

Chapter 8 Buy the Property/Close the Deal

You have a seller who wants to cash out, you've checked out the property on the internet, and everyone wants to close the deal. You're going to buy some property!

Follow along with the DVD as we share some details from a recent transaction to illustrate.

There are three ways to complete a land deal:

- 1) Title/Escrow – Just like when you buy a house. (We might use for transactions with property being sold for \$5,000 or more.)
 - a. Contact a local title/escrow company to complete the deal for you and the buyer. You sit back and let them do all the work. They make sure everything is perfect.
 - b. You get a Title Insurance policy and they prorate the taxes
 - c. It costs between \$200 & \$2,000 to complete the deal (can be more than the price of the property)
 - d. After 30 – 45 days you get a check at the end of the deal.
- 2) Notary Close (How we close almost most of our transactions)
 - a. You generate the documents (deed and supporting docs) and obtain a cashier's check at the bank for the agreed upon purchase price
 - b. Hire a notary local to handle signing with the seller. (We use 123Notary.com)
 - c. Call the notary and send the document and the check to them
 - d. The Notary arranges to meet the seller, gets the docs signed, and delivers the check. They send all of it back to you once completed.
 - e. You send the documents in to be recorded at the county.
- 3) "Option" the property (one of my favorite transaction types)
 - a. You agreed to buy the property for a set price contingent upon you finding buyer within set time frame. Seller completes agreement allowing you to market on your website or anywhere you advertise your properties. Once sold and buyer pays you then you initiate the option agreement and purchase and process deed from seller to you to buyer all at the same time.

- b. Example: Buy 10 acres in Elko Nevada for \$500.00 (don't close the deal yet). Call your regular buyer (he has purchased 10 properties or so from you in Nevada already for \$4,000 cash each) and sell it to him for \$5,000.00. You found the deal, you have the seller ready to go, you have the buyer ready to go, and do all of the paper work.
- c. We have a separate education package on "Optioning".
- d. Not because it's complicated, but because it's awesome.
- e. This is the true, no money down model of real estate investing.