

Real Estate Investing for the Busy Professional

by

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A year ago, while engaged in a research project in which I was trying to keep up with all the daily changes in the sub-prime lending crashes, a lender told me, when it comes to serious real estate investors (investors looking to make multiple purchases in the same year), they continue to buy until they run out of one of two things- money or credit.



It does make sense that any investor will run out of something, but working with the investors that applied my marketplace research to purchase properties, I found that they tended not to run out of money or credit. The deliberate purchasing of positive cash flow properties fueled their lending engine by improving their debt to income ratio (DTI) with every purchase- thus continuously increasing their borrowing power. **The more they bought the more they could buy.**

For additional insights on the impact of positive or negative income streams on building wealth, see the main article and worksheet in my [Real Estate Investment Strategies Newsletter: February 2009](#). [Email me for access code](#) if not a subscriber of my **FREE** monthly newsletter.

The one buying criterion that will drive investment strategy

So what do investors that don't run out of money or credit run out of? In business there is only one thing left- time. Real estate is a time consuming investment at any level. I have seen individuals and groups of investors, who really want to invest in real estate, take 2-3 years before they buy anything. It would be my guess that the top 2 reasons investors, who would like to invest in real estate don't, are 1) their inability to purchase properties that meet or exceed their investment goals, and 2) the amount of time investors have to engage in the investment process. Let's take a closer look at how people allocate their money and how they allocate their time investing.

Below you will see two charts that provide insights into how investors and financial advisors typically view real estate as it relates to other investment types. Chart 1 shows that real estate is typically categorized as a mid risk/return investment. In Chart 2 you can see that of all the investment types, real estate is time intensive during and even after purchase.

Chart 1: Risk versus Return

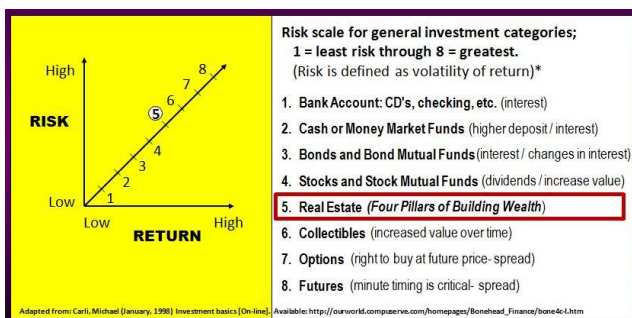
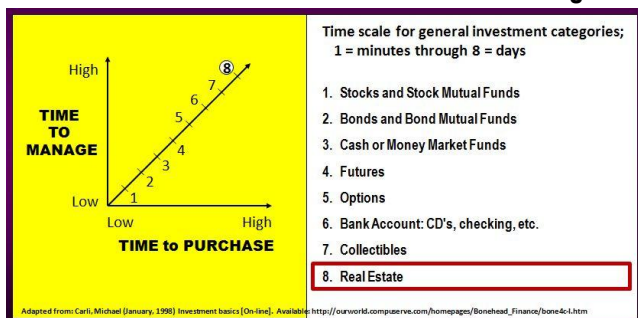


Chart 2: Time to Purchase versus Time to Manage



Using Return-on-Investment (money and time) as one investment criteria, the comparative analysis depicts real estate as a mid performing investment that takes a lot of time to purchase and maintain. But as with any investment, conducting accurate and comprehensive research can have a huge impact on reducing the perceived level of risk (or accepting the level of risk) associated with any investment. When investing in real estate, front end analysis is even more critical as all four pillars for building wealth must be analyzed and aggregated into a larger financial return picture.

Concerning time, I have also developed strategies to minimize the amount of time investors need to find, buy, and manage real estate investments. And although I'll never get the investment process down into minutes, I have developed a new strategy to get it down into just a few hours. Read on...

All investors look for Low Risk-High Return Investments

I won't say much here except of the importance of one of my mantras: **"Measure what you want- and buy it®."** At the heart of this strategy is the need to analyze a lot of properties in any given area in an accurate and comprehensive way (see [REIA Report Investor](#)), and then to compare each property to every other property looking for the one or ones that will provide, or have the potential to provide you with the greatest return on investment (see [REIA Report Best Buys List](#)). By analyzing the financial performance of an investment property, before, during, and after purchase, you can be quite successful in moving **real estate** from a mid risk-mid return investment to a **low risk-high return investment**.

One of the benefits of every **REIA Report** is that it provides the user financial factors that also allow for the comparison of real estate to other investment types listed in Chart 1 and 2 above. **It is the power to analyze and compare between investment types**, that helps assure investors, that they are making better investment decisions that lead to maximized returns.

Time Reduction Strategies when Investing in Real Estate

So, how much time does it take to buy an income producing property? It depends on your buying process- on the time it takes you to find a property to buy that meets or exceeds your investment criteria, the time it takes to put your team together, the time it takes for due diligence (including analyzing financial performance), the buying and negotiating strategy you use, and the time it takes you to get your team to work together like a well oiled machine- your money machine.

To write this article I took some time and identified types of investors based on their availability to time and money when purchasing income producing property. After each description, I have also listed the average return and average amount of time it took to purchase the property, from start to close, for that investor type.

1. **The Lone Investor**- the investor that has taken a class or two and thinks they know enough to go it alone, or one who has a lot of experience and success in one type of investment strategy. The highest performers (25%) in this category will use some formulas to calculate returns and tend to turn a small profit. The lowest performers in this group (75%) don't take the time to analyze the financial performance of a property and thus tend to make poor investment decisions. Every investment may be their last. On the time / money scale, this investor tends to have more time than money. I WILL (OR CAN) DO IT MYSELF!



Money: On average their investments generate a cash flow after tax/unit/month return of: \$27.55.*

Time: On average, amount of time spent from start to close: 68-75 hours**

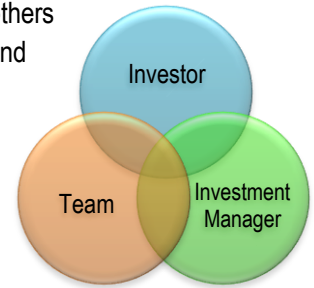
2. **The Traditional Investor**- this investor spends quite a bit more time educating themselves, reading books, going to meetings, and programs, until they get to the point that they are confident in making some invest decisions. At that point, depending on their education, they tend to bring in an expert (usually 1) to help them navigate the buying/investing process. The higher performers in this category use some form of analysis to make their final decision. On the time / money scale, this investor has some time and some money. I WILL GET SOME HELP!



Money: On average their investments generate a cash flow after tax/unit/month return of: \$86.48.*

Time: On average, amount of time spent from start to close: 39-44 hours**

3. **The Professional Investor**- this investor gets excited about real estate when he/she hears others talking about their investments. They typically own a portfolio full of other investment types and may also have large sums of money from which to invest (including savings, IRA, etc). All investors at this level rely heavily on financial performance analysis to compare real estate to other investments. They also require analysis be run throughout the process before, during, and after purchase. They also will have the need for an “investment manager” to oversee the entire investment process for them- bringing them only the best investments on a silver platter from which to choose. On the time / money scale, these investors tend to have NO time and a substantial amount of money available. MY TEAM DOES ALL THE WORK!



Money: On average their investments generate a cash flow after tax/unit/month return of: \$138.19.*

Time: On average, amount of time spent from start to close: 3 -5 hours**

*Study conducted, analyzed, and compiled, by Max Wilson on 11.03.08 from properties available and sold in Western PA from 1.01.08 to 11.03.08

**Analysis conducted on 7.20.09 in which I created a step-by-step process of every activity that needs to be taken when purchasing income producing property and the amount of time it takes to complete each activity. I then classified those activities and their timings across all three investor types.

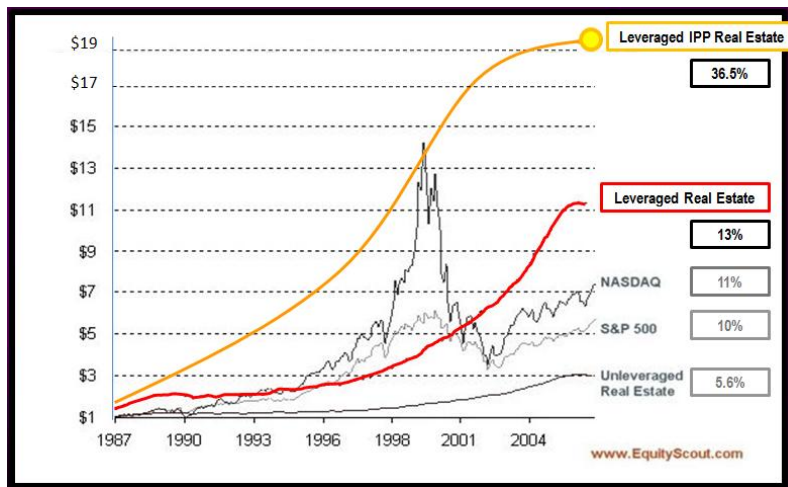
3 strategies to reduce the amount of time you invest when buying income producing properties

1. No matter how much time you have on your hands, the two easiest ways to reduce the amount of time invested, and thus improving your return-on-investment are: 1) **be clear about what your investment criteria are (write them down and follow them)** and, 2) **only look at properties that meet or exceed your investment criteria.**
2. **Minimally, seek out a Realtor® that is experienced with the buying, selling, funding, and negotiating of income producing properties.** This would be one who understands financial performance factors and can help you find properties based on your investment criteria. For help with Realtor® selection, see my article: [5 Questions to Help You Find a Knowledgeable Agent When Investing in Real Estate.](#)
3. **Use a team of experts** to reduce the amount of time you have invested in the project. No matter how much time it takes you to find your next piece of investment real estate- your investment will NEVER reach the performance level achieved by the Professional Investor that only gets involved when he/she needs to. Why? Because this assembled team, with all their marketplace knowledge and experience, are double checking each other's work (whether they admit it or not) and holding each other accountable. The functions of their combined focus and accountability just may have the greatest effect on bottom line profitability for the life of the investment.

PS: Stocks versus Real Estate ROI

It is easy to see why busy people would flock to investments such as stocks, bonds, annuities, etc. Busy people may have the money but feel they don't have the time to spend in the finding, buying, or managing the processes that real estate demands. They also tend to believe the many unproductive myths associated with real estate. To better understand the reality behind the most common myths see my article [Investing in Real Estate Myths](#). Myths- Done! Now let's get to money and time.

When it comes to return-on-investment (money, time, leverage), it would be nearly impossible to find another investment venue that can come close to real estate. In fact, in a presentation I am often called upon to conduct entitled: **Stocks versus Real Estate: The Investors Dilemma**, I conducted some research for return-on-investment values between the stock market and the real estate industry from 1987 to 2007. What I found was the following return rates:



*A research project conducted by Max Wilson, Max Business Group Investment Strategies Division, February 2, 2009

If I conducted the same study today, and use ROI stats over the past 2-3 years, I would find that real estate would be holding its own or even increasing slightly while the S&P and NASDAQ returns would have dropped dramatically overall. So, what if:

- someone was paying attention to all this ROI stuff and took the time to develop an easy way to help busy investors to buy and manage real estate with no more time involved than they would have spent for other investment types?
- someone designed a process that could improve portfolio performance by 25%, 100%, 500%, or more?
- investors had access to an elite group of trained professionals that could deliver the most accurate and comprehensive financial performance analysis for the top 3 highest performing properties in a given area for their review and purchase?

If you thought the someone I talked about above was me- your right! I have recently designed a program entitled the **Qualified Real Estate Investment Project Manager (QREIPM)** program. This highly sought after designation trains experienced real estate investors and turns them into highly qualified "Investment Managers." By using a graduate of the **QREIPM** program, time restricted investors can achieve all the benefits that real estate has to offer. ***The amount of time required on the investor using this new process has been reduced from 75 hours to 3 hours while achieving an increase in ROI of up to 500% over more traditional methods.***

If you have questions about anything you have read about in this article, or would like to find out more about how I help my clients maximize returns when buying, selling, or investing in real estate in Western PA, give me a call or email me to set up a convenient time to talk.

Max

"Taking a business approach to the business of real estate"

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MAX BUSINESS GROUP
REAL ESTATE SERVICES

Maximizing returns for our buyer, seller, and investor clients!



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BONUS: As a bonus for reading this article I would like to invite you to subscribe to receive my **FREE Real Estate Investment Strategies Newsletter** published on the first Wednesday of every month and sent to subscribers by email.

My monthly newsletter is very different from most newsletters as it is dedicated to helping you **TAKE ACTION** towards **making more money in less time** in your real estate investment business. It does this by providing a menu of strategies and tactics, every month, that you can/should use to help you find, analyze, buy, and manage only the best properties in the marketplace- thus helping you to maximize your returns with the least amount of money and time invested.

To find out more, click on either of the links below.

Click on this link to view an example of my [Real Estate Investment Strategies Newsletter](#)

Click on this link to sign up for my **FREE** [Real Estate Investment Strategies Newsletter](#)

ONE MORE BONUS: This month, new subscribers to my newsletter will receive a **FREE** Adobe pdf copy of the seminal work by **Napoleon Hill- Think and Grow Rich**- the **#1 book** cited as a must read for success when investing in real estate. In the near future, **ONLY** my subscribers will be invited to attend a workshop on how to take action to apply Hill's theories to make more money in less time in their real estate investment business!

As one might suspect there may be two different issues here- investors that have some time and those that feel they have no-time. Lets look at both. For those investors that have **some time** to engage in the process of purchasing real estate they typically engaged a property management system and continued spending their time looking for the next high performing property or spend the extra time they think they have on *managing* the property (at some level). This may include such time consuming tasks as: finding and managing contractors, finding and retaining high quality tenants, managing repairs and maintenance, finding and retaining high quality tenants, collecting rents and paying bills, finding and retaining high quality tenants, going to court to evict tenants, finding and retaining high quality tenants, meeting with local building or zoning code enforcement officers, etc., etc, etc.

On the second level, the investor never had the time in the first place to invest in real estate.

I then created two additional lists and timings for: The amount of time the their team members need to engage in from the first hello to close. I then classified those

Who needs help?

it hit me that there could be a large group of people who could not only afford to buy property after property, but would also not run out of credit. Who would these people be?- the busy professional and financially wealthy. But even they would have some limitation I thought- and I was right. Their limitation was time. Think about it- how many people do you run into every day that has such a full schedule, they have little time for anything else? Are you one of those people?

So, to start, let's start this article by giving you an activity- one that I want you to complete right now. Activity: On a sheet of paper, make a list, by name, of everyone you know that you think already may have some investments (stocks, bonds, etc.) and you believe may have more money than time. If you get stuck, look at your list and see if you can find any one that you relate to someone on your list, and/or ask yourself- Who else belongs on this list? It would be someone you know very well or maybe someone that would recognize you if you went up to talk to them (for example the butcher that you buy your meet from every week, or your spouses boss. Then, add to that list, a list of professional occupations which you think may limit the amount of time they can dedicate to managing growing their wealth through a variety of investment types.

The professional: doctor, lawyer, pharmacist, athlete, pilot, nurse, administrator, business owner, accountant, architects, dentists, funeral directors, optometry, physical therapists, psychologists, health care, veterinarian, government workers, mental health practitioners, podiatry, judges, magistrates, and other judicial workers, mayors, governors, legislators, non-profit leaders, computer programmers, IT specialists, teachers, professors, college and university administrators, scientists, graphic designers, interior designers, actors, broadcast announcers, television and motion picture camera operators and editors, audiologists, chiropractors, speech-language therapists, building and construction workers, insurance agents, real estate agents- any one that works full time at another job, and or has family obligations that limit time to manage and invest.

In any business there are two main factors that need to be balanced- time and money. Real estate investors will also tend to select strategies that allow them to take greatest advantage of where they fall on the time-money continuum.

Now for those investors that have little money but a lot of time, they will typically engage strategies like birddogging,

There are a lot of ways people build wealth. Some are easy to buy (stocks, bonds, annuities, futures, etc) while types that investors

Process for investing in real estate.

The three process options you have when investing in real estate are:

1. Traditional Investor Approach- 39-44 hours invested

2. Lone Ranger Approach- 68-75 hours invested
3. The Professional Approach- 3.5-5 hours invested

This process section will assume the investor has already conducted their due diligence to find a real estate professional knowledgeable about how to make money in real estate ([Download: 5 Questions To Help You Find a Knowledgeable Agent when Investing in Real Estate](#)). To find agents that have been trained in process, tools, and strategies specifically designed to meet the needs of the most discriminative investor, look for an agent with the professional designation: Qualified Real Estate Investment Practitioner in your area. For more information about this designation or local agents with this qualification, please contact Max Wilson at 724-368-3650 for further details.

The process:

1. Understand your purpose for investing
2. Align that purpose with a select real estate investment strategy
3. Select buying criteria that aligns with your purpose
4. Make business decisions about how you design and use other members of your team:
 - a. Realtors
 - b. Lawyers
 - i. Creation of business entities
 - ii. Leases
 - iii. Legal matters that arise due to ownership
 - c. Property Managers
 - d. Property Scouts
 - e. Lenders (bank or mortgage broker that does a lot of lending on non-owner-occupied properties)
 - f. Title and Closing companies
 - g. Property Assessors (assesses current and or potential financial performance of property)
 - h. Financial Advisor
 - i. Insurance Company/Agent (one that specializes in rental properties)
 - j. Accountants (one that specializes in rental properties)
5. Identify how you will find properties to buy
6. Identify properties of interest
7. Drive by those properties looking at external condition and marketplace impact
8. Select those of interest and set appointments and view properties
9. Collect information on utility distribution when viewing
10. Collect copies of all leases and rent rolls
11. Confirm all lease data including amount of all rent rolls that will transfer with sale
12. Collect copies of all information that describes unit condition when tenant moved in
13. Collect information on internal and external building condition noting any update/repair needs
14. Collect accurate and comprehensive income and expense data for those properties that show interest- including IRS 1040 Schedule E's, or collect even more data with Max Wilson's Cool Tool: [Seller Financial Disclosure Statement](#)
15. Select which properties that you would like to move forward on
16. Analyze financial performance for all of those properties factoring in all information collected
17. Compare financial performance between properties
18. Select best property or properties for purchase
19. Work with agent to design buying/contract strategy
20. Submit the contract and negotiate the deal until accepted or until you reach your "tipping point"
21. Submit all paperwork to lender and title company immediately
22. Schedule and attend inspections using a qualified inspector for accepted contract
23. Review inspection report
24. Create and submit reply to inspection report to selling agent or non-represented owner

25. Structure and renegotiate contract based on inspection findings
26. Confirm all repairs have been completed and accepted by you
27. If not, set structure with title company to set up and manage escrow account for repairs that are to take place after closing
28. Track and align work of lender and closing company to assure timely close
29. Comply with any lender stipulations
30. The day before closing tour the property to confirm all contractual issues have been met
31. Review HUD-1 for errors
32. Go to close and transfer property by receiving
 - a. Assigned leases
 - b. Security deposits
 - c. Keys
 - d. Deed
 - e. Appraisal

Immediately After Close

33. Engage the property manager immediately (should attend closing)
 - a. Provide tenants with pamphlet: *Protect Your Family from Lead in Your Home*
 - b. Provide tenants with Tenant Consumer Notice
 - c. Provide tenants with monthly rental payment instructions
 - d. Secure tenants without written lease with a lease
 - e. Develop a plan for maximizing profits for owner
34. Set up escrow accounts for security deposits and deposit into interest bearing account

Look for Additional Opportunities

35. Look for additional opportunities
 - a. Start at #1 for next project (purpose for investing may be different that any previous project) or
 - b. for multiple property holders, skip to action #35
36. Analyze your current investment holdings
37. Compare financial performance between current holdings and those currently offered in the marketplace
38. Develop a plan to maximize returns
39. Execute the plan
40. Look for additional opportunities- starting at #1

Research driven process for the busy real estate investor

1. Understand your purpose for investing
2. Select buying criteria that aligns with the purpose
3. Review your customized "best buys list" of properties that meet or exceed your investment criteria
4. Review financial performance analysis of top three
5. Select best property or properties for purchase and buy

Who does what

step	Investor	hrs	step	Knowledgeable Realtor®	step	Investor Representative (IP) or Project Manager (PM)
1	Identify purpose and goal	.25	1	Identify purpose and goal	1	Identify purpose and goal
2	Develop investment strategy	.25	2	Develop investment strategy	2	Develop investment strategy
3	Select buying criteria	.25	3	Select buying criteria		
4	Building the team	0			3	Team already built
5	Buy REIA Report Best Buys List	0	5	REIA Report Best Buys List	5	REIA Report Best Buys List
6	Identify properties of interest from REIA Top Best Buys List	.25	6	Identify properties of interest from REIA Top Best Buys List	6	Identify properties of interest from REIA Top Best Buys List
					7	Drive buy properties collect data
			8	Set viewing appointment & view	8	Set viewing appointment & view
			9	Collect utility distribution data	9	Collect utility distribution data
			10	Collect copies of leases & rent rolls	10	Collect copies of leases & rent rolls
			11	Confirm all lease data	11	Confirm all lease data
			12	Collect initial unit condition data	12	Collect initial unit condition data
			13	Note needs for updates & repairs		
			14	Collect income & expense data		
15	Select properties	.50	15	Select properties	15	Select best properties
16	Purchase REIA Report Investor for all properties of highest interest	0				
17	Compare financial performance	.50	17	Compare financial performance	17	Compare financial performance
18	Select best properties	0	18	Select best properties	18	Select best properties
19	Approve buying strategy	0	19	Design buying & contract strategy	19	Design buying & contract strategy
			20	Submit contract, negotiate deal		
			21	Forward paperwork to lender & title co.		
			22	Schedule inspections	22	Attend inspections
			23	Review inspection report	23	
			24	Reply to inspection report		
			25	Renegotiate contract base on inspection report		
			26	Confirm all completed repairs	26	Confirm all completed repairs
			27	Set up escrow account for repairs		
			28	Align title, closing, & lender		
29	Meet lending stipulations	0	29	Meet lending stipulations	29	Meet lending stipulations
					30	Tour the property
			31	Review HUD-1	31	Review HUD-1
32	Close on property	1	32	Close on property	32	Close on property
	HOURS INVESTED TO CLOSE	3				
33	Engage property manager	0			33	Engage property manager
34	Set up escrow for security deposits	.50				
	TOTAL HOURS INVESTED	3.5				

Notice that the Realtor® and the Representative are with the investor all the way

Technological Needs:

- Transportation
- Phone
- Email
 - Adobe Reader- Free
 - Adobe Pro- best
- All in one printer- HP (\$100-150)
 - Fax

step	Investor	hrs	step	Qualified Real Estate Investment Practitioner®
1	Identify purpose and goal	.25	1	Identify purpose and goal
2	Develop investment strategy	.25	2	Develop investment strategy
3	Select buying criteria	.25	3	Select buying criteria
4	Building the team	0	4	Team already built
5	Buy REIA Report Best Buys List	0	5	REIA Report Best Buys List
6	Identify properties of interest from REIA Top Best Buys List	.25	6	Identify properties of interest from REIA Top Best Buys List
			7	Drive buy properties collect data
			8	Set viewing appointment & view
			9	Collect utility distribution data
			10	Collect copies of leases & rent rolls
			11	Confirm all lease data
			12	Collect initial unit condition data
			13	Note needs for updates & repairs
			14	Collect income & expense data
15	Select properties	.50	15	Select properties
16	Purchase REIA Report Investor for all properties of highest interest	0		
17	Compare financial performance	.50	17	Compare financial performance
18	Select best properties	0	18	Select best properties
19	Approve buying strategy	0	19	Design buying & contract strategy
			20	Submit contract, negotiate deal
			21	Forward paperwork to lender & title co.
			22	Schedule inspections
			23	Review inspection report
			24	Reply to inspection report
			25	Renegotiate contract base on inspection report
			26	Confirm all completed repairs
			27	Set up escrow account for repairs
			28	Align title, closing, & lender
29	Meet lending stipulations	0	29	Meet lending stipulations
			30	Tour the property
			31	Review HUD-1 with buyer and get mistakes changed
32	Close on property	1	32	Close on property
	HOURS INVESTED TO CLOSE	3		
33	Engage property manager	0		
34	Set up escrow for security deposits	.50		
	TOTAL HOURS INVESTED	3.5		

step	Investor	hrs	step	Knowledgeable Realtor®	step	Investor Representative (IP) or Project Manager (PM)
1	Identify purpose and goal	1	1	Identify purpose and goal	1	Identify purpose and goal
2	Develop investment strategy	1	2	Develop investment strategy	2	Develop investment strategy
3	Select buying criteria	.25	3	Select buying criteria		
4	Build your investment team	6			3	Team already built
5	Bring delivery team together	3	5	REIA Report Best Buys List	5	REIA Report Best Buys List
6	Identify properties of interest from REIA Top Best Buys List	1	6	Identify properties of interest from REIA Top Best Buys List	6	Identify properties of interest from REIA Top Best Buys List
7	Drive buy properties collect data	4			7	Drive buy properties collect data
8	View properties	6	8	Set viewing appointment & view	8	Set viewing appointment & view
		0	9	Collect utility distribution data	9	Collect utility distribution data
		0	10	Collect copies of leases & rent rolls	10	Collect copies of leases & rent rolls
		0	11	Confirm all lease data	11	Confirm all lease data
		0	12	Collect initial unit condition data	12	Collect initial unit condition data
13	Note needs for updates & repairs	1	13	Note needs for updates & repairs		
14	Review income & expense data	4	14	Collect income & expense data		
15	Select properties	1	15	Select properties	15	Select best properties
16	Purchase REIA Report Investor for all properties of highest interest	0				
17	Compare financial performance	1	17	Compare financial performance	17	Compare financial performance
18	Select best properties	0	18	Select best properties	18	Select best properties
19	Approve buying strategy	1	19	Design buying & contract strategy	19	Design buying & contract strategy
		0	20	Submit contract, negotiate deal		
		0	21	Forward paperwork to lender & title co.		
22	Attend inspections	6	22	Schedule inspections	22	Attend inspections
23	Review inspection report	1	23	Review inspection report	23	
		0	24	Reply to inspection report		
		0	25	Renegotiate contract base on inspection report		
26	Confirm all completed repairs	.5	26	Confirm all completed repairs	26	Confirm all completed repairs
		0	27	Set up escrow account for repairs		
		0	28	Align title, closing, & lender		
29	Meet lending stipulations	0	29	Meet lending stipulations	29	Meet lending stipulations
30	Tour the property	1.5			30	Tour the property
31	Review HUD-1	.5	31	Review HUD-1	31	Review HUD-1
32	Close on property	1	32	Close on property	32	Close on property
	HOURS INVESTED TO CLOSE	41				
33	Engage property manager	0			33	Engage property manager
34	Set up escrow for security deposits	.50				
	TOTAL HOURS INVESTED	3.5				

The process:

1. Understand your purpose for investing
2. Align that purpose with a select real estate investment strategy
3. Select buying criteria that aligns with your purpose
4. Make business decisions about how you design and use other members of your team:
 - a. Realtors
 - b. Lawyers
 - i. Creation of business entities
 - ii. Leases
 - iii. Legal matters that arise due to ownership
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 - e. Lenders (bank or mortgage broker that does a lot of lending on non-owner-occupied properties)
 - f. Title and Closing companies
 - g. Property Assessors (assesses current and or potential financial performance of property)
 - h. Financial Advisor
 - i. Insurance Company/Agent (one that specializes in rental properties)
 - j. Accountants (one that specializes in rental properties)
5. Identify how you will find properties to buy
6. Identify properties of interest
7. Drive by those properties looking at external condition and marketplace impact
8. Have lunch in some nice places- you'll be on the road a while
9. Select those of interest and set appointments and view properties
10. Collect information on utility distribution when viewing
11. Collect copies of all leases and rent rolls
12. Confirm all lease data including amount of all rent rolls that will transfer with sale
13. Collect copies of all information that describes unit condition when tenant moved in
14. Collect information on internal and external building condition noting any update/repair needs
15. Collect accurate and comprehensive income and expense data for those properties that show interest- including IRS 1040 Schedule E's, or collect even more data with Max Wilson's Cool Tool: Seller Financial Disclosure Statement
16. Select which properties that you would like to move forward on
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19. Select best property or properties for purchase
20. Work with agent to design buying/contract strategy
21. Submit the contract and negotiate the deal until accepted or until you reach your "tipping point"
22. Submit all paperwork to lender and title company immediately
23. Schedule and attend inspections using a qualified inspector for accepted contract
24. Review inspection report
25. Create and submit reply to inspection report to selling agent or non-represented owner
26. Structure and renegotiate contract based on inspection findings
27. Confirm all repairs have been completed and accepted by you
28. If not, set structure with title company to set up and manage escrow account for repairs that are to take place after closing
29. Track and align work of lender and closing company to assure timely close
30. Comply with any lender stipulations
31. The day before closing tour the property to confirm all contractual issues have been met
32. Review HUD-1 for errors
33. Go to close and transfer property by receiving
 - a. Assigned leases
 - b. Security deposits
 - c. Keys
 - d. Deed
 - e. Appraisal
34. Engage the property manager immediately (should attend closing)
 - a. Look to provide leases for any tenant not under a written lease
 - b. Develop a plan for maximizing profits for owner
 - c. Etc, etc, ect.
35. Set up escrow accounts for security deposits
36. Look for additional opportunities
 - a. Start at #1 for next project (purpose for investing may be different that any previous project) or
 - b. for multiple property holders, skip to action #35
37. Analyze your current investment holdings
38. Compare financial performance between current holdings and those currently offered in the marketplace
39. Develop a plan to maximize returns
40. Execute the plan

41. Look for additional opportunities- starting at #1



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The real dependent business model looking more like this:

