



# 4 Ways to Sell Your Problem Property For Top Dollar

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# Introduction

Believe it or not, you CAN sell your problem property in a down real estate market. There are individuals who are actually looking for a problem property; you just have to find them. And when you do, they will be more than willing to take the property off your hands – some even paying handsomely.

If you're still wondering why someone would want to buy your difficult property, remember that although the profit is the ultimate goal, it goes much deeper than money. Some people really enjoy working with their hands. Purchasing a property in need of light cosmetic repairs and retouches is a great way to get their hands dirty without risking too much money, time, or effort. Properties needing more serious work may require a pair of hands that have some degree of experience rather than hands best suited for balancing books.

One man's trash is another man's treasure. That means there are ways to get rid of every kind of property, and we've outlined four ways you can get rid of yours.



# Working With a Local Real Estate Investor

You may not know this, but there are real estate investors in your area right now who are chomping at the bit to sell a property like yours. If they haven't found you yet, it's time that you find *them*. Real estate investors have brought flexibility into the world of property sales. You can sell your home quickly, just the way it is, and people will offer cash. So let's look at where you can find these helpful investors.

## **REIA Meetings**

Start with your local Real Estate Investors Association, also referred to as a REIA. You can find your local REIA online along with dates and times of upcoming meetings. You don't have to be a member of most REIAs to be able to attend the meetings, but you will have to pay a small fee at the door. Normally, if you're a first time attendee, the fee will be very small, just a few bucks, but if you continue to attend the meetings as a non-member, the fee may increase.



REIAs welcome everyone from investors trying to sell properties to investors trying to buy properties – landlords, rehabbers, and even contractors who will give REIA members a special deal on their services. Once you find the meeting that you're going to attend, don't go empty handed. First, make sure you have your contact information with you so that anyone who's interested in your property can contact you. Secondly, be sure to print out flyers to take with you. Be sure that your flyers include the following information:

1. A picture of the property
2. The asking price
3. A description of the property
4. Detailed information on the property including:

- |   |                                   |
|---|-----------------------------------|
| a. Year the property was built                            | g. Room dimensions                |
| b. Property type (ex. Single family, Duplex, Condo, etc.) | h. Garage info                    |
| c. Square feet  | i. Basement                       |
| d. Number of bedrooms                                     | j. Lot size                       |
| e. Number of bathrooms                                    | k. Heat, water, and sewer details |
| f. Property taxes   | l. Repairs needed                 |
|   | m. Age of roof                    |

If the house is priced right, and located in an area where it can be pretty easily fixed up and sold or even rented, you will have more investors wanting to see it than you'll know what to do with.

### **Host an Open House**

Another way to get a large number of investors to your property all at once is to schedule an open house for two hours when everyone can come at one time. A good time to schedule your open house would be towards the end of the work day, around 5 or 6pm. Do not schedule it for more than two hours as it leaves a bigger window of time and the sense of urgency will not be there. Having all of your interested investors there at the same time will create a sense of urgency and the ones who are truly interested in the property will act quickly.

### **Online Search**

Another way to find local real estate investors in your area is to simply Google "real estate investors" followed by the area that you're located in. For example, "real estate investors Atlanta." You can also visit the websites for the REI Club or National REIA to find local investors near you. You can even visit the Craigslist or Backpage websites and look through the "Real Estate" Section for investor ads and contact the posters. Look for ads that read "We Buy Houses," as these are typically investors.

When it comes time to meet with investors, you may have to take a day off of work if you have a lot of people interested, but you can easily get everyone there in one day. Schedule them all in 30-minute increments in the same day. Give each investor time to look around and inspect the property on their own and ask you any questions. It's okay if appointments overlap, because again, this will cause a sense of urgency among the investors. Knowing that there are a number of other investors looking at what could be their next big check will cause them to act quickly if they are interested in the property. A local real estate investor can often pay cash for their next investment property, and most want to close very quickly. The quicker they can buy it, the quicker they can start the repairs and the quicker they can sell or rent it and start making a profit.

# Residential Redevelopment Companies

You may not have heard of a Residential Redevelopment Company yet, but they are popping up all over the place. These companies are in search of properties just like yours to develop and remodel.



Residential Redevelopment Companies specialize in buying problematic properties across the community. They rehab and beautify properties to rejuvenate and rebuild entire communities and neighborhoods.

They may be a little harder to find, but often times the search is worth it, as they can normally pay more for your property than a single real estate investor can pay. Social media, Yelp, and Angie's list are great places to start because you are able to read up reviews and decide whether or not you want to work with this company. You can also find these companies through networking at your local REIA.

Again, if you're able to find more than one Residential Redevelopment Company, schedule them to look at your property one right after another. These companies are snatching up entire city blocks, rehabbing them, and re-selling or renting them in order to rebuild and beautify entire communities.

As long as your property is not in complete and utter shambles, you can receive top dollar for it and, most likely, a quick close.

## ***Reminder!***

Be sure to have hard copies of information that investors can take with them and refer back to with complete details of the property, including a picture. This will help them to remember the property and make it more appealing to the potential buyer.

# Quick Sale Auctions

You may be wondering if you're going to need to hire an auctioneer or auction house to do a quick sale auction, and the answer is no. You can hold a quick sale auction yourself with minimum time and effort. There will be some marketing expense involved, but will be well worth it when the house sells.

We call it the **5-Day Quick Sale Auction**. The goal is to market the property for five days and on the fifth day, hold an open house for two hours when all of your prospects will view the property and place a bid on it if interested. The idea, once again, is to create a feeding frenzy of real estate investors and other prospective buyers.



You will not need an auctioneer, as the bidding process is similar to that of a silent auction. You will have an auction bid sheet in the kitchen with the following information:

1. *Name*
2. *Primary Phone*
3. *Address*
4. *Email Address*
5. *Bid*

This is where your prospective buyers will place their bids and will be able to see what the previous bids are. This is the most important piece of paper in the house as this is what you will use later in your round robin process.

There is an important decision that you have to make before you market your property for auction. There are two types of auctions, an absolute auction and a subject to reserve auction. In an absolute auction, you agree to sell the house to the highest bidder, no matter what. In a subject to reserve auction, you can set a minimum price that needs to be met in order to sell the house.

Use the following timeline for your **5-Day Quick Sale Auction**:

## **5 Days Before the Auction:**

1. Run an ad in the paper every day up until the auction day. Include a few details of the property, the address, date, and time of the auction. Do not let anyone see the inside of the house before auction day.
2. Have flyers printed out which include the following information:
  - a. A picture of the property
  - b. The asking price
  - c. A brief description of the property
  - d. Detailed information on the property including:
    - i. Year the property was built
    - ii. Property type (single family, duplex, etc.)
    - iii. Square footage
    - iv. Number of bedrooms
    - v. Number of bathrooms
    - vi. Property taxes
    - vii. Room dimensions
    - viii. Garage information
    - ix. Basement information
    - x. Lot size
    - xi. Age or roof, etc.
3. Bring your flyers to local businesses such as coffee shops, real estate offices, grocery stores and leave a stack at each place or hang on their community board.
4. Place a "Home For Sale" sign in the front yard of the property with a phone number where prospects can reach you along with a literature box full of your detailed information flyers.
5. Place your ad on free sites like Craigslist.com and use social networking sites such as Facebook, MySpace, or Twitter to get the message out. If you have a website, make your auction property a "Featured Property" to draw attention and give details on the auction.
6. Have a home inspection done and have the report ready for the auction.



### **3 Days Before the Auction:**

1. Be sure to check your newspaper or online ad to verify that it is being printed exactly how you want it.
2. Refill your literature box at the property and be sure that your sign is still in the yard and highly visible.
3. Place "Home For Auction" signs around the neighborhood with the address and date and time of the auction.
4. Be sure to have returned all phone calls with inquiries about the property and auction.
5. Make a large "AUCTION TODAY" sign with the time to be used at the house on the date of the auction okay.
6. Do any last minute tidying up or cleaning of the house and yard area.



### **Day of the Auction:**

1. Arrive to the house at least one hour before the auction is scheduled to begin.
2. Place your large "AUCTION TODAY" sign in the front yard of the house so that it's highly visible.
3. Replace any "Home For Auction" signs around the neighborhood with arrows pointing prospective buyers in the right direction.
4. Place your detailed literature sheets and copies of the home inspection on the kitchen table, along with the auction bid sheet and your business cards.
5. Have comparables readily available for properties within a mile of the property.
6. Answer everyone's questions during the auction and let each person know that you will be contacting him or her later if they place a bid. Verify that the phone number they will be leaving will be a good number to reach them within the next two hours
7. Once the auction has closed, call each person that placed a bid and let them

know what the highest bid is. Give them an opportunity to increase their bid. If they increase their bid, mark their new bid on the sheet. You will get down to two or three prospective buyers bidding against each other and you will continue the round robin process of calling each one to let them know what the highest bid is and give them the opportunity to increase their bid until you come down to one buyer.

In an absolute auction, the highest bidder gets the house. If you placed a reserve, you don't have to sell the property if the highest bid does not meet your reserve.

### ***Working With Auction Houses***

There are also auction houses that will hold the auction for you for a fee. They will do all of the marketing for you and will hold the auction. Some of these auction houses are: Hudson and Marshall (<http://www.hudsonandmarshall.com/>) House Auction (<http://www.houseauction.com/>)

# Making Your Property More Appealing

Even though you need to sell your property fast, if you are trying to get top dollar, there are things that you can do to help that don't take too much time or money. Giving a little attention to detail can really go the extra mile and help potential buyers see the true beauty of your home.

## **1. Curb Appeal**

The first thing to remember in selling your property fast is to add a little curb appeal. Trimming the bushes, mowing the lawn, and planting a few flowers can make a huge difference in your property and will give your prospective buyers a good first impression.

## **2. Beware of Odors**

Be sure that the property interior does not have a bad odor. Use a subtle air freshener to make the property smell fresh and clean. Unpleasant odors can turn buyers off who may have otherwise been impressed. You can also light a candle with a fresh clean scent and play soft music in the background to make your prospective buyers feel relaxed.

### 3. Remove Clutter

Limit personal items and furniture in the property and avoid any clutter. If necessary, consider placing large items in storage during the sales process. Make sure that each room is neat, clean, and tidy.

### 4. Make Small Improvements

You may want to consider sprucing up the paint or replacing the carpet to freshen the property up. Just a little bit of paint and carpet can add a ton of value to your property and will get you top dollar.

### 5. Price it Right

Be sure that your asking price is a fair one. Compare your property to others in the area that have sold recently and their sales prices. Price your property competitively. If your property is highly overpriced, you will turn prospective buyers off. Be willing to negotiate and create a win-win transaction for everyone involved.



All in all, make sure that you are being objective. Try to see the property from the buyer's perspective. If you can't, invite friends or family members over to try and help tell you what needs work.

# Wrap Up

