so it could be a lot more.

It's not hard to make 10 offers a week. You can make one offer a night and five on Saturday. How much time do you think that would take? Not very much, especially if you use my streamlined system to enable you to work smarter rather than harder.

The key, as I mentioned before, is to do the most productive work in the shortest amount of time. In the following chapters, I'll teach you how to get part-time helpers, answering services, call capture services, autoresponders, and many other time savers to reduce the amount of time you have to spend on nonessential tasks. This will free you to concentrate your time on doing the one job that is most important: making offers.

Now that you know what to do, set your goals, and don't let anyone or anything stop you. As Donald Trump says, "Never, ever give up!" Just commit to making 10 offers a week, and you'll make at least \$7,500 a month. That's a nice part-time income. At the end of one year, you'll be \$90,000 (or more) richer. Let's go for it!