Hi Ron,

Whew, thankfully October is over. Using the mentoring advice from Dixie, I closed on three deals (2 SFR {2/1} and a Duplex {2/1 being converted to 3/1, both sides}) for a total of $22,500. Rehab costs of $11,500 for all in price for the three at roughly $34,000. The ARV on the three is conservatively at $160,000.

Exit strategy (taking a page out of Dixie’s play book with a twist) for the SFRs is to rent out the rooms on a weekly basis for $180/week (4 X180 X4= $2880) versus only $1400 if we rented/lease purchased them to a family at $700/month. The rooms are set up with a flat screen, dorm refrigerator, microwave, queen bed and dresser. Occupants have a communal bath, kitchen and living room and WIFI throughout. We simply ran ads in the “Thrifty Nickle” and on Craigslist and now have a waiting list as only one of the SFR is completely rehabbed (2d in a week). Most of the list consists of contractors who are in the area for months at a time. The Exit Strategy for the duplex is rent out for a year ($900/monthX2) while trying to secure a lease purchase option. Dixie suggested that we use the duplex to get private money (once rehabbed), build a relationship, and use as an example of how we take care of our clients with a great loan-to-value around 50-60%.

We are going to use the money to buy the next 4 houses. We have yet to do a pretty house but not because of a lack of trying. **When** we get those going (2-3 a month), we will be doing 3-4 rehabs, 2-3 pretty houses, and at least one probate a month.  Lease purchase is the preferred exit strategy and eventually us becoming the bank.

Lessons learned and captured:

* Do your due diligence and buy right.
* Know your exit strategy going in BUT “Think Outside the Box” on various ways of achieving it.
* Get private money **early and often** (still learning).
* Tell everybody what you do (deals are walking up to us – which is why we need the private money).
* Continuously build your team.
* Make offers (ABC – always be closing).
* Use a mentor or someone in the business – don’t re-invent the wheel (Dixie has been great).

See you at the Business Management Course.

Sincerely,
Mike Cyr