

The New Real Estate Bubble

by Louis 'Lou' Brown

The economy couldn't be better for some people. Why? It's because they are in a position to profit from the implosion of prices today. The discounts over value today haven't been this good since the 1980s. For some it's even better than that.

Think about it. Low interest rates. High seller motivation. Fewer buyers. Low prices. Tougher to get loans. Government rebates. Tax incentives. You couldn't ask for a better climate to make a lot of money quickly. Wake up! This is a negative bubble that won't last forever. Negative news drives prices down and profits up. I'm taking advantage of this and you should too!

Why are people running away from real estate if it is so great? Simply out of fear. They don't know what is going on. They listen to the news and it is all bad. They don't look past the headlines to see the opportunity. Maybe this is you too! Have you ever heard that fortunes are made by the contrarians? These brave souls are the ones who look at the fundamentals of the economy then find business sectors with bigger than average losses and buy heavily.

Think Warren Buffet. He's made fortunes doing this very thing..He knows that when the economy returns his investors will prosper as that sector will recover sooner and better than the rest of the economy.

So what am I doing in this economy? Well I've had over 30 years of real estate experience. I've bought, sold and held: commercial, apartments, single-family and land. Here's a couple of points that I follow:

1)

I believe holding is the key to long-term wealth.

2)

Residential real estate is great in that it is the least risky of all real estate. It has intrinsic, tangible value. After all, everyone needs a shell... err... house that is.

So now that you know what to buy to prosper in this economy (and all others forever), next, you need to know where to buy, what to buy, how much to pay, and where to get the money to do it.

These are key questions that relate to any business. You may even think you know these answers. But what is missing for most investors is a duplicatable plan that addresses all the issues, guides you through the entire process, and delivers the profits.

First, let's address "where to buy". I believe that for most people you can build a business in your own back yard. That is to say that there are at least two neighborhoods within a 5 mile radius of your house that have good median priced homes. Median price for your market. That's important because that is the biggest market and it will yield cash flow.

Second, the "what to buy" question is what I call our business plan. Pretty houses in pretty neighborhoods that pretty people with pretty checkbooks want to own. Ultimately my exit plan is to sell the houses to the clients who live there. More on that later.

Third, "how much to pay". This is where skills come in. Sure you can duke it out with all the foreclosure investors and buy at the courthouse steps, but that is a very risky place to start and it requires all cash. I think it's better and safer for most of us to avoid that. Instead, I look for other ways to find the deals which allows me to buy at a discount and be in control of the process. The safer way is to evaluate the property, the condition, the timing of the closing and even the financing. The right system delivers you the skills and the tools for that process delivers and the discount you need to make a great profit.

Fourth is "where to get the money". Welcome to my "The Seller IS the Bank" program. With the proper training to know how to make the offer you will find that sellers will be your allies in the process. By knowing the right words to say, they will allow you to take over the payments on their loans. Not only that but they will carry back seller financing for the difference. I would never be able to do this "little to no money down" strategy if I focused on foreclosure buying at the courthouse steps or short sale deals.

Of course in order to have this success happen repeatedly you need a plan. It should include specific education, skill training and the right paperwork to deliver you profit centers and protection. This is a key business strategy many would be investors miss. They wing it, hope for the best and often fail miserably.

As to getting the properties sold in this economy, you must have a plan for that as well. Here is the next phase in my master plan to make the most money with the least effort that has a payday for many years to come.

We offer our properties four ways: Rent, Rent-to-Own, Owner-Finance and Cash Sale. All Texas compliant We create leads and place that lead in the right program based on their situation regarding cash and credit Each program has its own benefits. For example: Our Rent-to-Own program gives our clients time to clean up their credit to buy, grant credits for

timely payments and then do the financing as well if they choose for us to do it.

Friends, there is a HUGE market of people who would love to have a home. They have poor, bad or no credit. They will pay money down for the right to build their credit with you. Some people call them tenants. Yes, the same people who would rent are looking to someday own a home if they only had the chance.

Just imagine all the problems this solves. The tenant (we call them clients) feels it is their home and they treat the house and you totally different. Not only that but they pay you first so they will earn their rent credits toward the purchase.

I've got a lot more to show you about this. Taking advantage of the market we are in has allowed me to buy over 50 properties in the past 12 months. But more importantly, they are sold!

At the CCIA meeting on Sunday, August 15th, I will discuss the steps that have allowed us to create over 3.5 million dollars in equity and an income stream of over \$50,000 per month. This works and you need to know how to do it. Hurry, before the bubble pops.

Hope to see you soon,

Louis 'Lou' Brown