Big thanks to the Wolff Couple who helped guide me through my first ugly house wholesale deal. This deal came about when I was going on an appointment for a lease-option pretty house deal, and I got to the neighborhood early so I decided to drive around and look for FSBO’s. Well I found one and decided to call the number on the sign.

When I first called him, I went through the normal script to see if he would offer terms. He said, “I’m 91 years old, I’m not sure I have time to offer terms!” So he told me his cash price was $110k, which was already about 68% of ARV at $160k. So I set an appointment to come meet him at the house.

When I got there, this guy was the oldest-looking guy I had ever seen standing straight up. But believe it or not, he was still getting around alright, driving himself everywhere, and even getting a few rounds of golf in every now and then.

He gave me the whole story with the house, I tallied up the repairs that I could estimate based on my training with Ron and the Wolffs. We got down to the negotiation and I asked him what’s the least he could take for the property.

He said, “well, I’ll take $100k right off.” I asked if that was the best he could do. He paused and thought a moment, and didn’t seem to have an answer. I said, “could you do $95k?” He paused again, and finally said yes.

I got the purchase and sales agreement out of the car, wrote it up, and he said he’d need to have his attorney review it. I asked when he could do that, he said, “well, we can go over there right now.” So that’s what we did.

After the attorney reviewed it, he advised his client to sign it if he wanted to sell it at the $95k. The seller signed and I gave him a hundred dollar bill as earnest money, and just like that, I had my first ugly house deal under contract!

Well I immediately called and emailed all the local investors I knew in the area to see if they wanted to go take a look. I also marketed the property on Zillow and Craigslist, however, in the end, my buyer came from my existing network of other local investors.

The buyer went out to the house, emailed me back and said he could do $90k. Well shoot! I’m in it for $95k, so I guess my price is too high. After some more back and forth, the buyer came all the way up to $97.5k. But that only left me with a $2500 spread.

So I went back to the seller to renegotiate. I really wanted to get him down to $87.5k so I could get a $10k spread, but he would only go down to $90k. So there I was with $7500 spread, ready to close next week.

I got all the paperwork over to the attorney, and since I was out of town for the closing, I had to do a mail-away packet for the closing. The attorney obliged, and I was all set to go.

The day of the closing came and I didn’t get a call from the attorney. I figured no news is good news, and that was exactly right. Everything went off without a hitch. The buyer came in with funds in the morning, the seller came that afternoon and signed the deed. Funds were distributed the next day and everyone was happy, especially me!

I stopped by the attorney’s office a couple days later when I got back into town, picked up my check, shook hands with the attorney, and voila, I had my first wholesale check in hand!

After all the closing costs and some other expenses involved, I came away with about $6500 in profit from that deal. All from a FSBO sign I saw on my way to another appointment!

Thank you, Brian and Lynette!

Blair Halver

