



Property Scouting Guide

Scout Like a Pro.

Training Manual

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Introduction

Property scouting is a very popular way real estate investors use to find new properties to buy fix and resell. There are many techniques you can use to be successful as a property scout. In this guide we share some of the common techniques you can use to find such properties. While some techniques are very simple, others are a little more sophisticated and can help you get more leads and in turn more money.

Why Would a Seller Want to Work with an Investor?

Before you start scouting, it is important that you understand the advantages of selling to a real estate investor / cash buyer. This will help you explain to the seller the advantages of selling to an investor vs. selling traditionally with a broker.

Selling to an investor is not for everyone. It is mainly designed for those who:

- A. Have a difficulty to sell their house due to the property's condition.
If the property needs a lot of work / repair / updating, it is not likely that a "regular" home buyer (someone who is looking to buy a house and move into it) will buy it. Home buyers are looking for move in ready house where they can pay for the house using a conventional mortgage and immediately move their family to it. These buyer are not looking to engage in extensive repair and renovation work. In this group you can also find other investors who run out of cash to complete a project
- B. Need to sell fast
There are many groups of people who need to sell fast. Here are a few examples:
 -) Someone who cannot afford the property due to job loss, illness, etc. These people usually fall behind on payments and are risking losing the house to the bank if they can't make the mortgage payment or to the county if they can't make property tax payments.
 -) Someone who needs to relocate for a new job or due to health conditions. These people are usually on a clock.
 -) Divorced couples who need to liquidate their joint assets
 -) Bankrupt people who are forced to sell their assets
 -) People who bought a new home and are now making 2 mortgage payments
- C. Looking to cash out on an inherited property (estate sale)
In this group you will find people who inherit a property and are not interested in holding on to it (or renting it out). These usually look to cash out and the property is usually older and dated so it wont sell well on the market. Meanwhile, they might be making mortgage payments and tax payments that might be a financial burden.
- D. Tired Landlords



In this group are landlords who want to “get out of the game”. Usually they are burnt out and frustrated due to problematic tenants who don’t make rent payments on time (or at all) and trash the property.

E. Absentee Owners

These are property owners who live far away from their property. Usually the property is simply abandoned and exposed to vandalism and citations from the city due to substandard upkeep.

Selling to an investor is not for:

- A. People looking to upgrade to a bigger, nicer home
- B. People not in a rush to sell
- C. People looking to sell for market value or more
- D. People with well-maintained homes that need no repair or updating

How Does Selling to an Investor help the Seller?

There are many advantages to selling to an investor:

A. Fast Closing

Investors usually buy property for cash. Since there is no mortgage involved, an investor can close in as fast as 10 days.

Another fact to consider is that when selling conventionally with a broker, the house can be listed and sit on the market for months or even years before getting an offer. Average time is about 5 months unless listed significantly below market price.

B. Selling As Is

Investors won’t ask the seller to make repairs or updates to the house. He usually buys the house in “as is” condition and will make repairs and updates himself.

C. No Real Estate Commission

When selling to a real estate investor, there are no fees or commissions involved unlike selling with a broker where the seller has to pay 5-6% commission to the broker.

D. No Need to Do Many Showings

When listing the property with a broker, the seller has to be ready to show the house multiple times to multiple prospects. This means the house has to be showing-ready (i.e. clean and neat) on demand.

E. Mortgage Payments Takeover / Stop Foreclosure



One way to sell to an investor is by the investor taking over the seller's mortgage payments. By that the investor helps the seller avoid a foreclosure while keeping the seller's credit intact

Property Scouting 101 – How to Find Properties

1. Networking and Spreading the Word

This is the easiest technique and it cost nothing.

When you become a property scout, simply spread the word to everyone you know. That includes family members, friends, colleagues, people at church, friend on social networks and generally everyone you come in contact with.

When you meet people, simply say that you now work with a real estate investor who buys homes for cash and can help anyone who is looking to sell his her property and that you can help these sellers connect with a fast cash buyer who can make a win-win deal for both parties.

You can take it even further and ask that if they hear of anyone in their personal circles who is looking to sell, to refer that person to you. Make sure everyone around you knows that you are a property scout and that they should turn to you before speaking with a broker.

2. Keeping Your Ears Open

People share. That includes almost everyone in your personal circles. Keeping your ears open while talking with people will help you identify potential deals. For example, if a colleague is away from work to attend a funeral, you can gently inquire if the family needs help selling of the property. If you hear about a friend complain about having to go to court again to evict yet another nonpaying tenant, ask if he would consider selling the property and be done with it. If a family member lost his job, inquire and ask how he is going to make these mortgage payments. If a friend is sharing that his basement flooded and he can't afford to fix it, suggest a solution.

Remember to be respectful and never "push it". Offer sincere help and avoid becoming a vulture. We are looking to people who are interested in selling their property and understand the advantages of doing so but we do not work with people who are being "forced" to sell. The seller must believe this is his best solution and not be pushed into this conclusion.

3. Canvas Your Neighborhood

We all spend time outside, walking or driving through our neighborhood. By keeping your eyes open and knowing what to look for you can find great properties.

What to look for?



A. For Sale By Owner Signs

These signs indicate that the owner is looking to sell his house but has not hired a broker to do so.

B. Vacant Houses

You can find these by recognizing any of the following indicators

- a. Overgrown grass
- b. Mail is piling up
- c. House in substandard condition (loose gutters, broken windows, peeling paint, etc.)
- d. Red or white tags on doors and windows (usually warnings from the city or county)
- e. Boarded up window(s)

4. Online

You can find properties by search online. Craigslist.org and Backpage.com a great source to find deal. Be sure to search under the “for sale by owner” section. Another way attract sellers is to run ads on these sites, inviting sellers to call you if looking to sell their home.

5. Flyers Cards and stickers

Distributing flyers and business cards is cheap and very effective. You can print cards or flyers for as low as \$10 for 500 cards/flyers/stickers or even print them at home using your computer and printer

Message

Keep your message simple. While flyers are larger and can include more information, cards and stickers are smaller and should include a 1-2 line message. See the samples at the end of this guide

Distribution

Flyers

Flyers can be handed to people or left in the mail box or on doors. In some cases you can leave a flyer on a car’s windshield and hang them on neighborhood bulleting/message boards in your local cafés, supermarkets, and anywhere else where these boards are available

Cards

To distribute cards, be sure to carry them with you at all times. Hand them to prospective sellers as you meet with them or leave them in high traffic areas such as check cashing stores, pharmacies, etc. If you take the bus/train/cab you can “drop” a card and “forget” it there. Be creative, there are many high traffic areas where you can leave your cards to be found by potential sellers.

Stickers

Stickers can be attached anywhere. From freeway on/off ramps railing to poles on the street. They are easy to carry and easy to attach. We recommend bumper sticker size for maximum efficiency.



6. Signs

Signs have stood the test of time. Any successful scout will tell you that signs work. We have found that a simple marketing message is most effective with signs. Your goal is for someone to see the sign, be able to read it and then take action by calling the number.

Stick to the two most recognized slogans:

-) We Buy Houses
-) Avoid Foreclosure

A simple slogan like "We Buy Houses," a phone number is all your sign needs to say to be effective. The more you include, the more confusing it will be to your target audience. Less is more. It is cheaper and much more effective to handwrite your message on the signs.

Sign Placement is Key

Where you place your signs will determine who calls you and the efficiency with which you get calls with the money you are spending. Highly visible traffic bottlenecks, such as interstate off-ramps, roadway where vehicles pile up due to traffic lights, stop signs, railroad tracks, school zones, and major throughway intersections, as well as more specialized bottlenecks, such as the exits to specific neighborhoods or subdivisions, have produced the most efficient results for us over the years. When it comes to the sheer number of viewers of your marketing, interstate off ramps almost always out perform any other location. Another great place to install signs is near bus stops and train stations. People waiting for the bus tend to be bored and read signs and advertisements around them.

Sign Types

There are a few different types of Outdoor Marketing Signs. The following four styles are productive but each has certain advantages and disadvantages:

1. Large 4'xS' Chloroplast Signs

Advantages: Very Large, Extremely Visible. Some will remain in place for a very long time.

Disadvantages: Limited placement options, very windy weather tears them up and they are more expensive compared to smaller signs

Required Materials: 3 - 6' Metal Garden Stakes from Home Depot or Lowes, 20 Plastic Zip Ties, a Phillips head screwdriver & a post driver or 4lb sledge hammer.

2. Medium 15"x24" Chloroplast Signs

Advantages: Quite Visible, Nearly Unlimited Placement, Inexpensive

Disadvantages: May blend in with the crowd; rarely remain in place for more than a week.

Required Materials: 1"x2"x36" Grade Stakes from Lowes, 1" Plastic Cap Roofing Nails, 12" Metal Stake Hole Starter & 4 lb. sledge hammer from Lowes or Home Depot.

3. Small 12"x18" Chloroplast Signs

Advantages: Inexpensive, easy to find stakes, will stay up longer than the Mediums and unlimited placement options.



Disadvantages: Too small for some motorists to see

Materials: 1"x2"x24" Grade Stakes from Lowes, 1" Plastic Cap Roofing, Nails & 4lb sledge Hammer from Lowes or Home Depot.

4. Very Small 9"x11" Polycoat Signs

Advantages: Will stay up for long periods, can be placed on metal telephone poles and are the most inexpensive.

Disadvantages: Too small for some motorists to see. Limited placement options (can only install where a pole or other fixture is close to the road)

Required Materials: Staple Gun with 1/2" Staples, Tape Gun with Clear Tape.

Sign Distribution Lessons

Here are the rules we communicate to anyone who distributes for signs us. These will save you hours of hard learning lessons:

- a) Do unto others as you would have others do unto you. Avoid taking down or putting your sign in front of someone else's.
- b) Be Different. Don't join the crowd. Avoid putting a sign right next to another person's sign. It hurts both people's marketing. Keep signs very visible, but away from the crowd.
- c) Be Creative. We are only limited by our creativity. Excellent, high traffic bottlenecks can always be effectively captured with enough creativity. Use your creativity.
- d) Turn lemons into lemonade. Being stuck in traffic jam, at first, appear to be unproductive, but with a positive mental attitude, one can explore new potential sign locations where vehicles (like yours) stack up.
- e) Be aware of your surroundings. Distributing signs can be very dangerous. Always keep your eyes open for reckless drivers, homeless people, those passing by, lawn mowers, etc.
- f) Too much medicine can be poisonous. Don't stack the same sign at every consecutive stop sign / red light down a busy high traffic road. It causes more harm than good.
- g) Install each sign for maximum long term exposure, fastened completely and finished safely.
- h) Do not install signs that arouse the anger and frustration of others. If you do, remove it immediately, no questions asked, regardless of the time you lose.



Contacting the Seller

To make the best of your efforts we require that you make the initial contact with the seller before you deliver your leads to us. This is used as a first mean of screening to make sure you are not wasting your time or ours. The initial contact allows you to collect the basic information and possibly more.

There are two approaches to contacting sellers.

1. The Phone Approach

If you have the sellers phone number (for sale sign, online ads), call the seller and try to obtain as much information as possible over the phone.

"Hi, my name is _____ and I am calling in regards to the house you have for sale. Am I catching you at a good time? I am a home buyer and I saw your ad and was wondering if I can get more information about the property."

Usually the seller is eager to sell and will make time to answer your questions. Follow the blank lead page to collect as much information as possible

If you receive a call as a result of you marketing, be sure to be available and answer the calls. Most sellers won't leave a voicemail (if you advertise your cell phone, you can encourage sellers to call or text you. Many sellers prefer the indirect approach of texting first.

When a call comes in, briefly explain that you are a cash buyer looking to buy more houses and move forward to asking the sellers about the house. Be sure to cover at least the basic required information on the lead page.

2. The Door Knocking Approach

Sellers of distressed houses are already receiving hundreds of mailings. In order to separate you from the crowd, the best way to contact the person is to knock on their door. In fact, many sellers may be praying for someone like you to help them, so do not be intimidated.

When someone comes to the door after you knock, make sure you are not right up against the door. In fact, you should be at least one step or so back from the door. Give the homeowner some room. Plus, this gives the homeowner a feeling of superiority because you are standing below them. Once the door opens, greet the owner with a smile and use this opening line:

"Hi, my name is _____. By chance, are you the owner of this property?"

If the person says, "Why?" respond with, "I am a real estate investor and I am looking to buy more houses in this area."

While some owners will simply say that the house is not for sale. Some will be interested in hearing what you have to say. At this point, your goal is to develop a conversation and collect as many details as possible. If possible, ask to take a quick tour of the house and to take some photos.



After speaking with the homeowner, end the visit by saying “OK, this looks OK. I would like to consult with my partner and we’ll be in touch tomorrow to discuss our offer.”

Vacant Houses

Sometimes you will find the house vacant, therefore there is no owner to speak with. Your goal in this case is to see if you can track him down. Your best bet is to speak with the neighbors.

Approaching the Neighbors

To locate information on owners who have vacated the property, the most effective technique is to talk to the neighbors. You will be surprised as to how much information most neighbors have about the people you are looking to contact. In fact, in many cases, the neighbors are close friends with the owners and know how to get in touch with them. The key is to knock on more than one neighbor's door. One neighbor may even hesitate to give you information. Go to the next neighbor. When a neighbor answers the door, begin

"Hi, my name is _____, and I was wondering if you knew how to get in touch with the people who own that property?" (Point to the property.)

If the neighbor knows the people, they will usually ask "why?" The answer to the "why" question is:

"I am a real estate investor and I buy properties in the area. I saw that their house is vacant and would like to make them an offer."

If the neighbor says that they have no way of getting in touch with the people, begin asking questions about who lived there. Become a detective. Ask as many questions as you can. Sometimes your line of questioning will actually jog the person’s memory and they will soon remember how to get in touch with the property owner.

At the very least, you can always leave a handwritten note on the mailbox, the doors and any other location where you think the owner would see it if they returned to the property to check on it.

A note should be short and to the point. Something along the lines of “Hi. My name is _____ just trying to reach you in regards to your house. I’m an investor that buys houses. If you are interested in selling your Home, give me a call back at 773-555-5555. (your phone number)”



Becoming a Property Scout

To become a property scout, you need to sign our property scout agreement (see at the end of this guide). This agreement breaks down the terms and condition for our relationship. If you have questions while reading the agreement please feel free to contact Lior at 312-878-8583 or via email at lior@fair-cash-offers.com.

In addition, submit a complete signed W9 form. This form is used to report the income you earn with us. This form is not required to join the program but is required prior to receiving payment.

Submitting Your Leads

As mentioned before, to make the best of your efforts we require that you make the initial contact with the seller before you deliver your leads to us. We required that you submit as much information as possible but we'll accept lead with basic information as well.

Do not submit listings you find on Craigslist.org without speaking with the owner. (we do this ourselves daily.) When we call the seller, we want to be able that we were referred by you.

To submit a lead complete the lead submission form (see next page) and email or fax it. If you don't have a scanner, you can take a good quality photo with your cell phone and email the photo.

Remember: while not all information is required, the more info you provide, the bigger the chance we can turn your lead into a purchase and pay your fee.



Lead Submission Form

Gather as much information as possible. Fields marked with "*" are required. Leave anything you do not know blank. The more information collected, the greater the chance of successfully purchasing the property. Properties with Realtor signs are not of interest. Submit for via email (lior@fair-cash-offers.com) or fax (877-878-2108)

Scout Information

Name*		
Phone*	Fax	Cell
Email*		Date

Owner Information

Name*		
Phone*	Cell	Work
Email		Time to Call

Property Information

Address*		
City*	State*	Zip Code*
Property Type*	Number of units	Number of Levels*
Bedrooms	Bathrooms	Parking
Exterior Type	Basement	Other

Property Condition

Exterior	Kitchen	Roof
Interior	Bathrooms	Tard
Garage	Curb Appeal	Windows
Other		Overall
Comments		

Seller's Motivation

Divorce	Foreclosure	Inherited
Bankruptcy	Job Loss	Relocation
Need of much repair		Tired Landlord
Other		

Lead Source

How did you find the Seller/Property?
When did you generate the lead?

For Office Use

Contact Attempt
Owner reached
Property Inspection
Offer
No Action Due To



Business Card Sample

We Buy Houses

- ✓ Fast Cash
- ✓ No Commissions / Fees
- ✓ Any Condition

We Can Help - Call or text today 312-878-8583

Sticker Sample

We Buy Houses

Any Property, Any Condition, No Equity-No Problem

- ✓ Is your property not selling? We'll buy your house fast!
- ✓ Facing foreclosure? We'll buy your house fast!
- ✓ Inherited and want to cash out? We'll buy your house fast!
- ✓ Bankruptcy? We'll buy your house fast!
- ✓ House need much repair? We'll buy your house fast!

Call or text us today 312-878-8583



Flyer Sample

We Buy Houses for Cash-\$\$\$

Any Property, Any Condition, No Equity-No Problem

We pay fast cash for your property and close within 10 days

We buy houses in any condition. AS-IS. Make no repairs

We charge no real estate commissions or fees

We specialize in making win-win deals

We can help with any of the following:

- ✓ Is your property not selling? We'll buy your house fast!
- ✓ Facing foreclosure? We'll buy your house fast!
- ✓ Inherited and want to cash out? We'll buy your house fast!
- ✓ Bankruptcy? We'll buy your house fast!
- ✓ House need much repair? We'll buy your house fast!

Call or text us 312-878-8583

Get an all cash offer within 1 day!