

Chapter 3 Identify Your First Target Market (Where to Buy and Sell Property)

In this section we discuss the three steps necessary in finding your first target market. And by the time you are done, you should have a handful of counties in mind where you feel sending letters to property owners will yield acquisitions.

3.1 The Three Step Process to Identify Great Rural Markets

- 1) The first step in this process is to identify a local area where the land cost is relatively inexpensive by looking at maps. We use Free Google Earth & Free Census maps. *Follow along with the DVD as I walk you through the following cities as examples:*
 - a. Manhattan
 - b. Chicago
 - c. Los Angeles
 - d. Arizona
- 2) The second step is to see how many properties in your identified counties have associated back taxes. This is a key indicator of value for us. (The more properties, the better!) *Follow along with the DVD as I show you how to use this great tool!*
 - a. TaxSaleLists.com
- 3) The Final step is to use the Internet to find cheap land markets. *Follow along with the DVD as I share my tips when reviewing this data.*
 - a. Great tool to see how much the property you buy will actually sell for on the internet, or if you are wasting your time.
 - b. You can use LandWatch.com, Craigslist.org, and other sites.

FINAL NOTE: Your beginning county must pass all three steps!

3.2 How Property Taxes Work at the County Level (Keeps Us in Business as Those Sellers are Motivated!)

Follow along with the DVD as I explain the history of property taxes, how they affect property owners, examples of typical sellers, and how the county operates.

The History of Property Taxes

You really don't need you know about it in depth. There is a detailed technical paper on this topic at the end of the educational package.

What you need to know about property taxes to make money in the land business:

Property owners must write a check to the county where the property is located every year to maintain ownership of the property. Most owners get very tired of writing this check for something they don't use.

Land Owner John Example:

He no longer looks at his property as an asset, but a liability. And now he has three choices:

- a) Keep paying annual tax bill and keep property
- b) List with a realtor and wait to see if it sells (and pay commission)
- c) Sell to us and get a cashier's check in 3 days

This is why we succeed.

What does this all mean? If you take one concept away from this section, it's this: You are doing the land owner a favor by taking this property off of his hands. He is sick and tired of paying the annual property taxes.

What information do you need and where do you get it?

The county assessor keeps a database of all property owners in the county so they know where to send the tax bills.

The county treasurer sends the tax bills and collects the payments.

The county recorder acts like a secretary and records deeds.

All three departments work together on a master list called the "tax roll". You need that data to send out your mailers. Some counties sell it or give it away at your request. Check there first.

The best way is to get it from a data company that specializes in collecting this information. I will show you.