



# FANTASTIC DEALS

AND WHERE  
TO FIND THEM

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# Fantastic Deals and Where to Find them

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## Your Real Estate Business As An Automobile

I'll admit it – I like cars. I learned a long time ago that I don't want to work on them. I'd love to have a restored classic car. (I don't want to do the actual restoration – just buy it that way. But that's just me.) I enjoy all kinds of cars – a smooth comfortable ride in a luxury car, a thrilling noisy ride in a sports car, the immense feeling of power in a large truck. It's hard to choose. When I have a truck, I find myself sometimes wishing I had a car. When I have a car, I miss my truck. My solution is to get one of each! (And don't get me started on motorcycles...)

I want you to think of your real estate business as an automobile. You are in the driver's seat. It's up to you to start it, put it in gear, press on the accelerator, steer it, and navigate the bumps. But before you can do any of that, you need to add fuel. I'm not going to flesh out the entire metaphor here, but I AM going to say – the "fuel" of your business is **deals**. Everything may look fantastic, but if you're out of gas you're not going anywhere.

I get positively amused when I see new people starting up their real estate businesses and fussing over things like logo design, business cards, embroidered shirts, and their websites. These are all just a cleverly disguised form of procrastination. Think of them as the paint job and the pinstriping. You need it one of these days but in order to get anywhere in the first place you need fuel – DEALS. When someone asks me what type of entity they should form or how many LLCs they need, I ask them, "how many deals do you have under contract?" When they say they haven't started yet I will try to find a nice way to ask, "what's the point of building a business infrastructure if you don't have any business?" In the real estate investing business, you can set up an entity pretty quickly after you have deals starting to come in. So quit yer dawdling and find some deals, OK?

I know you are reading this right now because you want to find more deals so I'm not going to belabor the point. You need deals, you know you need deals, and I don't need to persuade you any further. What need to do is get right to the point. So here we go.

But first, why should you listen to me? As I write this it is 7:00 am on a Wednesday. I make it a point to get my inbox to zero or near zero each day before I leave the office. This is sometimes a challenge because I receive on average 300-400 emails per day. Trust me – I have help in clearing the inbox! But I also look at a ton of deal opportunities. Here's what I've received so far this week.

- Monday: 140
- Tuesday: (Always the big day), 16,550
- Wednesday: (up until 7 am), 36. More will come today. Probably at least 100.

Thursday through Saturday follows pretty much the same pattern. I get hundreds of deals in my inbox every day. All of this allows me the opportunity to buy 15-20 properties every week. I don't buy that many every week of course, but I have more to look at than I can take in. And that's the point. This little book is my story of how I got here and what I do to retain my sanity while dealing with it.

## *You've Got To Be Hungry*

When I was a young man I, like you perhaps, was going to change the world. I had trained for the ministry and knew that somehow I would gain an audience and many people would be helped. There was an odd mixture of philanthropy, ego, and ambition in me. I concluded early on that "normal" paths in ministry would not get me to my goals, so I embarked on a journey that involved ministry startups, small under-funded non-profits and "exciting opportunities" with near zero financial support. After nearly twenty long years of unforgettable stories, miracles, and life-change mixed with wrenching financial struggle I faced my fortieth birthday realizing that I, along with many others, would in fact NOT change the world. Not only that, I was mostly broke. My dream car since my teen years had been to own a Pontiac Trans Am like Burt Reynolds drove in "Smokey and the Bandit." Realizing I wasn't going to get there, I bought a used Formula Firebird and started shopping for a bumper sticker that read, "Now that I have this car the mid-life crisis is over."

But it wasn't.

The years of travel and struggle had taken a toll on my marriage and it came to an end just a few years later. This left me wondering what to do with myself. In my view ministry was no longer an option. People ask me now why I got into real estate investing and I tell them "sheer desperation and a lack of communicable job skills."

I decided to dive into real estate. I had already bought a couple of rentals but had recently heard about the idea of fixing and flipping. A buddy of mine told me one day about a deal he had found and wanted to partner with me on it. We could buy for \$25,000, fix for \$25,000 and potentially sell for \$90,000. (This was 2002, south of Atlanta, GA.) I asked what he needed me for. I had been broke pretty much all of my adult life which had forced me to learn how to fix almost anything in a house. I had accumulated a few tools along the way. My theory had long been: "By the time I pay the guy to come fix this, I could more cheaply just buy the tools I need and learn to do it myself. And I'll still have the tools!" This mostly worked although we had enjoyed moments of hilarity with a couple of plumbing disasters. Ok – it was only funny MUCH later after I had learned how to install a hardwood floor to replace the one ruined by the leak and the flood... Good times! Anyway, my friend wanted me to do some of the work, but he also wanted me to put some money into the deal. Although I had never made much money, I had always saved what I could and had about \$50,000 in the bank. I figured I

could put half of that into this deal because my friend seemed very smart. He was in “upper middle” management at Delta airlines so I figured he had quite a bit of money. We each put in \$25,000 and later on we split a \$40,000 profit. I was SO naïve. I did not realize that for many people their lifestyle expanded to fit their income. I also didn’t know about the costs that come out of a sales price reducing your “profit” but that’s a different story.

I told my friend I could contribute \$25,000 to the project and do some of the work. I thought we were good to go. But no, he didn’t really know how to do any of the work so that would be up to me. And oh, by the way, he didn’t have any money (to this day I’m still amazed when I think about that). I then asked what he was contributing to this partnership and he said, “My expertise. I know how to find these deals, how to analyze them, and how to get them sold.” That seemed good enough to me, but how were we to find that other \$25,000?

He told me we could get a hard money loan, but the minimum loan was \$50,000. That was ok with me because then I wouldn’t have to use my money. The catch was in the terms. Five points and 15%. Wow. “That was too much,” I thought. I called my Dad and proposed a business deal. I asked him to loan us \$50,000 at 12% interest for six months. Dad was immediately interested. I’ll shorten the story by telling you this: Within three months of that initial conversation, Dad, my friend Jeff, and I were in business as real estate investors. Dad would put up the money. I would do the work. Jeff would supervise the finding of deals and sales.

We heard that the courthouse foreclosure auction was a good place to buy. So we went out and watched. I looked for people who knew what they were doing and made conversation, asking questions whenever I could. Some were helpful, some were secretive. I now realize they didn’t want to help me become their competitor at the auction. But by May 2002 we were there.

I’m going to say more about the foreclosure auction below, but how did we generate the “leads” that we worked during the month and bid on at the auction? I would drive out and pick up the local paper from three counties on Saturday morning after each auction. The legal section would have the notice of foreclosure for the next month. This is how we developed our list. It was 100% manual. And that was – and still is – OK. Within a year we had found a service that aggregated all the foreclosure data statewide and we simply bought the data. We then imported it into a spreadsheet and began to run analysis on it. Our methods grew in sophistication every month and our process got better. By 2008 I was buying ten or more houses at the courthouse steps every single month. Life was good!

In 2011 this began to change. The hedge funds showed up and started out-bidding us all. Within just a few months our deal flow dried up. I first looked to other counties and eventually bought properties all over northern Georgia and northern South Carolina. Then we turned to other deal sources. We surely

have not tried every product, automation, or process out there, but we have tried everything that seemed to make sense. We have used signs, conducted mailing campaigns, posted online, done the pay per click thing, bought or subscribed to software services that promised to bring the deals to us. And our conclusion is.....YES. Do that. Which? Yeah, um all of them. Like we did.

No single method is the key to our current success. Some methods yielded results in a slightly different way than we would have predicted. But everything we have done has made us into what we are today, including things we tried that didn't work. And many of the processes have been very successful.

You will find that you do not have time for everything – even if you work at this twelve hours a day. And who wants to do that? Did you get into this business so you could try some of that 4-hour work week? Ok. When you start up you probably should have some twelve-hour days. But that isn't really sustainable. At some point you want to just get some things happening on auto-pilot.

What follows then, is what to do...

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## The Smell of a Deal, Numbers, Location, Scope

I have a special email address that I use in networking meetings. I created it for people to send me deals and to keep them separate from all my other emails. This is something you probably want to do. Use a free email service like gmail or yahoo and create a memorable email address. If your name is Carmen, try to get CarmenBuysHouses@whatever. The email provider doesn't matter as much as your memorable address. You don't want CarmenBuysHouses4692@whatever. The numbers are not easily remembered by people. If you have a common name, use variations of houses such as homes, properties, etc. until you find the right combination. Be creative. Make it memorable. Once you have created it, go to as many networking meetings as you can. Stand up and say, "I'm a rehab buyer looking for (fill in the blank). I have cash and can close fast. Wholesalers send your deals to (your memorable new email address).

As I mentioned before I typically get more than 100 emails in this inbox every day. But most of them are not deals. I see four primary reasons why:

1. The market has been crazy the past several years. You have been able to count on prices going up. Wholesalers know that and naturally want to get as much as they can for the property.

2. The “gurus” are dumping hundreds of new investors on the streets each year. They all need deals. And they are trying to justify the exorbitant price they just paid for their training, so they feel pressure to buy, even if the deal is thin.
3. Many wholesalers just don’t know what they are doing. They don’t know what a deal should look like, or how to estimate the repairs, or what the ARV is, or all of the above. They are just guessing.
4. Some wholesalers know exactly what you are looking for and will make the numbers fit – even if the truth is somewhat different.

I may get over 100 deals, but it won’t take me long to get down to the 2 or 3 I’m willing to offer on. Why? Because I know my market, I know my numbers, and to some extent I know the wholesaler sending the deal. I include that last part because I don’t burn relational bridges. I have just enough of a conflict avoidance mechanism that I’d rather just ignore their email than unsubscribe. So I do a lot of deleting without even reviewing.

Let’s talk about what a deal should look like.

## Flips

Here is the cardinal rule: You want to be “all-in” at 70% of ARV. ARV stands for After Repair Value, meaning what the house will sell for when you are finished fixing it up.

First you have to know the ARV. This is not that eBook. Figure it out. Be real. Be honest with yourself. Resist the urge to try and make a deal “fit.” Consider all of the comps that do not help your case. You can bet the buyer’s appraiser will. Look at the actives – by the time you get to market they should be comps and this is especially true for the properties under contract. You won’t know the exact contract price, but it probably isn’t higher than the list price.

Here’s the formula: **Offer = (ARV\*.7) – Repairs**

You need a way to estimate repairs. I recommend the Ultimate Rehab Estimator ([www.ultimaterehabestimator.com](http://www.ultimaterehabestimator.com)). This is hands down the best tool when you are at the property. If you need a quick and dirty estimate so you can throw out blind offers, I recommend you use the Flipping America Default Repair Formula, found in QuickCalcs™. Connect with me to learn how you can get your own copy.

Bottom line, you must have a good idea of the ARV and the repairs to know what you should offer.

Can you ever choose to be all-in at a higher percentage (75 or 80%, say)? Sure, but this comes with risks. If you are borrowing money the cost of the money reduces your profit and cuts into this percentage. If something goes wrong (and this happens half the time) with your repair budget, you may find yourself spending a lot of effort making very little money or even losing money. There are exceptions to the 70% rule but this isn't the time or place to discuss.

## Rentals

The best way to buy a rental property is to take the monthly rent and multiply by 60. That will give you a price that will yield a 15% net cash on cash return. The standard rule of thumb is to go for a 1%er. This means the monthly rent is equal to 1% of the acquisition cost. This typically yields a net 9% cash on cash return.

There are factors in buying rentals that go beyond the numbers. You want long-term residents to give you the best chance of realizing the cash-flow you hoped for. This means you need decent neighborhoods and good schools. Ideally your tenant would raise a family there.

But here's what I need you to know right now. Your purchase and your initial rent-ready repair are combined to create your "acquisition" price for the purpose of doing this analysis. So if you want a 1%er where the rent is \$1000/month and the property needs \$30,000 in repairs and updates to make it rent-ready, your maximum offer is \$70,000. You want all of your "acquisition" costs to be no more than \$100,000.

That's enough on the numbers for now. If you want more on this topic, look at the training options at my website. Let's go get some good deals.

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## Deal Sourcing Team

Yes, you are going to be the main player in the drama that is your business as well as the sitcom that is your life. We don't need to discuss this – it's a given. You are going to look at, research, vet, and ultimately decide on the deals you will buy. But you shouldn't be the only person providing the deals to review. You can benefit from having a team. And your team will likely be more effective if you are intentional in your methods.

## Friends and Family

Your family is sometimes the last place you get any respect, and some may not even support you in this business. Do not allow that to deter you. You are going to succeed in this business, and everyone is going to eventually know, so don't hide it from your family and friends. I know people who hide their entrepreneurial activities because they don't want to be embarrassed if things don't work out. That is a form of "pre-surrender." You need more pressure on you to succeed. You also need to take a chill pill. If you're going to be an entrepreneur, you are almost certainly going to end up trying a thing or two that didn't work out. I know you are thinking about all the MLM opportunities you've bought into and the closets full of laundry soap and dietary supplements you couldn't sell. Your family will be thinking about that too. "This is just another one of those things..." STOP IT! Unlike almost everything sold by every MLM out there, a house is a necessity for most humans ever since we discovered we could build a structure to allow us to sleep indoors. And you are not selling houses at premium prices so your uplines can make their overrides. You are buying a commodity item at below market rates and selling it for market rates. And people WANT what you are now selling. Stop with the negative talk and tell your family about this.

Get over to my website [www.rogerblankenship.com](http://www.rogerblankenship.com) and get yourself some free business cards. They will say "I Buy Houses" with your name, phone number, and email address. The point is not to just get the free cards, but to get RID of those cards. Put them into the hands of every person you meet, all family members, asking them to distribute to their friends, acquaintances and their networks. GET THE WORD OUT!

***Key Question: Do you know anyone who has a house they need to sell in the next 30 days?***

## Network

Time to do a little online research. Right now you are not looking for deals. You are looking for real estate related networking groups. Begin at [meetup.com](http://meetup.com). Continue on to Facebook and look for Real Estate groups in your area. Join them all (you might be surprised how many there are.) Announce everywhere that you are a cash buyer looking for deals. Provide your memorable free email address.

If you live in a major city you will discover that there is some type of a networking event nearly every day Monday-Thursday. You can't go to all of them all the time. But go to all of them occasionally. Put them in your calendar. Make a plan. Be present and as much as you can, be a presence in those meetings. You want / need "Top of Mind Awareness".

## Bird Dogs

All of these tactics are intentional. But with Bird Dogs and Wholesalers you are getting into a more formal type of relationship. Bird Dog is an affectionate term used to refer to people who “point us” to the deals. Bird Dogs can be a part of your team and exclusive to you or they can be independent. I prefer the former and it is tough for a Bird Dog to be independent. Here’s why:

A Bird Dog as a deal pointer does not usually take the risk of putting a property under contract. This is the primary distinction between Bird Dogs and Wholesalers. Without that contract the Bird Dog has no protection. They may identify a great deal but there is nothing keeping someone else from seeing it and taking it. This is why Bird Dogs work better when they are captive to one investor.

Anyone can be a Bird Dog. There can be some training but it is certainly not required. A Bird Dog can call you and tell you about an abandoned house they just saw. If I do the research, find and contact the owner and then buy the house I’ll pay the Bird Dog \$500. If the Bird Dog does the research, finds and contacts the owner and learns they are interested in selling, I’ll take over and negotiate a price. If I buy it, I will pay the Bird Dog \$1,000. In other words, pay more if they do more. You can recruit as many Bird Dogs as you want, but be aware of two things:

1. While this is a fine strategy, you should plan on constantly recruiting. The bad ones give up and the good ones move on to their own investing career. Few Bird Dogs last more than a year and most don’t make it six months.
2. You should have a written agreement between you and the Bird Dog. This will help you both remember what you are committing to. You’re not going to expend the effort to sue – difficult to win and not worth it – but the written agreement will constrain good people.

## Wholesalers

Wholesaling Real Estate is usually a form of arbitrage. The wholesaler gets a property under contract and then technically markets the contract, not the property. It’s like saying, “I have a contract to buy this property for \$100,000. I will sell this contract for \$10,000.” An agreement is signed, the contract is amended with an Assignment Agreement. The new buyer closes escrow on the existing contract.

Occasionally wholesalers will use a double-closing. This is done most often to hide the profit the wholesaler is making. Most rehabbers don’t care what the wholesaler is making as long as the numbers make sense for their business model. But if a wholesaler is making more than \$15,000, they will often do the double closing. This also must be done if the wholesaler is selling a bank-owned or HUD

property. HUD contracts are not assignable and Banks quite often will not allow it either. This is true of most of the auction sites as well.

You might not “hire” a wholesaler to work exclusively for you. Most of them wouldn’t want to be captive to one investor and wouldn’t want a limitation on their fees. However, you might be able to get one if you offer to pay the marketing expenses. When I have done this in the past, I got a signed agreement stating that in exchange for providing marketing money I would be given the first right of refusal on every property successfully negotiated. This entitled me to look at the contract and pay \$10,000 for an assignment. It also entitled me to \$1000 from the fees of any property they sold to someone else. If you do this you will want to build in a system that allows you to monitor what the wholesaler is selling to make sure they don’t get greedy and go around you.

The more common way of working with wholesalers is to recruit a number of them and have them send their deals to your memorable free email address you previously created. You then review their deals at your leisure (or occasionally not at all). In time you will have someone on your team reviewing their deals.

## *Where do you find wholesalers?*

1. The Flipping America Network. ([www.flippingamericanetwork.com](http://www.flippingamericanetwork.com)) This is THE multiple listing service for real estate investors. Everyone can create a free profile. Buyers indicate where they are buying and when a seller posts a property in one of those areas the buyer is notified via text message. If you are a seller you can get the information, load the photos, and list the property from your phone. Immediately hundreds of buyers are notified. They can look at your post, chat with you, arrange a showing or go to contract right from the phone.
2. Bandit Signs. They are putting out signs that say, “I buy houses.” Take a picture of each one. If you use Evernote, take the picture from within Evernote and the program will capture the number – even handwritten – and you will be able to call them with one touch. Yes, they are looking for sellers, not you. **But!** They also want to build their buyers’ list and they will be happy to put you on theirs. I do not recommend you put out bandit signs but I do recommend you call everyone you see.
3. Craigslist. There are tons of properties for sale on Craigslist in your town. The truth is, many of the listings are “dummy” listings designed to help a wholesaler build a buyers’ list. When you call, they will tell you that property is already gone but they would love to put you on their list for the future. Call every property listed for sale. You may find a property to buy but you will no doubt build your wholesalers list. Do not stop until you have 30-40 wholesalers or more. Once you have built this list here’s what you do:

- a. Call three wholesalers every single day with this question: "Do you have anything for me?" You might be able to pick up something before they blast the email. You also keep yourself in Top of Mind Awareness. You should call your entire list at least once a month.
- b. Once a month go back to Craigslist and update your sellers. New wholesalers are appearing often.
- c. Networking events. I described this process above. When you introduce yourself, emphasize that you are looking for properties and repeat your memorable free email address.

## Realtors

You need at least one realtor on your team, but you can never have too many. Most realtors are not going to help you find a deal, but you may find one or two who will. They are not going to be top selling realtors because those people are just too busy. You will try to recruit a mix of realtors, including top selling agents for your sales and "just getting started" agents for your buying side and deal flow.

The MLS has seldom been a top source for deal flow, but in a normal market there are always bank-owned and usually some fixer-uppers on the MLS. These are what you want. Ignore the regular listings from Joe Homeowner. They will be offended by what you are willing to pay. But don't worry about offending banks – they don't have feelings. It's just business. Once you have befriended a realtor or six, have them set you up on a hot list. The hot list mailing comes to your email each morning with every property that has had a status change in the past two weeks. That includes new listings and reductions. You should filter the search results to "bank-owned", "REO", "fixer upper", and "handyman special" listings. Faithfully review this list each day and make offers. Remember the list covers the previous two weeks, so once a property hits the list it will be there every day for two weeks. The first day will be your longest day with this. Afterwards you'll just be looking for the new listings.

Your Realtor should be able to make a commission on anything you buy. If you have confidence in their ability to sell the property you might choose to list the sale with them as well. You are not obligated to do so and should not promise this unless you intend to keep that promise. By the way, all my agents get a 90 day listing max. I seek their advice for style and color issues in the rehab, price it according to their suggestions with them knowing I want it under contract within 30 days. If they can't sell it in 90 days, there is something wrong. It's probably not me. I hate it, but I then move on.

Realtors can also help you in a couple of other ways. You will be wanting to offer on HUD and Hubzu properties. You'll need a Realtor to do that for you. And if you are getting pre-foreclosure lists, Realtors

are used to knocking on doors. They could be your advance marketing team. They might walk away from the visit with a deal for you or a listing for themselves.

Outside of commissions Realtors cannot accept any other cash inducements, but they can accept Starbucks gift cards, lunch on you, etc. Treat them well and it will come back to you.

## Attorneys

Attorneys are a rich untapped source for deal flow. They cannot and will not provide names of prospects, but they can tell people about you if they find you credible and believe you can help. You should introduce yourself to Real Estate, Divorce, Bankruptcy, and Estate Planning attorneys as often as you can. Take them to lunch. Ask questions. Present yourself as credible, knowledgeable, and someone who would not take advantage of people. Ask if they will take a few of your cards to keep on hand for those who could use what you offer.

Follow these suggestions and within thirty days you should have at least 10 deals coming to your email every day. Keep it up. Persistence and Consistency is key. So far you haven't spent any money. And there are other free things you can do as well.

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## Deal Sourcing Methods

### You

In this business you are the person making the final decision on every property. This is your sole and sacred responsibility. Eventually you will be able to hire people to do the other pieces, but this one thing is the one thing that only you can do. It's all you and if it doesn't work? ...it's still all you, baby.

What can YOU do to bring in deals?

1. Keep your Eyes Open. Pay attention. You drive by opportunities nearly every time you are out. Talk to your phone, set reminders to research properties that look abandoned. The search for the next deal must be your all-consuming waking thought until you have enough deals coming in you can back off a little.
2. Find ways to say yes to more deals. I'm not saying compromise on the numbers. I AM saying you owe it to yourself to learn more about creative deal structuring.

## Others

Take good care of the people in your business and they will take good care of you. In addition to paying fairly and promptly you'll be amazed at how people will respond to verbal "atta-girls" and a heartfelt "thank you." Small thoughtful gifts, coffee or lunch out, notes or even emails will keep those contacts nurtured. Your world may revolve around you, but keep in mind their world does not revolve around you. Each person you meet or know has their own life, plan, dreams, and hopes. They do not believe they were put on earth to serve yours. Keeping this in mind will help you treat people well and in so doing they will be inclined to think of you when an opportunity pops up. This is true with all people everywhere but is especially true when you want a wholesaler or a realtor to remember you when they have a deal.

## Technology

As I was putting my thoughts together for this little book, I thought I would list and review the automation technology I've tried and continue to use. I'm a big fan of unbiased reviews like the type you see in Consumer Reports. Then a couple of cold hard realities hit me:

1. No one is paying me for taking the time to do that.
2. By the time I finished checking them all out, the list would be out-dated. New apps are created all the time, old apps die or change. I want this little book to have a longer shelf life.

Therefore, I have decided a couple of things:

1. We are going to add a regular feature to the Flipping America show reviewing technology and products. That will allow us to remain somewhat current.
2. For this little book, it might be useful to share with you some broad principles I have applied to the use of technology. I will also mention a few specific programs.

### *Tech for your day to day business*

Technology, and mostly I'm referring to computers and computer programs, is a vital part of our existence and our real estate businesses. When I started in this business in 2002, I invested \$800 into a fancy GPS system for my truck. Yes, they cost that much back when GPS was new. I then dropped about the same amount on a fancy digital camera. These things were truly helpful and now you have a lot more power than either of them in the average phone.

I remember sitting down with a friend who had put together a list of possible deals to bid on at the auction. He had put them in a spreadsheet and had the data in nice neat rows. When we deleted a couple of the properties from consideration he then whipped out a pocket calculator and started poking buttons. I asked him what he was doing. "I have to re-add the total," he replied. I said, "You're kidding right?" He was not. Although he was a self-made millionaire he did not know that Excel could add the numbers in a column. Here's a good principle: If you're going to use technology, exert enough effort to learn how to use it.

Here are some basic guidelines for the use of technology.

1. Get a smartphone that has a camera and email and internet capabilities. It doesn't have to be fancy and the camera doesn't have to be great. You're not creating art – you are simply trying to remember what certain houses look like. I have a pretty good memory, but I can tell you that after looking at 25 houses in one day, I don't remember them well until I see a couple of pictures to remind me which house goes with which address. Here's how I use this:
  - a. When running a route looking at several properties, I take a photo or two of the house and email them to myself (and partner if one is involved). The subject line is the address of the property.
  - b. When rehabbing a project, I pick 5-8 spots at the property and inside the house. Every time I visit the property, I take a photo from each of those spots, looking exactly where I looked before (and it may be 2-3 photos from some spots. I email those to my project board, Evernote, Trello, Asana, etc.
2. Learn your way around a spreadsheet. They are handy for tracking a lot of data and they can do some pretty cool math. It doesn't matter which spreadsheet you choose. Google Sheets is free and works fine. On top of that you can collaborate with your partners in all Google Docs.
3. You need an app that will help you keep track of what you are doing. You do NOT need dedicated project management software. It's unlikely you will be doing more than 100 flips per year and when I was I didn't need pm software.

I use Google Docs a LOT. But I also have Microsoft Office because there are things it still does better. Word is not a publishing platform, but it is significantly better than Docs for formatting documents. I have complicated spreadsheets that work in Sheets, but Excel does a better job of error trapping in my experience. I use Evernote daily – it stays open at all times. We are currently tracking our rehab projects in Trello, which is OK. I use Asana for the "Flipping America" show and I think I like it better, but frankly both sometimes seem like I'm adding layers of complexity. Collaborative tools are essential when you have a team. So choose with care. I also use and like Privy, Investor Carrot, Ultimate Rehab Estimator, and Rehab Valuator. That's all I want to say about general office technology.

## *Automation Tech for Deal Finding*

I want to talk about automation software for Deal Sourcing. There are a number of products available and more being announced all the time. They promise to find deals for you and even do some analytical work or pre-screen them. Feel free to try any and all but be sure you have a free trial and/or the option to get your money back. Most of the products I've used disappoint. I think the limitations of these products are baked in to the way real estate records are kept. The math and the logic behind all of the programs I've tried is sound. But the results are inevitably flawed. Why?

The programs use scraping technology to pull data from publicly available sources. The technology behind this is fascinating, but the problem lies in the available data. Each state has its own rules about what gets reported and how. In some states, the county clerk decides how information "available to the public" is to be disseminated. For example, in most cases in Georgia, the only way you can get a good probate list is to first personally visit the probate office and learn the estates in probate. Next you need to cross reference the name of the deceased with deed records to learn whether the person owned any property. That usually means physically going to a different department and in many cases a different building! The deed records are a bit more likely to be online but there is no guarantee any probate record received through an automated process is current or accurate. I have mailed to people from lists I bought and received a response that they were still alive and doing fine.

Some programs scrape Craigslist (they hate that by the way), for sale by owner sites, the MLS and any other public source they can find. They might be able to pull up active foreclosures but this is another area where the laws vary state to state. Your foreclosure list may be useless in states that process foreclosures as quickly as Georgia or Texas.

When you try one of the automation engines, spend a LOT of time with it the first few days. Run through as many deal scenarios as you can. Most of them can be had for around \$40-\$50 per month but to get more features and benefits you could easily spend \$200/month on some. It's not hard to imagine more than \$1,000 per month being paid just for automated deal finding programs. You can justify it this way: If they bring in just one profitable project each year, they would pay for themselves, right? This is true and is why I don't rule these types of programs out. These programs are not going to bring you off-market opportunities unless there is a foreclosure happening. No program is going to completely replace your due diligence and personal attention. However, some of these programs could have you looking at deals you might not have found otherwise.

## *Social Media*

Before I leave the subject of Technology, I must mention Social Media. Here you can create a free profile and post all manner of things. You will probably want to create an entire strategy about your social media presence – again – outside the scope of this book. That “presence” should include frequent mentions that you are looking for deals. Find different ways of saying the same thing and say it at least once a day. On Facebook join community groups such as “buy sell trade” groups. From time to time post “Does anyone know anyone who has a house they need to sell in the next 30 days?” Stay at it. Post other interesting stuff in-between but make sure you say this once a day. You can get a TON more sophisticated on Social Media if you wish and if you have the interest and capacity, by all means do so.

## *Lead Generating Websites*

These are the “buy your house” websites. Mine is [www.buyyourhouse.net](http://www.buyyourhouse.net). I set it up years ago. I get a few leads from it but in all fairness, I don’t work at it at all. It’s just there. In time I have plans to do more with it. There are web designers who can set up a lead capture page for you. There are other companies that will create a website for you. Examples include “Done For You Real Estate Websites” and “Investor Carrot”. Personally, I use Investor Carrot. They provide training on how to do your own SEO and you can hire them to do the SEO for you to generate leads. If I were low on leads this is an avenue I would pursue.

You do not need the time, trouble and expense of this if you are just starting out. In the larger metro areas, it will be very difficult for you to be found through natural searches. This means you might create a site and no one will see it.

One good possible strategy is to create a lead capture page (I would consider hiring someone local for this rather than paying a subscription fee) and drive traffic to it through your Direct Marketing and Direct Mail. I have used this to good effect in the past.

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## **The Sources List**

I’ve already mentioned several things I do to generate deal flow. Here then is a complete list of the things I have done or am doing to bring opportunities in the door.

- Deal Finders – Bird Dogs, Wholesalers, Realtors, Attorneys

- Foreclosure auction – laws vary state to state.
- Online auctions, including but not limited to: Auction.com, Hudson&Marshall.com, ServiceLink.com, RealtyBid.com, Xome.com, and Hubzu.com.
- Direct Marketing, cards, flyers, brochures, door-knocking, driving for dollars
- Direct Mail campaigns, buy a list, mail several times.
- Social Media, post often
- Lead Gen Website
- Automations, Pinpoint Profits, FlipCalcs, BirdDogBot are three I've tried.
- Bulk Lists, from banks or large national wholesalers.

## ***A word about Bandit Signs***

I must include this because this is prevalent and effective. I stopped using the little roadside signs back in 2008 because nearly everyone calling was under water and I had no solutions for them. By the time the market came back, I noticed many communities had adopted local codes banning these signs. I agree that when there are 5 of them at an intersection, they are unsightly and provide a distraction. I also notice that there is rarely more than 1 sign at an intersection these days because the last guy to post his sign takes down the others.

I had to consider whether I wanted to base my business on something that was an irritant to the local residents I was hoping to reach and the bane of code enforcement officers. The investor with signs has two options: pay the fines (and some investors do this), or use a burner phone, a google voice number, or an answering service pledged to privacy to answer the calls. I made the call for my business that I would no longer do this. Have I missed opportunities? There is no doubt. Do I regret my decision? No, I do not. I don't condemn or judge anyone who makes a different decision. But I can't participate in good conscience with a strategy that involves hiding things from the authorities. And since I don't do it, I don't teach about it.

On the next page I have a helpful chart that breaks down the deal sources by their relative cost, the complexity and their effectiveness.

## The Sources Compared

	Cost	Difficulty	Effectiveness (1-5)
<b>Friends and Family</b>	0	Easy	3
<b>Bird Dogs</b>	Some time	Moderate – Easy	5
<b>Wholesalers</b>	Time	Easy	4
<b>Realtors</b>	Time	Moderate – Easy	2
<b>Attorneys</b>	Time	Moderate	1
<b>Auctions</b>	0*	Easy	4
<b>HUD</b>	0	Easy	3
<b>Foreclosure Auction</b>	Expensive	Most Risky	5
<b>Direct Marketing</b>	Low	Moderate – Difficult	3
<b>Direct Mail</b>	Expensive	Moderate – Difficult	3
<b>Social Media</b>	Time	Easy	2
<b>Lead Gen Website</b>	Moderate	Moderate	2**
<b>Automations</b>	Expensive	Moderate	4
<b>Bulk Lists</b>	Free	Difficult	1

\*Some auction sites require a cash deposit before you bid

\*\*These results could be much better if I worked this at all.

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## A Suggested Game Plan

### The Steps

- Create a Free Memorable email address.
- Get FREE business cards.
- Join every networking group in your area. Online and Live.
- Tell all family and friends you are in the business. Offer referral fees to anyone.
- Recruit Bird Dogs.
- Connect with wholesalers.
- Recruit one or more Realtors.
- Meet and talk with at least five attorneys in multiple practice areas.
- Adopt an "eyes open" mentality always seeing opportunities. Never turn this off.
- Create a social media presence. Frequently announce you are looking for deals (not in real estate groups necessarily)
- Create a lead gen website or a squeeze page. Drive traffic to it through direct marketing.
- Try automation software with a healthy skepticism.
- Buy marketing lists and conduct direct mail campaigns. This requires an on-going commitment and a serious marketing budget.
- Keep networking and find people around the country who have bulk lists with lots of properties.

### Tracking Leads, Staying Organized

Yesterday I got an email from a wholesaler with a house priced at \$320,000. It was in pretty good shape. I looked at the comps in the area and they supported a \$425,000 resale value. It doesn't quite fit my guidelines, but it's close enough to perhaps make a slightly lower offer. I imagine the wholesaler has a healthy cut from this. I made myself a mental note to follow up later. You may be surprised to know that when checking on my schedule for the day I failed to check my mental notes. I remembered the property mid-morning, checked on it, and it was already sold. I didn't follow my own system, and this is a potent reminder of why I created the system.

When you start doing the activities I have mentioned in this book you will soon have more possibilities to consider each day than you have time to look. It's really galling when you're researching a property and you get a feeling of déjà vu and then realize you looked at this one last week. That's 20 minutes of your life you won't get back.

You need to be organized, keep track of what you have seen and remind yourself to follow up on the offers you have made. There are a multitude of software packages that look like they will handle it. But what I've observed in myself is an infatuation with the technology itself – the features and benefits of an application (most of which I will never use). I have been willing to bite the bullet and endure the learning curve in any program I thought would benefit my business or my personal life. What I have ALSO learned is that the best solutions for basic problems are usually simple and free. I am the author of the *GMS Planner* ([available on Amazon here](#)) which is a powerful solution for life management, goal setting, and daily delivery. I love to manually write out my thoughts, dreams and goals. This is how I manage four companies and oversee multiple income streams in each one. I stay on top of my world with the *GMS Planner*. But it's not enough. I need reminders. I need to remember what I've looked at. Here are my solutions for staying organized with leads. Prepare to be blown away by the simplicity:

1. Google Sheets. I have an intake form where we input any property we are considering. I use this because everyone in the office can access the same sheet, even at the same time. I originally set it up to enter comps and do some analysis, but we don't use that part any more. It's a fine way to keep track. Date fields monitor when the property was entered, offers were made, Date of Binding agreements, and a few other tidbits. We can set when we want to follow up, but Sheets doesn't ping my phone, so we added...
2. Reminders – built into the phone and free. All day long I will grab my phone and say "Hey Siri, remind me at 3:00 tomorrow to (fill in the blank)." Sometimes Siri's attempts to translate are hilarious. I just leave it there. I'll remember what I meant. And I'll get to laugh again. You have amazing technology and capability built into your phone. Use it.

That's it. I've considered Lead Gen and CRM software, read articles, reviewed possibilities, but in the end, simple and free wins the day. Almost. Every. Single. Time.

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## Fueling the Tank

This is the spot where I find some inspirational quote or make up some new saying that will prompt you to "get out there and make it happen." I'm not going to do that. The commitment that comes from an emotional outpouring is short-lived. That's why the coach gives a pep talk before the game and another one at halftime. This is not a sixty minute or 2-hour venture. It's a business and a career. If you want to do it, do it. You will make it if you stick to it and faithfully follow the steps outlined above. If you stick to it, doing what you need to do *when* you don't feel like it, keeping your focus on the end goal and the daily grind at the same time, you will succeed.

Your first deal will be your hardest. It seems that once people get over that hump, the next deals come easier. But the majority of people stop before they do their first deal. Why? Because they either didn't know what to do or didn't have what it takes. This book is yours now so you can re-read it and know that you KNOW what to do. Whether or not you have what it takes is simply up to you.

Know this: Until you have a deal, you are still just dreaming. Once you DO have a deal, you are a Real Estate Investor. I love ya and accept ya either way. Really, I do. But I will respect you as an investor when you do a deal.

Go Get a Deal!



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

## After Word:

I believe strongly that getting smaller bits of actionable information is better than some \$30,000 or \$50,000 course. That's why I set up an online training course to give you small chunks of information in logical sequence with as much accountability built-in as I can manage. How do I do that? Nearly every lesson has a quiz and you have to take the quiz before you can take the next lesson. Sometimes the "quiz" is just checking off that you have done the assignment (finding a Realtor, for example).

Occasionally a quiz will have an open-ended question that needs a grade from an instructor. That's me. I'm personally checking in on your progress. I think I can handle the load until we get about 500 people in the program then someone else will have to help out. But for now you get ME, the Flipping America Guy and the author of the course looking over your answers. Once you have completed a module and passed the quiz you have access to that module for as long as you are a member.

The course covers everything to know in single family real estate investing. Finding, Funding, Fixing, Flipping, and Renting. I call it the Ultimate Real Estate Investing Course because I tell you everything I know but as I learn more I add to it all the time. It's not \$50,000, \$30,000, or even \$10,000. Your investment is a \$750 initiation and setup fee and then \$50 per month. There is no contract. You can drop out at any time with no further obligation. Because you read to the end of this book I'm going to save you \$300 off your initiation fee. When you register, use the coupon code "save300" and the initiation fee drops to \$450.

I don't know everything there is to know about real estate investing, but I know a lot. And I'll tell you everything I know for fifty bucks a month. There is no better deal out there. [Click here to enroll.](#)

Thank you for reading! Send your feedback and questions to [questions@rogerblankenship.com](mailto:questions@rogerblankenship.com).