VIRTUAL WHOLESALING 3.0

All-New Secrets to Picking a Market, Picking a House, and Pocketing Big Profits ... All From Your Cell Phone!
This is NOT a free e-book!

The list price of this report is $49. You have been given one copy to keep on your computer or tablet. You may print out one copy as a bonus upon claiming your free membership at RealEstateMogul.com

Printing out more than one copy – or distributing it electronically – is prohibited by international and U.S.A. copyright laws and treaties, and would subject the purchaser to penalties of up to $100,000 PER COPY distributed.

Copyright © RealEstateMogul.com

Published by:

RealEstateMogul.com
2637 E Atlantic Boulevard
Pompano Beach, FL 33062
Website: http://www.RealEstateMogul.com
Email: support@realestatemogul.com
“Virtual Wholesaling 3.0”

*All-New Secrets to Picking a Market, Picking a House, and Pocketing Big Profits ... All From Your Mobile Phone*

Want to pop a chunk of change into your pocket without ever leaving the house?

How about popping a series of paydays by creating systems that bring the cash buyers and the deals directly to you, with the least amount of your personal effort or involvement possible?

In real estate investing circles, it’s no secret that wholesaling properties is one of the fastest ways to jumpstart your real estate engine. But most investors only ever limit themselves to their local market.

The fact of the matter is, while it’s great to start locally, it’s also entirely possible to make a very good income – or even run your entire business – locating discount properties in other markets and selling them for a hefty profit with minimal risk.

Yes, this is an approach to quick-turn real estate you’ve likely already heard referenced as *virtual wholesaling* at some point. But thanks to the trial-and-error experiences of a few early adopters, coupled with unprecedented data availability and access to a really fantastic array of virtual resources today, the success stories of a “new breed” of virtual investors are starting to emerge. More and more investors are catching wind of how remarkably feasible and profitable this particular approach can be in today’s marketplace.

What’s more, these “virtual” deals used to require at least a laptop. Nowadays you can – no joke – *manage the whole darn thing from your smart phone*. You heard me – you can literally take an entire deal from cradle to closing, from anywhere in the world, using only your smart phone.
In this report we’re going to open your eyes to how you can leverage virtual wholesaling in your own real estate endeavors, to exponentially expand your market and your income. We’ll do this by pulling the curtain back on the effective and lucrative business of one of the most successful virtual wholesalers around right now. You’re about to walk step-by-step through the best practices he uses in his day-to-day business.

Meet ‘Virtual Wholesaler’ Alex Joungblood

Many know Alex as the guy who runs the best darn networking group for wholesalers on Facebook, called "Wholesaling Houses Full Time". Others know him as the co-host of the "Real Estate Investing Mastery" podcast on iTunes. Still others simply know him as one of the best darn "virtual wholesalers" around.

Alex is a full time real estate investor, entrepreneur, coach and internet marketer, and lives in Virginia with his wife and 2 kids. He flips between 3-5 wholesale deals a month in three different markets across the US, and runs his whole operation right from home. Using an exceptional mix of technology, virtual assistants and "systems thinking", he's crafted a very practical, manageable, systematized and highly profitable real estate wholesaling business.

Alex also happens to be one of our close friends and respected advisors at RealEstateMogul.com, and the salient advice he offers our little community within the inner sanctum is as practical and real as it gets.

Recently we asked Alex for a good, long “peek behind the kimono” – a candid, unscripted conversation in which we took an in-depth look under the hood of his very successful "virtual wholesaling" operation.

We’ve taken the key components of that conversation and summarily laid it out for you here in this report. In this “best practices” executive summary, you’ll peel the layers back with us one at a time, and see exactly how it’s possible to make a very good
income locating discount properties remotely, and systematically selling them for a nice profit, with extremely minimal risk.

The idea here is to give you a quickly digestible version of Alex’s approach, so you can start implementing it yourself very quickly. No fluff, no filler – just the brass tacks.

Before we jump into the Alex’s business, a couple of bases we should quickly cover...

**What is Virtual Wholesaling?**

Let’s first make sure we’re starting on the same page here.

A lot of people think being a virtual wholesaler means you have to live in Connecticut and flip deals in California. And actually that’s close, but no cigar.

Yes – it’s true that a virtual wholesaler can be defined as someone who quick-flips properties in a market entirely different than the one he/she lives in. But that’s only *one* way to look at it.

Truth be told, you can flip “virtually” in your own local market too.

Think about it – when you learn the principals and put the systems in place that let you run a thriving, profitable wholesaling operation in an entirely different market, couldn’t you just as easily apply those same “virtual” principles and systems in your own market, and run your local business the same way?

*And why the heck not?!*

In fact, you could make the argument that it’s *better* to start in your local market, if your local marketplace has viable deals to offer you. The grass always seems greener on the other side, right? But a number of those who teach and practice virtual wholesaling recommend applying the principals in your local arena first if you can.

With this in mind, it might actually be more accurate to call it “remote control” wholesaling – as in, wholesaling properties in *any* market you choose, from wherever you happen to be at the time – whether you’re in the same city, a different city, or a whole different country for that matter. Either way, it all happens from your laptop or even just your tablet or smart phone.
Why This Matters

For starters, the ability to wholesale virtually exponentially amplifies your earning potential. What you can create, systematize and remotely manage in one market, you can rinse and repeat in other markets, right?

Whether you’re not finding enough deals locally, or you have a huge, firmly entrenched competitor that you’re chipping away at slowly but surely, going virtual lets you cast a wider net to bring in more deals.

Said another way, you play the wholesaling game hard and well, regardless of your own local market conditions.

Face it, real estate can be an up and down sport. Your local arena may not be large enough to support your dreams and goals. Sometimes your local market is down-right slow. There’s no need to be stuck standing on the sidelines, twiddling your thumbs just because you don’t live smack dab in the middle of a hot real estate area. Virtual wholesaling makes sure you’re not dead in the water if deals dry up in your area.

E-Myth for Real Estate Investors

As we’ve duly noted, virtual wholesaling helps you create the systems you need to duplicate your local market success in multiple markets. And that means more dollars in your pocket.

But ultimately it’s all about efficiencies, systems-thinking, outsourcing, and removing yourself from as many points of contact as possible.

Said another way, it’s crafting an actual, legit real estate business, and not just a real estate profit-hobby.

It’s the E-Myth for real estate investors – you’ve read it, right?

The E-myth in a nutshell:

- Most people who start businesses aren’t businesspeople, they’re “technicians” (i.e. people with a skill)
• As a result, they go through rather predictable problems that severely limit growth, and end up feeling very frustrated and confused.
• Solution: as a business owner, your job is to **build and run the business**, which is **not** the same thing as doing the work of the business. It's more design, less implementation.

In many ways, going “virtual” forces you to build and run your business from the perspective of a CEO rather than a technician. Do this well, and you can enjoy running your business like a true business owner, from about anywhere on the planet.

Face it, even if we love what we do, we still like to do other things like hit the gym, spend more time with our family, travel and sometimes just take time to relax and do nothing. We’re wired up to think we should be working 24/7, getting ahead of the competition and dominating our market. But the truth is, you don’t have to run yourself ragged to get ahead.

Virtual wholesaling is all about – yep, you know it’s coming – **working smarter, not harder**. We work to get money to do the things we like to do and too often we are so busy making money that we don’t have time to do the fun stuff. Virtual wholesaling, done well, gives you the freedom to not only expand your business and make more money, but to actually have more fun and enjoy more of life along the way.

*So who’s in?*

**Best Practices: Virtual Wholesaling, Step by Step**

So let’s get down to the nitty-gritty, shall we?

The 30,000 foot view of Alex’s virtual wholesaling approach looks like this:

1) Peg Your Opportunity Market and Gather Market/Buyer Intelligence  
2) Analyze the “Clues”, Find the Action  
3) Set Up and Deploy Your Marketing  
4) Sift and Call Back Your Leads  
5) Comps, Profile and “SWAG” Repairs  
6) Make Your Initial Offer  
7) Firm Things Up  
8) Send a Contract  
9) Contact your Buyers  
10) Seal the Deal

Let’s break it down, and crack open each piece together…
Step 1: Peg Your Opportunity Market and Gather Intel

The first step is to identify your target market, and as we’ve already suggested, it’s often wisest to start with your own local market first.

At this point, you are identifying a broad area – a county or a town. You’ll narrow down your market once you’ve done some research.

Gather Market Data to Find Your Cash Buyers

Cash buyers are pure gold in this market. You need to know who they are and where they like to buy.

There are a couple of ways to accomplish this step:

1. One way is to use the MLS.
2. If you’re not able to get access to the Multiple Listing Service, you can get a cash buyers list from RealQuest or ListSource.

If you have access to the MLS, pull a list of all sales in the past three months to a year. Depending on the MLS system, you might do this by pulling sales that had the words “All Cash” or “Cash Only” in their descriptions. Or you could just pull it up with “Cash Sale” as one of the available MLS search criteria. That’s actually one of the notable benefits of using the MLS – you can sort for cash transactions relatively easily in most cases. Whereas RealQuest or ListSource cannot tell you specifically if it was a cash transaction.

But if you don’t have access to the MLS, then you’ll turn to RealQuest or ListSource, and create a list of all the absentee sales that occurred in your target area over the last three months to a year. This list of absentee sales is a direct line to your cash investor/buyers.

Side Note: “Absentee sales” are transactions in which the buyer has a tax bill mailing address that’s distinctly different from the property address. Why absentee owners? Because in most cases they will be investors, and in today’s reality, chances are high an investor is buying with a source of cash, hard money or private money, rather than investor financing. These are the guys you’re mining for.
Also bear in mind that the fresher your results, the better. Markets can shift quickly sometimes in today’s environment. So when we suggest going back three months to a year, remember that three month old data trumps year old data every time.

**TIP: Need MLS Access?**

Nearly every MLS allows agents to setup a login for their unlicensed assistants. So why not set yourself up with a Realtor as their “Assistant”?

Find a hungry agent and say, “Hey, I’ve got all these leads coming in and I can’t work with a lot of them. I could definitely recommend them as a potential listing for you. All I ask in return is you make me your “assistant” so I can have access to the MLS.”

You could also offer to pay some (or all) of their MLS dues for them. It’s kind of a win/win “You scratch my back, I’ll scratch yours” type of thing.

**Trimming Things Down**

Chances are the first list of possible investor-buyers you pull could be very large – too large in fact. The MLS cash transactions lists can be truly huge sometimes, and near impossible to actually mine through – there’s often just too many of them. And that 3-12 month list of absentee sales from Realquest/Listsouce could be anywhere from 200 to 400, or even up to a thousand names from absentee owner transactions that occurred over that period.

So your next step will be to hone the number of leads you’re working with down to a more reasonable number to begin mining through.

Depending on the number of cash sales/absentee transactions you get back and how many you think you can reasonably cull through, you may want to pare it down to a specific county, or even certain subdivisions or zip codes.

This is actually where ListSource and RealQuest can really shine in giving you a nice, easy place boil it all down and pull exactly what you need. Their searching and mining capabilities are really exceptional. Whereas MLS systems aren’t known for being the
most user friendly and might require some extra time and effort to finagle around, or even getting some help the first time around from someone else who really knows how to make your local MLS sing.

**Getting all the Geographical Data You Can**

Here’s an important tip for you: When you’re pulling ListSource or RealQuest data, you want to make sure you’re getting as much geographical data about each lead as you possibly can – that is, over and above just the name, city and county of course.

Why? Because sometimes seeing that extra geographical data can give you little clues worth paying attention to – like little profit pockets or hotbeds of activity for example. Maybe you’ll notice a subdivision or two with a concentration of absentee owners or cash transactions. These little clues are invaluable market intel you can use to really focus in and concentrate your marketing on areas that will give you the biggest bang for your buck.

For example, let’s say you notice a couple of subdivisions with an especially high number of absentee owners and/or cash transactions… Why not focus your efforts a little more tightly and hit that one little area from all different angles, as opposed to dropping your whole marketing budget on a huge mailing to an entire county?

**Don’t Eliminate the Duplicates!**

One huge mistake it’s easy to make is automatically removing all the duplicate names from your list to consolidate and pare things down a bit.

But think about what those duplicate names probably mean… these are people who are clearly very active and buying multiple properties in a relatively short time frame. Which probably means they’re not only still interested in buying more (from you), but also likely have the available means (i.e. a rich cash source on tap) to do so.
Simply sort your list by owner name, you'll quickly notice, “Wow, this guy’s bought five properties recently... This person’s bought six... This one’s purchased a couple...”

So rather than removing the duplicates highlight them and put them right at the top of your list to contact!

**Notice What People Want**

Another great reason to get as much data as you can about each lead is you can often use this data to reverse engineer the types of properties they want.

When you pull your list, first look it as a whole, and make note of any/all duplicate buyers. Then start drilling down into the individual leads and you'll be able to see exactly what these recently active investor-buyers like to buy, for how much, and in which areas specifically.

*How powerful is that?!*

Now you're not relying on sending out a postcard and hoping somebody's going to call back or visit your website and tell you what they're looking for. You’re getting it straight from the horse's mouth -- from the cash buyers sheet. You can see he buys in this area. He likes this many bedrooms and this many bathrooms and this square footage. And he'll pay this.

ListSource will even give you the square footage price that he's buying at, which can be very, very helpful in discerning how to calculate your offers in a remote market, based on square footage prices of what people are actually paying.

**Let me say that again:** You can use the square footage price data from the investor-buyers you pull from Listsource, to help you figure out how to craft reasonable offers when you’re ready to start putting contracts down on houses. Simply use your cash buyer’s average dollars per square foot as a starting point to springboard from.

*Powerful, I tells ya!*
Step 2: Analyze the “Clues” to See Where the Action Is

These first two steps will be the most robust to cover in this entire report – and for good reason. It’s one of the biggest hinge points in determining the success or failure of a virtual wholesaler’s business. Find the right data, sort and filter it well, and you’ll have all the juicy cash buyers and property leads you need flowing in. Do it wrong, and you’ll waste a ton of money and time and have little-to-nothing to show for it.

Once you’ve looked at your list and identified likely cash buyers who are actively investing, your next step is to drill down as specifically as you can to identify where those investors are buying.

This is where you’re really looking for the hotbeds of cash buyer activity, and also where the extra geographical detail on your list I mentioned earlier can be helpful.

Think of this like looking for the “Blue’s Clues” in your market.

You remember Blue’s Clues, right?

If you’ve had preschoolers in the last 15 years or so, then you know exactly what I’m talking about. That guy Steve (not Joe, nobody liked Joe) was always looking for those funny blue paw prints hiding in plain sight in crazy places all over his cartoon house. And once he found all three of them (and carefully made notes of in his handy, dandy notebook of course) he was then able to assemble them all together to see the bigger picture. Like “Sometimes people feel sad, and that’s OK” or “Brushing your teeth is important!” or some such profound, preschool epiphany.

Where am I going with this? Good question. (I literally just looked up a Blue’s Clues episode on YouTube to remember the name of Steve’s brother nobody really likes…almost got sucked back in.)

Well in this case, those “absentee/cash sales” from the list you pulled? Those are your little blue paw prints. As you comb through the data, any interesting concentrations of those little paw prints you happen to notice are clues to a very profitable bigger picture for you...
Pockets of recent cash buyers = LOW HANGING FRUIT.

**Drilling Down**

Now remember a second ago, when we said you want to drill down as specifically as you can? Well the narrower, the better.

You can of course sort the geographical list data by county or city. Or you can go down to specific zip codes. Or you can even get extremely drilled down all the way to the subdivision level. See a hot pocket within a few blocks? Bingo...You could hit everybody in the subdivision who fits within certain parameters, and know that you have a decent pool of hungry cash buyers already built in.

This is where all this data collecting and analyzing is leading you. Once you have found the high activity areas, you not only know who your buyers are, but you know exactly where you need to be too.

**Step 3: Set Up and Deploy Your Marketing Systems**

Now that you’ve analyzed the clues within the data and zeroed in as narrowly as possible on wherever the cash buyer action seems to be, it’s time to assemble and deploy your marketing campaign for properties to wholesale.

Which means...

**Pull (Another) Absentee Owner List**

No, this is not the exact same absentee owner list you may have previously pulled. This is a fresh list of absentee owners, with broader criteria.

To clarify, earlier I suggested locating possible cash buyers by either:

- (A) ...pulling 3-12 month old cash buyer transactions from the MLS, or
- (B) ...pulling 3-12 month old absentee owners from Realquest/Listsource.

Now that it’s time to start marketing for properties to buy, you’ll again be pulling an absentee owners list from Realquest/Listsource, but this time you’re going after different criteria.
**Seasoned Owners**

For this list, we recommend filtering the last sale date to be *at least 10 years old* (or more) rather than only 3-12 months young.

Why?

Because a time-tested, proven source for motivated sellers is tired, absentee owners, who are often burned out and just want an easy solution to some kind of problem this out-of-sight property has become to them. And experience has taught that most of the time, these tired owners have held onto this thing for at least 10 years before their motivation starts kicking in.

Obviously there will be exceptions to this... but in direct mail, it’s a numbers game. And one way to maximize your marketing budget is to focus in on the 10+ year old absentee owners where you’ll likely get the best bang for your buck.

Who knows, maybe the owner is in the process of evicting a tenant and finally ready to throw in the towel on being a landlord altogether. Or it could be somebody that just recently inherited the property and now the tax records are in their name now and it’s someone from out of state. Whatever the reason, these people just tend to have more motivation.

**Option 2 – Mail All the Things!**

It’s worth saying that this is one way you can do it. Another way is to just blanket a whole subdivision with mail – every single address.

“*Wait, what?!*”

That’s right. Remember when we said before to pay special attention if you happen to notice a particularly high concentration of cash buyers in a tightly focused area, like a zip or subdivision?
Well when you pick up on a hot spot like that, you could just mail out to every single house in the area – which can make sense from a budget standpoint sometimes, because your opportunity market is smaller.

So yes, in selecting your marketing for properties, you could target it by a whole subdivision or you could target it by 10+ year absentee owners. But for simplicity’s sake, we'll focus on targeting absentees. That’s probably the best strategy for you to start with.

**Filtering by Property Age**

Often you’ll end up with thousands upon thousands of leads – even into the ten thousands range. This is just too much to target, so when this happens you can sort it down further by year the properties were built – usually to properties built from 1940 to 1985-ish.

Why this range? Well for starters, it’s more likely that older houses will have some equity to play around with. Also, Alex explains that based on historical data of his deals, he can just see clearly that most of his deals tend to be homes that fit this profile.

- Houses built after 1985 often don’t have enough equity to play around with.
- Houses built before 1940 just tend to have too many issues surrounding them. If you’ve got boots on the ground in the marketplace, then it can be quite different. But from a virtual wholesaling perspective, homes build before 1940 have just been more of a headache than they’re worth from experience.

So with this in mind, you may (optionally) want to consider filtering down similarly by age of the properties in your opportunity market.

**Filtering by Square Feet**

If you still have too many leads and for some reason your budget just isn’t big enough yet to handle a bigger marketing campaign, you could also narrow your list to houses within a certain square footage range.

You could start with targeting everything from 900 to 1,400 square feet, for example. Then when you go back to craft your next month’s marketing campaign, you can easily
pick up where you left off, and market to everything 1,400 to 1,800 square feet in the same area, and so forth.

Just another option for you, and another way Alex explains that he’s targeted and focused his marketing efforts in the past in certain areas.

So in summary, to pull your marketing list to buy properties:

- You’ll go to ListSource or RealQuest and pull up your target city / county / zip / subdivision (however you want to do it).
- And to focus your marketing, you can sort for the absentee homeowners in that area with a last sale date of at least 10 years ago.
- If your list is still too large, you can further filter by targeting an ideal property age and square feet range.

**TIP: Pre-Filter Before You Buy**

> When buying your leads, you can either buy all the data for your chosen opportunity market, and then filter through it once you have it – OR – you can pre-sort it before you buy it. Meaning, you could filter out certain property age or square foot ranges before you actually pay for the leads. And if you have a smaller budget, it's really a good way to go, as it can save you a good bit of money on your data purchase.

**Set Up Your Phone System**

Ready to start your mailing? Whoa hang on there, partner! First you need a solid, systematized way to handle all those leads once they start rolling in, right? This is where you’ll be setting up your voice mail system.

There are a number of different approaches virtual investors take to this, and a plethora of companies you can use.
Historically one of Alex’s favorites has been the AdTrakker service from FreedomVoice.

FreedomVoice.com is a voicemail system (usually an 800 number) for people to call into and listen to a prerecorded message. You can either assign an extension for people to enter, or you can have it go directly to a voicemail.

You can set it up so that different types of leads can go to different extensions and hear different messages, based on the type of marketing they’re responding to. People will listen to your short message, which should set pick up where your letter or postcard left off in setting the stage and prescreening them. Then they can leave a message if they're interested in selling.

A new favorite you may also want to take a look at is CallFire.com, a platform that powers automated text and voice broadcasts. Some of the biggest brands in the world use CallFire, and we’ve been really impressed with them too.

The cool thing about CallFire is that you can rent a number with a local area code for $1 or $2 a month. Then you can send that call anywhere you want – an answering service, live operator or whatever else.

You can also send out voice blast messages with CallFire. For example, you could take everybody who called in from your mailing and blast out a message that says,

“Hi, this is Alex. You called my office the other day. I'm not sure if you and I were able to talk or help you with whatever you needed, but, if you want, call me on this number...”

Then give them a local number instead of the 800 number if they were coming off that.

With CallFire you can easily and inexpensively set up entirely different local numbers for each type of specific marketing piece in any given remote market you’re in.

So if you're marketing to probates in Charleston, then have them call you via a local Charleston number. And if you're marketing to absentees in Charleston, have them call
an entirely different number in Charleston. If you’re marketing to free and clear, they call a third number.

Why do this? Because it gives you 100 percent accurate testing data.

When people call in and get asked, “Hey, how did you hear about us?”, it’s amazing how often they’ll say something like, “Oh, I saw your TV commercial...”

Guess what? You’re not running a TV commercial and the person had no idea how they heard of you. I’m sure they saw someone’s TV commercial, but a lot of good that does you.

Bottom line, having a separate, local number for each campaign automatically tracks your market results, so you know exactly where more or less of your leads are coming from.

Which tells you which marketing is producing the best results for you.

Which tells you where you should be focusing more of your marketing dollars.

**Other Options**

If you want a live, professional receptionist to answer your calls, a good option you can use for this is AnsweringService.com.

When Alex uses them, he’ll have a live operator pick up each call and quickly say, “Hi, do you have a house you’d like to sell?”

Then he/she goes through an entire script with them.
A third option is Google Voice. It’s not as feature rich as other options out there, but on the plus side, it’s free.

You can get a local number (only one per Google account), and you can route that number wherever you want. You can even set it so that during business hours it routes to one phone (say your office phone) and after certain hours it automatically switches and routes to another (for instance, your cell). It can even go directly to a voice mail, and then it sends whatever voice message is left for you directly to your email.

All in all, Google Voice is pretty flexible, particularly for a free option. But when compared, most people prefer the more robust features offered with AdTrakker or CallFire, and find them still very affordable. And yes, all of these options can be easily managed through your laptop or iPhone/Android.

**TIP: Google Voice and Virtual Assistants**

*If you are using a Virtual Assistant based out of the United States (in the Philippines for example) to process and reply to your marketing leads, then Google Voice may not be your best option. For some reason, Google tends to block people overseas from interacting with or using Google Voice. You can get around it by using a proxy, but that’s an entirely different (and very technical) discussion for another time.*

**Alex’s Current Setup**

Just to be clear, here’s how Alex has everything setup right now:

(1) Uses CallFire to have a separate, local number for each lead channel in each market.

(2) Offers callers both a voicemail option and a live receptionist option. (Used to just everyone to a voicemail to leave us a message, but was missing a lot of leads that way. So decided to hit it from both angles.)

(3) Call back all hang-ups (either Virtual Assistant or via CallFire voiceblast)
So now, you’ve got your answering system set up to where you can actually receive these calls wherever you are, whether you’re playing with the kids, out with friends or just about anywhere. The calls can come in and are masterfully handled one way or another, so you don’t have to worry about ever losing a lead.

**Setting Up Your Mailing**

Thus far you have (i) a targeted mailing list and (ii) a solid system for processing calls when the start rolling in, so now it’s time to actually send out your marketing!

Investors across the board have a variety of ways they prefer doing this – some people do it all in-house themselves, others outsource some or all parts of it. Some prefer to have a virtual assistant do all the work, while others use professional marketing companies who specialize in real estate investor marketing.

There’s really no right or wrong answer here – results will inevitably vary from one person to another due to a wide array of variables, from the type of media (postcards, letters, yellow letters, etc.) to the quality of the list, to the actual marketing message on the media.

After testing a variety of different methods, the there’s a lot to be said for keeping things as simple, straightforward and hands off as possible. Feel free to try any of the many fancy marketing tricks you might hear others using out there, but nowadays the “Alex Joungblood” approach is pretty straightforward and works quite well – SEND YELLOW LETTERS and POSTCARDS.

That’s right. And the results have been plenty to keep the deal pipeline full.

**Postcards vs. Yellow Letters**

Yellow letters are very popular among investors nowadays – and for good reason: when tested head to head, they tend to get above-average
results compared to other types of direct mail like postcards.

We’re not in any way opposed to postcards – Alex uses them too. Postcards are a good shotgun approach. They’re fairly cheap, and a viable option for mailing to a large list. They also work nicely for keeping your name in front of people as part of a multi-touch campaign.

The industry average response rates for postcards tends to be usually around 0.5% to 1%, depending on various factors. Which means on a mailing of 1,000 units you can expect around 5-10 phone calls.

If it cost you $500 to send those 1000 postcards out, each phone call you received cost you $50 – $100. And that’s if your response rate is on the high end.

Of course one deal will cover your costs exponentially, so it still makes sense, right?

Compare that to typical yellow letter marketing. On average, response rates seem to be between 5% and 15%, depending on various factors. These letters use a sticky stamp and look hand addressed, so naturally more people pay attention to them vs. postcards or a typed address.

Naturally yellow letters are more expensive than postcards, so the same $500 that would get 1000 postcards may get only 500 yellow letters. But if you got a 10% response rate, that would be 50 phone calls (5-10x more than the postcards). If you spent $500 to generate those calls, that’s a cost of only $10 per phone call.

*Mixing Media*

One solid, proven approach you might want to consider is to always mix up your media. Ideally you’ll be mailing to every list more than just one time anyway (more on that in a second), so to keep things fresh and hit all types of personalities, why not mix up your media? For example:

- First mailing: Send them a yellow letter
- Second: Send them a white postcard
- Third: Send them another letter, in an invitation style envelope
- Fourth: Send them a yellow card
- Fifth: Send them some creative lumpy mail
Catch my drift? Executed well, this approach can really help you capture more leads than merely sending the same marketing type to them over and over again. Why? Because different people tend to respond to different types of media at different times.

**Direct Mail Secret: Keep at It**

People often ask how many times you should mail to the same leads. The answer is, as many times as you can. Some investors say they’ll keep sending mail to the same people forever, until they either die or specifically ask to me removed from the list.

We say, make sure you mail out at least five times if you can. Why? Because in the world of direct mail, it’s a known, time-tested metric that 80% of the people who will end up responding to your direct mail, will respond on or after the 5th piece.

Did you catch that? It may seem hard to believe, but the numbers when tested don’t lie.

In other words, if you’re not mailing to the same people at least 5 times, you’re probably leaving massive money on the table.

So work those lists over and over again.

**Recommended Vendors**

As for who you can use to send out your direct mail, there are a number of options out there, and no one-size-fits-all. But here are some solid recommendations Alex and many others have used with great results, all of which can be easily tapped into and managed on your smartphone while sitting on the beach, sipping umbrella drinks...
Solid Option 1: Click2Mail

Click2Mail is a really phenomenal online service that completely eliminates the need for sorting, labeling, applying postage, and delivery to a post office – and a really exceptional option for postcard mailing. It’s probably one of the most common and widely used resources for investors, virtual or otherwise.

They handle it all for you for just a smidge more than you would normally pay just for the postage alone. You can upload your own postcard or can create one on their website. Then you can schedule the mailing to go out right away or at some point in the future. It’s totally up to you in the way you want to do it.

Bottom line, Click2Mail is truly hard to beat in terms of cost-effectiveness, and you never have to lick a stamp.
Solid Option #2: YellowLetters.com

Michael Quarles' yellow letter service is an excellent option, especially for the not so computer savvy. All you have to do is get a list and send it to him, pay him, and he'll take it from there. He even has proven, pre-designed templates you can plug right into, and it's really not much more expensive than doing it yourself with Click2Mail.

Solid Option #3: Yellow Letters Complete
Another excellent resource for yellow letter marketing, Yellow Letters Complete has an excellent reputation in the REI industry and is widely used by many investors across the board. One great feature is that in addition to having them handle merging, printing, stuffing, stamping and mailing your yellow letter campaigns, you can even purchase quality mailing lists directly from them. Definitely worth a look.

**Solid Option #4: PostcardMania**

A number of investors have reported that PostcardMania provides great service, at reasonable prices and puts out an excellent, high quality product – better quality than the Click2Mail postcards.

If you’re doing postcards and you’re a stickler for the card stock or printing quality, then these guys are definitely worth a look.

The bottom line is this: There are many options available to you for how/who to handle your direct mail marketing. You should plan on a little trial and error before you finally settle on something that you feel suits you best. You can shorten the curve by starting with some of the proven vendors here if you like – or have your 8 and 10 year olds handle the letters for you. But just get it done!

Remember this – an ugly, poorly done marketing piece *that’s been sent* will always outperform the perfect marketing piece that’s still being crafted. So get it out there.
Step 4: Sift and Call Back Your Leads

So you’ve got your marketing deployed – check! Once the calls start rolling in you have to sort through the leads. And here’s where a VA (virtual assistant) comes in very, very handy for a virtual wholesaler.

A well trained VA can sort through all the leads that come in from your marketing channels each day, do the initial filtering and processing for you, and even check sellers’ motivation level before you ever have to even know the lead came in.

For example, Alex has shared that it’s in his best interest to only ever deal with sellers who are truly motivated – they have clearly displayed something that flags them as motivated enough that you might be able to get a viable deal.

- The first step in accomplishing this is to use some good pre-screening language in my marketing pieces.
- Next is by having your virtual assistant go through all the leads first, and start calling them back.

The First Conversation

Yes, Alex’s VA (a $5/hr. Filipino with excellent English) literally listens to all the seller voicemails received, then calls people back and goes through a script with them. It’s basically an intel-gathering conversation which includes a list of carefully crafted questions – some merely informational (like number of bedrooms, square feet) and some specifically to try to determine their level of motivation.

It’s not really rocket science – more like Talking to Motivated Sellers 101. The seller’s not always ready and willing to share every detail about the property with you. But in addition to this, you (or your VA) should aim hard for finding out about their situation. This is often the story behind the story of why they’re selling. And that first call is the ideal time to accomplish this.

So asking good, open-ended questions like, “So why are you looking to sell right now?” and “What will you have to do if you aren’t able to sell it for some reason?” – These are the types of probing questions that, when asked politely but unapologetically, can help uncover for you what’s really going on and what their real motivation level is.
Getting the Seller to Name a Number

Even in this first conversation your VA is having with the seller, you’re already negotiating to an extent, even if subtly.

With this in mind, a solid rule of thumb is to always try to get the other person to name a price first. The old adage is, “He who names the first price, loses.” It’s obviously not always true, but you get the point.

So usually in the very first conversation (the one your VA should be having before the lead is ever passed along to you) you’ll want him to ask the seller what he’s looking to get for the property.

The seller may tell you exactly what he’s hoping to get – great! Or he may say he just want you to make him an offer – possibly a hint at lack of motivation if he pushes back too hard. But it can be politely and easily pressed a little more by your VA if you coach him to reply with something like,

“Oh, well I don’t actually know what Alex is able to pay yet – he’s an investor and so naturally he must buy at a discount, but he’s also always fair. If you can give him a ballpark idea, it would be really helpful as a starting point. Are you looking to just have your mortgage paid off?”

Asking something along the lines of this as a follow-up question, calmly and politely, will almost always lead the seller to giving up some kind of number – which, by the way, they always have bobbing around in their mind, whether they admit it or not.

At the end of the day though, people won’t always let you know what they want for their property. It's just part of the business. When this happens, you've simply got to end up giving them a ballpark figure. There are pros and cons to doing this but it helps to establish the seller’s motivation and whether or not he in touch with reality as far as market pricing goes.
But not in the first conversation. Remember, your VA is all about gathering intel that will help you size things up. Then if the lead smells like a potential deal, you know you’ve got something worth digging into and following up.

**Step 5: Get the Comps, Property Profile and “SWAG” Repairs**

The next step is getting comps for the property. And just for the record, “comps” = comparables *sales*, not comparable active/pending listings. Remember, you can really only rely on *sold* data when you’re trying to guesstimate the value of a property.

There are any number of places you could pull comps. The best are (i) the MLS, (ii) RealQuest, or (iii) FreedomSoft.

**The MLS**

The MLS is definitely one of the best, most reliable and most direct source for comps. If you can get access to the MLS one way or another, you’re golden.

The only downsides really are:

1. You need a license
2. Or you need an agent who’s willing to work a deal with you.

Also most area MLS’s aren’t exactly known for being super user-friendly. So expect a bit of a learning curve at first.

**Freedomsoft**

Team Alex uses Freedomsoft as a dashboard (or hub) for all prospective and active wholesale deals, from cradle to closing. It’s a really excellent resource that, among an entire arsenal of other things, has the ability to pull solid comps built right into it. These guys have worked out a deal to have 900 local MLS feeds are piped directly inside.
Freedomsoft has a monthly subscription attached to it, which can vary depending on the options you choose. But all in all, it’s a really exceptional dashboard and Swiss Army Knife tool in Alex’s business, and it’s really built with the virtual investor in mind with a whole lot more than just comps – like leads, paperless office, direct mail/marketing resources, and even an “offerbot”. Definitely worth a look, and works great from mobile devices, which is where you’ll be running most or all of your business anyway, right?

**RealQuest**

RealQuest (a key lead source from earlier) is also a solid resource for comps. It’s very easy to use, particularly when you are working with a VA and you want to have the VA pull the comps.

You just put in an address and you can immediately get comparables within a half mile to a mile radius of your property. It also gives you a property data report along with the comp report, which is very helpful.

You pay for RealQuest on a per county basis. At the time we’re creating this report, it runs about $99 to $150 a county, and if you start adding more counties, your price goes down.

**Property Profile**

On top of pulling comps, you should also have your VA to assemble a quick profile for you on each property. This is basically just a summary of all the essential info about the property – including things like:

- The seller’s answers to your pre-screening questions,
- A property report from RealQuest,
- A tax assessor’s property report,
- A link to the Google Street View of the subject property,
- Etc...

Basically it’s a 30,000 foot snapshot of the property, and very helpful to have when your virtual assistant hands a lead off to you. It’s something that can be quickly, easily assembled the same way every single time (i.e. systematized).
Ball Parking Repair Estimates

Estimating repairs is always one of the scariest things for people when you first start wholesaling remotely like this.

Some people will tell you to call a local contractor or three, or a local investor who can be your eyes and ears. And sure, there’s a place for that.

But Team Alex takes a different approach – one that freaks a lot of people out when they first hear it, but it works really well for him.

Here’s the deal: Your investors/buyers should and will do their own rehab estimates, and even if you have a licensed contractor come in and give you an actual repair bid, chances are your end-buyer’s repair costs will vary from that by a good margin.

But as a wholesaler, you need at least some kind of reasonable repair estimate to plug into your offer formula. Alex submits that, depending on the area you live in, average repairs on a full-blown rehab will run typically somewhere between $20 - $30 per square foot. So if you figured a 1,000 square foot house will cost about $20,000 to $30,000 to rehab, you’d probably be in the ballpark more often than not. And that just happens to be the exact metric Alex and his VA use when estimating repairs remotely, sight unseen.

Yep, this number is somewhat “Plucked from Air” or “SWAG.” But this is the number Alex uses as his starting point on making their initial offers.

Now of course, “What kind of repairs does this property need in your opinion?” is always among the questions the seller gets asked right from the get-go. And yes, it’ll be factored into the overall repair estimate – but only to a very limited extent.

- For one thing, you can’t always trust sellers to be honest about the repairs needed – sad, but just a fact.
- Secondly, even if they’re being honest with you, you can’t always trust that they’re accurate – After all, they’re not contractors or investors themselves, so their numbers are even more “SWAG” than yours.
- And thirdly, they’re emotionally involved to the hilt in this, and certainly hope to get as much for their house as possible. So their perception is greatly biased by default.
So if the seller assures you the property needs basically nothing and is a gem just as it is, you can probably assume relatively safely that it’s at least not a full-gut rehab job. So you might come off your own $20-$30 per square foot estimate somewhat. But you should definitely assume it needs at least (minimum) $10,000 in work, even if it’s already “flawless” in the seller’s eyes. Enough experience, and you’ll understand why.

In the end, your investor-buyer will of course do his own, more precise estimates, and your contract should be contingent upon inspection by your “funding partner” anyway for a reasonable amount of time. So if you’re operating from a $10,000 SWAG repair estimate, then your buyer comes back and says it’s more like $30,000 – well it’s time to get real and renegotiate with your seller, isn’t it?

So bottom line, when it comes to quickly analyzing the repair costs, as general rule of thumb, Alex’s virtual assistant typically takes the square footage as reported on the property tax assessment and comes up with a pre-calculated repair “guesstimage” based on $20-$30 per square foot.

And while this “SWAG” method may seem unnervingly imprecise to newer investors, this is the number he uses in calculating his initial offer to the seller, and you just can’t deny that it’s worked impressively well for him as a blind starting point.

**Outsourcing Your Lead Flow**

It’s worth clarifying here that, after Alex’s VA has his initial screening conversation with the seller for basic details, motivation and to see if it smells like a deal...

- He (the VA) is the one who pulls comps, full property report, tax assessor profile and “SWAG” repair estimate.
- He (the VA) then creates a new property profile in their Freedomsoft account for the deal, inputs the basic info and attaches all of the above.
- And he (the VA) then he changes the status in the system, which triggers that the baton’s officially handed off to Alex for further review and next steps.
At this point, Alex may elect to call the seller back himself directly – typically if it seems like an especially interesting or juicy deal, he’ll go ahead and take it from there. If it seems marginal or iffy, then he’ll pass back to his VA along with some instructions on how to follow up with the seller on his behalf.

Side Note: Thanks to this system, which runs like a well-oiled machine at this point, this guy’s literally bought and sold many, many deals without ever even speaking personally with the seller or buyer himself even once. This data/lead flow process is designed to keep his hands out of it until he’s really needed.

- There’s no reason you must be the seller’s first point of contact.
- There’s no reason you must be the one pulling comps or assembling a property profile.
- There’s no reason you must be the one setting up the new lead in Freedomsoft (or whatever else you may use).
- Often times, there’s no need for you to even be the one negotiating with the seller.

These are all things you can train someone else to do for you, and that’s exactly what Alex has done. And the result is he gets to focus his time and effort on “highest and best use” type activities, and never becomes the bottleneck – which definitely happens when you try to handle it all yourself.

In many ways, you become more of a manager or advisor role in your business than anything else. And it’s a beautiful thing, let me tell you.

**Step 6: Make Your Initial Offer**

Now back to the step-by-step. Once your VA has completed his initial intel-gathering conversation with the seller, pulled comps and a property profile and assembled them all together into Freedomsoft (or whatever else you may use), next someone needs to call the seller back and actually make him an offer, right?

**The Second Conversation**

As noted, you could do this yourself, or you could train someone on your team to handle it for you. Here’s a little more detail on how Alex handles it:
Even though his VA handles all of the front end at first, he still likes getting pinged with a quick, automatic email when a new lead comes in. As mentioned earlier, he also gets pinged once his VA has assembled the deal analysis docs and changed the property status in Freedomsoft.

So as he’s keeping his eyes on things pretty well from his iPhone, when he notices a lead that seems particularly hot, he’ll jump in and call the seller back himself to make an offer personally.

Other times, he’ll have his VA handle it for him and just give him an idea of what to say. Now I can hear you already...

“Wait...he has his VA actually negotiate deals for him?”

Yes, sometimes he does exactly that.

“Is a VA 100% as good Alex would be?”

Of course not. But he’s trained him, listened to his calls (he records all his calls to sellers) and over time Alex shares candidly that he’s become probably 80% as good as Alex in these conversations at this point.

“Only 80% as good? Doesn’t that mean you’re probably losing deals 20% of the time?”

Maybe. But he still gets plenty of deals and makes great money, even if he misses one here or there. And he’ll assure you, what he gains by having someone else handle the “iffy” leads for him is (i) time, (ii) freedom and (iii) sanity – three things that few other high volume wholesalers can honestly say that they enjoy.

If you still don’t get it, go back and re-read the last few paragraphs a few times. Especially that last one. What he gains by running his business like a CEO is worth more to him than what he might lose by not doing everything himself at 100% quality, and scoring every deal possible.
Again, this goes back to the E-Myth conversation from earlier in this report. If you haven’t actually read the E-Myth Revisited, you should definitely do so. Right away.

**Soft-Pass Offers**

So your VA has handed you a package of intel with all the raw data to review, which includes: the detail sheet that he gathered of intel, comps, a tax assessment sheet, a SWAG repair estimate, price the seller wants (if he got it), and something about the seller’s story and seeming motivation level.

This data package plus whatever you gather from your follow up conversation, is what you’ll use to calculate your initial offer to the seller.

Now on the deals that seem “iffy” or for people who just don’t necessarily seem all that motivated, that’s when you may just want to have your VA respond back with something called a “soft-pass” offer.

For instance, somebody who calls in and says, “Well, I wasn’t even necessarily looking to sell! But if you’re looking to buy, I just want to know how much you’ll pay for my house!” – This person is clearly not super-motivated. Nine times out of ten, there's really no reason for you personally to even get up off your chair for them.

But why not have your VA call these people back and relay soft-pass, ballpark offers? You never know when you’ll get a surprising bite – it actually happens! And if not, then just drop the lead in your tickler file to have your VA follow up on a month or two down the line.

Basically, the soft-pass script is,

“Hi, I'm Mr. Joungblood's assistant. I spoke with you yesterday. Just want to let you know, based on the current sales data and what we can tell from houses that we've bought before in the area, the price we’d be able to pay would likely be in the ballpark of ____________. If this ballpark is acceptable for you, I will set an
appointment for us to explore it further. If it's not, we're definitely open to any counters that you have.”

Then the VA takes it from there, depending on whether or not the seller is drawn to the ballpark number or counters.

Again, the beauty of this is that your VA represents you in making the ballpark offer rather than you doing it yourself. You have basically zero risk or additional time involved. Then the VA comes back to you and says, “Well, here’s what he said…” And you either give him the go-ahead, “All right. Send him a contract…” or not. You might give the VA more information to go back to the seller with. It all depends on the deal, but basically, you negotiate through your VA.

And that’s the art of the soft-pass. Leveraging your assistant’s effort and time to make at least some kind of offer on every lead that comes your way. And if they decline, just have your VA drop it in follow-up to follow up later on. And just keep following up and following up and follow up and follow up until something happens or they tell you to stop.

**TIP: 1 Awesome Tool for Easy Follow-Up Reminders**

Every investor should have a “tickler file” of leads that aren’t ripe yet, but are worth following up on later. But the hard part is remembering to actually follow up. In Real Estate Mogul we recently profiled a sweet online tool that can help. *FollowUpThen.com* is the best personal assistant an investor could ask for, because it schedules email reminders for you – for free! It’s quick and easy: Want to remember to follow up with someone in a month? Just send an email to 1month@followupthen.com. Then one month after sending this email, you’ll get an email reminder from Follow Up Then, along with the original email (for your reference). It’s like a customizable “Snooze” button for anything you want to be reminded of later. Whether it’s three hours or three months later! [Read the full review here...](#)
**Triple Crowns**

Again, based on the package of intel your VA gives you, if you get one that seems particularly juicy or motivated – whether based on the area, price, motivation level, or any other clues you might detect – these are the ones you may want to reserve to handle negotiating personally yourself.

Sometimes you’ll get a “Triple Crown” lead – like maybe you've got a probate situation, that's also an eviction, and also nearing foreclosure. That is a superdy-duperdy motivated lead and it deserves your full attention and personal care.

Ultimately you’ll have to strike your own balance between leveraging your VA to negotiate for you and doing it yourself. But we’ve just given you a compelling and proven model to consider.

**Step 7: Firm Things Up**

At this point you’ve got a motivated seller and something that seems like a probable deal. You (or your VA) have made some kind of ballpark offer verbally, and the seller seems amiable. Smells like a deal’s brewing.

Now if you’re local, this might be the time you’d actually go meet with the seller face to face and let them attach a real person to the voice. People like to feel like they know the person they are doing business with.

If you're 100 percent virtual, then you’ll accomplish this over the phone – and it’s not nearly as hard as you might think it is. Just give the seller a personal call and let them know who you are. Take some time to build rapport.

Up to now they’ve been dealing with “your assistant” because you’re a busy CEO of a successful real estate company. But now is an ideal time to give the seller some personal “face time” (over the phone) to finish negotiating, firm things up and seal the deal.

“You Mean I Have to Talk to the Seller After All?”

Yes, we mentioned earlier that Alex has literally done a pile of virtual deals over the years without ever once talking to the seller personally. But we wouldn’t necessarily suggest starting there.
Hire a quality assistant, take some time to train him well and eventually you’ll get there. But for now, we recommend you pick up the ball at this point and seal things up with the seller. It gives you a chance to make a better connection, reassure him that his problems are solved and make him feel positive about the deal.

**Step 8: Send a Contract**

This one’s pretty straightforward actually – just send the seller a contract that lays out whatever price and terms you’ve agreed to. And a savvy virtual investor understands the value of having a great paperless system in place to handle this for you, rather than the old print-and-fax method.

There’s an ever-widening array of handy, easy to use, and affordable tools available to help you go paperless, like eFax, Dropbox and Google Drive just for starters. Alex uses the REI docs and robust paperless office built into Freedomsoft.

We’ve also covered this topic a good bit in recently at RealEstateMogul.com, including:

- [1 Easy Way to Go Paperless](#)
- [How to Fill & Sign Docs on Your iPhone or iPad](#)
- [How to Read, Edit, Create and Fill PDF Forms Like a Boss](#)
- [5 Ways to Turn Your Phone into a Fax Machine](#)
- [How to Turn Your iPhone Into a Doc Scanner](#)
- [How to Turn Your Android Into a Doc Scanner](#)
- [How to Legally Notarize Docs Online](#)

The topic of setting up and operating a paperless office could take up an entire report all by itself, so we’re not going to delve too deeply into it. Just know that with a little research, even a technophobe can easily setup and operate 100% paperless nowadays. And it’s only getting easier and cheaper to do so.
Contract to Use

Most virtual investors just use a standard contract. There’s no mythical, magical “virtual wholesaling”. We do recommend using a rather generic one rather than a state-specific one, since you’re likely dealing with a property in another market. But besides that, any standard agreement can be customized to contain whatever terms you’ve agreed to. Just make sure you’ve got:

(i) A standard contingency for your “funding partner’s inspection” within a reasonable amount of time – try for 15-30 days if you can get it. (Your funding partner may be a private money source or he could be somebody that you’re flipping the deal to.)

(ii) And a standard contingency for clear title.

There’s no need to stuff your contract full of weasel clauses, which is a dead giveaway that you’re a total novice. The two above should suffice in 99% of all deals.

Getting Property Access

You’ll also want to make sure your contract specifies that you and/or your “partners, agents and inspectors” will have access to the house via a contractor’s lockbox. If you don’t have access to it, then sending your investor/buyers to the property will prove challenging. So ideally the property will be vacant and you’ll simply ask them to put a key in a key box for you or hide it somewhere.

That said, there is no way to always get perfect, unadulterated access to every property you deal with. Sometimes you’ll have the seller or someone else living there and they just won’t feel comfortable with the idea. Sometimes they’ll simply refuse and insist on being the one to open it up for whoever comes to inspect.

Whatever obstacles you face, just do your best to politely convey that your sincere aim is to (i) get all relevant parties that need access to the property it in a timely fashion that’s convenient for everyone, and (ii) save the seller time and hassle in making that happen.
In the end, you’ll need to deal with wherever the seller lands on this – you can’t force their hand in giving you open access. If your seller ends up unrelenting, then just make sure you instruct any of your “funding partners” (buyers) that they shouldn’t discuss price or terms with the seller at all, or risk confusing them and losing the whole deal.

In our experience, most investors know how to play ball nice and won’t try to go around you with the seller. Not saying it will never happen, but it’s really not something you’ll encounter much, if ever.

**Step 9: Contact Your Buyers**

Once you have access to the property and the deal is set, wholesaling the deal will in many cases be as simple as making a few phone calls.

Remember that list of active, cash investor/buyers you pulled back in the beginning? Start there. There are multiple ways you can track them down to reach out to them, including Google, yellow pages online or even skip searching.

You can go through your cash buyers list and reach out to them directly, or reach out to the agents originally involved in the cash transactions you looked up, and just drop them a phone call or email. Something like:

> “Hey, I noticed that you’re the Realtor for Jack the Investor who purchased a house in Pleasant Hills. It looks like he’s pretty actively buying right now. I've got a handyman special in the area I think he’d find interesting. Would you like to put us in touch?”

Why wouldn’t an agent, who’s already done business with an active investor, be interested in connecting you two, to present a fresh, juicy deal? It’s just more commission for him, right?

In addition to this, you should consider attracting buyers through:

- A “handyman special” ad in the local Craigslist, refreshed at least weekly
- Possibly hiring a local college kid to put out hand-written bandit signs in a 1 mile radius that say something like, “Investor Special, Must Sell, Cash Only, 555-1212”
- Calling any/all local investors you see that pop up when you Google “We Buy Houses (city name)”
• Reaching out to the local REIA leaders, to see if any of them might be interested, or know an investor who could be.

That’s just a few quick ideas to get you going. And this process is essentially the same basic process for finding buyers that any wholesaler knows well by now.

The Proof’s in the Pudding Now

Now that you’re shopping your deal, you should know pretty quickly whether or not you really have a deal or a dud on your hands. The proof will be in the pudding.

• If your first one or two investors are eager and moving towards you, then you’ve got a winner – reel them in.
• But if three or four people go through it and balk or start coming at you with low offers, then you know you missed something and it’s time to renegotiate.

Always Get an Offer

This is why you should always get some kind of offer from your investor/buyers. Don’t ever let someone just “pass” on your property if they’ve actually taken the time to look at it. Ask them for specific feedback, including: “What number would work for you on this property?”

And if you get two or three telling you the same basic thing, then you know your new number to go back to the seller and renegotiate.

Renegotiating with the Seller

If/when you have to do this, it should go a little something like this:

“Listen, unfortunately my funding partner and I aren’t seeing eye to eye on this after all. He’s seeing the values and/or repairs a little differently, and he’s only willing to release $_______________ for the purchase of this property. Is there any chance this could work for you?”
This is not something you want to do lightly or frequently, but it’s a reasonable way to handle it when your investor/buyers aren’t interested at your original number and you want to possibly salvage the deal.

If the seller won’t do it, then you exercise your contingency for funding partner approval and walk away. But if he can play ball, then you simply amend your purchase contract to reflect the new amount, and reach back out to your buyers with the news.

But let me say, when you do this, you want to make sure you’ve got a 100% rock solid buyer at that point. You don’t want to have them agree to lower it, only to have to go back and try lowering it again later, or even worse, back out from deal entirely. Talk about egg on your face.

**Step 10: Seal the Deal**

So now you’ve got a motivated seller, a hungry buyer, and you standing in between the two with a juicy deal. The next step – and again, it’s Wholesaling 101 – is to simply assign your contract to your investor/buyer. Your buyer then steps into your shoes, so to speak, and it’s up to your buyer to close directly with the owner.

**Double Closings vs. Assignments**

Just a quick word on this – Some people ask whether they should do an assignment of contract or a double closing.

We recommend assignments whenever possible, because:

(A) It’s cheaper – a double closing has two separate closings, which will cost you more money to close.

(B) It’s simpler – one settlement statement.

The only times you really need to consider a double closing are (i) if you’re closing a short sale or REO (who aren’t typically keen on assignments), or (ii) if your contract is specifically non-assignment (it has to actually specifically say it’s not, or it automatically is), or (iii) if you’re flipping to a retail buyer, who might end up getting spooked at seeing how much money you’re making.

Other than those, you can pretty much always go with assignments instead.
Oh, and in case it isn’t already clear to you, your profit as a wholesaler will be described on your assignment agreement. And typically these days it’s almost always paid to you out of the closing proceeds, so don’t think you’ll be collecting a check most of the time right at the time of assigning your contract.

Just be a little patient and wait until closing, at which point you’ll collect your assignment fee just like any other “settlement fee” on the HUD. Many investors have their title company notate it as a “procurement fee” or a “consulting fee”.

**Bonus: How to Make Those Virtual Paydays Even Bigger**

So much of your success in virtual wholesaling will come down to marketing. He who controls the marketing, controls the deals and makes the rules. And often this means you can actually choose if you want a quick paycheck now or use a little know-how to hold out for a bigger payday just a step down the road.

**The “Wholetale” Flip**

For example, some wholesale deals you’ll encounter won’t need all that much work and will be just about retail ready. If you find something just needs just a little fluff and buff, why not close on the deal yourself, using your own funds, private money, a partner, or even a short-term lease option.

Then you can literally put the property on the MLS as a retail deal, but at a smoking price that’ll almost guarantee you some fast action. Because hey, you got it at a wholesale price, right? So you can find out whatever the “fast sale” price seems to be on the MLS for, say, a “clean REO” type deal. Then list your house a little under market for an even faster sale, or offer an even better price for an all-cash deal.

Don’t have the money to install new carpets or make other repairs? Just add a carpet or other allowance to the deal.

This is a strategy Alex uses frequently on wholesale deals that aren’t full-gut rehabs and that seem to have retail potential in the “handyman/fixer” market.
Your profit can go from a $10,000 flip fee to a $40,000 payday just by taking the extra time to “wholetale” the property to a retail marketplace who’s hungry for a bargain right now.

**Think Outside the House**

A lot of wholesalers limit themselves to thinking only in terms of single family houses. It’s like they’ve only ever heard of wholesaling houses, so they’re only thinking of ever wholesaling houses.

But the fact of the matter is, there are many people right now who are stuck with other types of property problems you could tap into. For example, lots in developments – their dreams of building a home went down the drain with the rest of the economy. Lots can be picked up cheaply (sometimes for only back taxes). You can make a few thousand dollars doing quick flips to a developer, but going in as a partner on new construction can yield significant profits.

Alex has made a lot of money in recent years doing exactly this. He finds and buys the distressed lot from a motivated seller, and finds a developer to put up the house, and takes a certain percentage of the end profit when the house sells.

So as you’re wholesaling, don’t let yourself get into the thought-rut of only quick-flipping single family houses. Especially once you’ve built up some cash reserves, give yourself some leeway to expand your horizons and consider other options and watch your paydays get greener.

**The Takeaways**

We hope you’ve not only enjoyed this report, but learned a great deal about what the step-by-step of virtual wholesaling is really like today. You’ve just taken in a full-color snapshot of exactly what it looks like to find and negotiate wholesale deals remotely.

Using these systems, with or without a virtual assistant, you can create and manage a well-oiled machine: find your buyers and sellers, negotiate, seal the deal and flip properties without ever leaving your house.
And hopefully you see how you could literally do every step of this process from your computer – or yes, even exclusively from your smart phone – and you don't have to kill yourself working 90 hours a week to do it.

Some key takeaways to leave you with:

**Marketing is KEY.** Whether you're a wholesaler or a rehabber, the marketing that goes behind it remains the same. If you can market, you can control the outcome.

Hone Your Lists. When wholesaling remotely, your success probability goes way up when you learn how to successfully cull through the raw data, look for the golden opportunity market and the cash buyers, and seize the low hanging fruit. All the data is there – you just have to see it. We’ve shown you exactly how to do it in this report.

**Technology and Outsourcing.** Take advantage of the technology that is there for you – mailing list companies, voice mail services, virtual assistants, paperless resources galore. Use outsourcing to make your life easier. Upload your list to the vendors recommended in this report to do your mailings. Route the response calls to Callfire or Google Voice. Have a Virtual Assistant handle the initial responses. Leverage technology and virtual staff well.

**Direct Mail Still WORKS.** Be proactive in generating leads. The more leads you bring into your funnel, the better able you are to sift through those leads, picking and choosing deals that work for you.

**The Money is in the List** – On both sides of the equation. Your cash buyers can easily be found by using either the MLS, Freedomsoft, ListSource or RealQuest. Use these sources to laser-target the perfect properties for your buyers, drilling down to the optimum properties in the right neighborhoods, with the right number of bedrooms and baths, with the right square footage – exactly what your buyers are looking for.

**Ball Park It.** Get comfortable with the “SWAG” method of estimating repairs from afar, and use a “soft pass” offer to help determine how motivated a seller is.
Want to Learn More from Alex?

Now you know why Alex Joungblood is one of our 32 trusted advisers at RealEstateMogul.com.

Thanks to his many years of experience remotely flipping literally hundreds and hundreds of houses in multiple states across the country, this guy has built a truly enviable, systems-based business that he can run from anywhere in the world – one that allows him to enjoy the real estate lifestyle.

Tony Robbins says, “Success leaves clues” and this report is only the beginning of the many clues Alex had generously laid out for fellow investors to be able to follow in his footsteps.

For additional training from Alex, visit RealEstateMogul.com.

Also check out his 17 Sneak Wholesaling Tricks. Enjoy.