

Real Estate Investment Dallas, TX

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Making Money from real estate-Dallas,TX

In this webinar we'll share with you the steps and processes we've developed to generate profits from real estate investment.

RE Investment- from 60,000 feet

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Our experience shows that the recipe for a successful real estate investment relies on 3 main ingredients:

- **Market – Stable , predicable, yet with plenty of opportunities.**

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- **Process- simple, low risk and effective.**

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- **Team- reliable, professional with intimate market's knowledge.**

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About the Market

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Why invest in north Dallas?

- **One of the most undervalued real estate markets.**
- **High employment rate and population growth.**
- **Strong demand for rentals due to the mortgage crisis.**
- **Solid price increase- 3.2% over past 13 years and 4% in 2010.**



About the Market

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- **Low risk , stable and predictable.**
- **Minimal impacted by recent economical crisis.**
- **4th largest metro in US.**
- **Low cost of living/doing business-no state income tax.**
- **Ranked 3rd in US headquarter location.**

ExxonMobil

jcpenny



at&t



TEXAS INSTRUMENTS

About the market- From the media

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- **Fastest growing US city-The booming Dallas-Fort Worth metropolitan area added more residents during the past decade than any other city in the United States.**
http://money.cnn.com/2010/06/22/real_estate/fastest_growing_metro_areas/index.htm
- **Dallas-Fort Worth ranked #3 as hottest job market.**
<http://www.bizjournals.com/bizjournals/on-numbers/archive/hottest-job-markets—city-profiles.html>
- **Forecasts predicts the Dallas area will be one of the top home markets in the country this year.**
<http://www.dallaschamber.org/files/Top10marketsfor209.pdf>

About the process

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Our focus is on 2 investment paths.

- **Short term – or buy and flip i.e. buy low, rehab , sale on profit.**
- **Long term- or buy and hold i.e. buy low, rehab, lease.**

Step 1- find.

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- **Monitor market daily.**
- **Subscribe to wholesaler distribution list.**
- **Perform extensive neighborhood analysis.**
- **Uncover location /floor plan issues.**
- **Estimate rehab.**
- **Check property background.**
- **Qualify property – estimate return on investment.**

Step 2- Purchase.

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- **Submit an offer.**
- **Negotiate price.**
- **Sign contract.**
- **Option period (~7 days)- inspect property.**
- **Negotiate fixes.**
- **Pending period- settle funding.**
- **Closing day.**

Step 2- Purchase (Cont.)

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- **Purchase insurance.**
- **If occupied by tenants – review lease contract.**
- **Make sure house is secured and locked.**

Step 3- Rehab

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- **Make a list- things to rehab/fix where needed.**
- **Invite contractors / gather and negotiate quotes.**
- **Purchase materials – negotiate prices.**
- **Monitor contractor's progress.**
- **If multiple professionals- coordinate timing.**
- **Handle unexpected-handle promptly.**
- **In some cases, provide contractor's incentives.**
- **Monitor quality.**
- **Clean and slightly stage- get ready for showing.**

Step 4- Sell

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- **Price correctly- make sure it is not over/under value.**
- **Publish on market.**
- **E-mail blast to realtor with incentives- where needed.**
- **Request comments following showing- Review and correct.**
- **Open house- where needed.**
- **Accept offers- negotiate prices and fixes.**
- **Closing day- fees are usual 6% plus closing costs.**

Risk analysis

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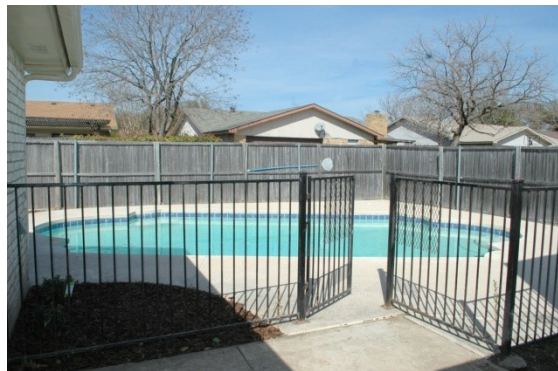
Phase	Risks	Mitigation
Find	House carries liens.	Through investigations on liens , title company involvement when needed. Dismiss qualification if concerns are not fully settled.
Find	House is poorly located i.e. next to busy road, electric wires, industrial area etc.	Part of the house qualification process is to visually inspect house using Google map and on site visit. Sell price is than reduced accordingly.
Purchase	tenant refuses to vacant house	Offer tenet compensation to quietly leave the house. Exercise eviction process- 3-4 weeks.

Risk analysis (Cont.)

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Phase	Risks	Mitigation
Rehab	Remodeling project falls behind schedule and above budget.	Daily onsite visits to monitor progress. Incentive program to contractors.
Sell	Takes too much time to sell	Reduce price Offer realtor incentives. Weekly open house.
Sell	House does not sell with expected profit	Rent and try again year after.

Short term- Example.



**1629 Mesquite Trl, Plano
4 BR 2 Baths 2,100 Sqft**



Buy and Flip- Example.

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1629 Mesquite Trl, Plano, TX.

Full cycle duration- 4 months (Jan 11- Apr 11).

Expenses	\$109,000
Purchased at	\$88,000
Rehab cost	\$19,000
Operation cost (Taxes, utilities etc.)	\$2,000
Income	\$124,000
Sell price	\$129,000
Minus closing cost	-\$5,000
Total gross profit \$	\$15,000
Total gross profit %	14%
Total Annual gross profit	42%

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Step 2- Purchase (Cont.)

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Step 3- Rehab

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- **Monitor quality.**
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Step 4- Lease.

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- **Publish house for lease.**
- **Price correctly- for quick lease cycle.**
- **Accept application- make sure to carefully inspect.**
- **Once agreed, sign contract**
- **Perform walk through with tenant- note issues.**

Step 5- Manage

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- **Collect payments.**
- **Pay taxes and insurance.**
- **Handle issues i.e. late payments, fixes.**
- **Visit at least once a quarter and address issues.**
- **Notify tenants on lease renewal.**

Risk analysis

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Risk analysis

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Phase	Risks	Mitigation
Rehab	Remodeling project falls behind schedule and above budget.	Daily onsite visits to monitor progress. Incentive program to contractors.
Rent	Takes too long to rent	Reduce price. Agents incentives. Consider lease to own.
Manage	Tenant gets behind payments or stop paying.	Through background checks- do not accept Tenant with bad background. Increase down payment. Exercise late payment fee. Exercise eviction- takes 30-60 days.
Manage	Tenant does not take care of the house.	Visit regularly . Send warnings. Apply fees.

Buy and hold- Example.

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**1805 Hatherly, Plano,
TX**

**3 BR, 2 baths ,2000
sqft.**



Buy and hold- Example.

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1805 Hatherly, Plano, TX

**Purchased on 2005 for \$144K, currently worth 165K-
3% annual increase.**

Expenses	\$5,400
Property tax	\$4,100
Insurance	\$800
Other (fixes, realtor fees etc.)	\$500
Income	15,540
Rental (\$1295 per month)	\$15,540
Total Annual gross profit \$	\$10,140
Total Annual gross profit %	7 %

About the team-Our services

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- **Wide coverage of real estate investment services.**

Included but not limited:

- **In depth market research and monitoring to identify qualified houses for investment.**
- **Licensed real estate agent to handle the buying, selling and renting process.**
- **Specialized in short sales, foreclosure and auctions.**
- **Rehab services incl. project management- access to low cost professionals.**
- **Property management.**

Contact Info

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**Thank You
&
Questions**