

Track 1:

Larry: This is a call that I made to a realtor about a house that I saw online. It was the first time that I ever talked to this realtor. Based on our conversation, it's probably not a realtor that we're going to be working with long term as she's working too many listings to work with many investors. Also, she did put me down on her email list. At this editing, it's been about three months ago and I still haven't received anything from her.

There are a lot of realtors out there that will work with you and are very aggressive, but there's also a lot that have so much business coming to them that they're not very aggressive about following up with business. So, check it out and also check out the questions I ask about the quality of work that was done by the previous homeowner and things like that. You want to make notes of these things as you're listing.

Larry: How are you doing?

Realtor 1: I'm fine. How are you?

Larry: I'm doing great.

Realtor 1: You called me about my house on xth Street.

Larry: xth Street? Let's take a look and see if we can find that now. Xth Street, I've called about so many today.

Realtor 1: It's a three bedroom, two baths for \$41,900, I think.

Larry: Oh, really? Here we go. On xth?

Realtor 1: Yes.

Larry: Tell me a little bit about this house.

Realtor 1: It's an older home. It's a foreclosure, first of all.

Larry: It's a bank owned?

Realtor 1: Yes.

Larry: How long has it been on the market?

Realtor 1: A few days. It just went on the market. I don't even think it's been a week yet. The guy that lived there has done some projects in it. He has some projects that got started and never got finished.

Larry: What kind of workmanship?

Realtor 1: The house has a lot of potential. It just needs a lot to be done to it.

Larry: I hear you. What kind of work did he do? I mean was it decent work?

Realtor 1: Yes, what he did, he did fine. He just didn't finish a whole lot of stuff.

Larry: How much is it going to take to get the house in good shape?

Realtor: That just depends on what you want to do to make it in good shape. Another thing is, one of the bedrooms actually does not have a closet. They must have had a wardrobe in there. I think I wrote that up in the write-up. Of course, you're looking at something else.

Larry: One of the three bedrooms?

Realtor 1: Yes, there are three bedrooms but one of them does not have a closet. One of them has a closet but they've taken the door down. There's an opening there, but there's no door. The other closet has a water heater in it. I don't know why they put it there. There's plenty of house there to put it in, but that's where they put it.

Larry: Wow.

Realtor 1: It has a living room, a den and another little room where they've closed in what used to be an exterior porch. They've put a wall there and a piece of glass and it has ceramic tile floor. It's kind of cool.

Larry: The house, you say, has some potential?

Realtor 1: Oh, it has a lot of potential.

Larry: What do you think it's going to be worth once we do this work and get rid of the water heater in the closet and put a closet in the other bedroom? Fix it up?

Realtor 1: I'd have to pull some stuff up but probably \$65,000.

Larry: And just a ballpark of what you think it's going to take to get it in that shape?

Realtor 1: Mind you, I'm not a builder, or contractor or whatever.

Larry: Oh, I understand. I'm sure you have a decent idea though. I have confidence in you. You can do it.

Realtor 1: I'm thinking. And another thing that they have done, the other side of the front porch, they've enclosed it, but there's no way to get into it yet unless you climb out the living room window.

Larry: You can't get into it from inside or out?

Realtor 1: You can get into it from the inside of the house. You have to climb through the living room window. It used to be a front porch and they've enclosed it, they just haven't put an opening into it yet.

Larry: So it's like a separate room all to itself?

Realtor 1: Yes. That's what I'm telling you. He started a lot of things and just didn't finish them up. It's really different. I mean it has a ton of potential. It has got a garage/workshop in the backyard that almost covers the whole back of the lot.

Larry: Is that a good thing or a bad thing?

Realtor 1: It's a good thing. My husband was like, "Wow! Could we move this out of here and put it in our backyard?" It's a concrete built garage and then he's added on a metal building, which you could take or leave. I mean it's a nice concrete building. That's a plus for people who want to work on cars or run a business or whatever.

To get the house, I don't want to say livable, because other than the kitchen being a mess, you could just about live in it now. You could live in it now. Maybe \$20,000, maybe and that's being not conservative. If you're doing your own work and you don't have to contract it all out, you could probably put \$8,000 to \$10,000 in there and have a nice looking little house.

Larry: I need to be around \$22,000 to make those numbers work. If it's going to need \$20,000 in work and they're asking \$42,000, you're in at what it's worth then, so there's no equity in doing the work yourself.

Realtor 1: Right. What I'm talking about at that amount, I'm talking about making a nice house. You have to remember that I'm female. I like expensive stuff.

Larry: I hear you. I feel sorry for your husband.

Realtor 1: Well, I work and earn it, you know.

Larry: Your tastes are simple. You want the best, right?

Realtor 1: That's exactly right. If I can't do it the right way, I don't want to do it. I mean it really has a lot of potential. It really does.

Larry: It's probably too early to offer \$21,830, which is what I need to be around.

Realtor 1: Right and they wouldn't. Actually, they priced it lower than I told them to. Of course, they don't tell us what's owed or anything like that, so we have no clue.

Larry: Right. Do you have anything else that I need to be looking at?

Realtor 1: Hmm. Now, that you mention it, I have one down on XX Road that I have not even stepped foot in yet. I went and had it rekeyed yesterday. It is like 1,600+ SF, four bedrooms and one bath. Like I said, I haven't been in it yet. I don't know what kind of condition it's in. I have no clue what they're going to price it at. I haven't even pulled any comps on it to try to sell it.

Larry: Would you want to get my email address so you can send me it out to me?

Realtor 1: That would be great! Let me get a piece of paper. Okay, go ahead.

Larry: It's Larry@FinancialHelpServices.com. Now, do you work with a lot of investors?

Realtor 1: To be honest with you, I have so many listings I don't have time to work with a lot of anybody.

Larry: I hear you.

Realtor 1: I don't have a problem with them as long as they're realistic. I know you all are out looking for a deal and that's great.

Larry: Yes, we are.

Realtor 1: I don't have a problem with that. I have several that, on occasion I do, but I tell them this is what I think they're going to do and if you're going to do something really crazy, there's no sense in us wasting our time. I don't mind going in and making a low ball offer but if it's below what I know they're going to do, I tell them I know they're not going to do this.

Larry: Well, let's do this. Put me on your email list and send it out to me.

Realtor 1: Okay.

Larry: Thank you.

Realtor 1: You're welcome.

Larry: Bye.

Realtor 1: Bye.

Track 2:

Larry: This is a call with a realtor that works a lot with investors. The reason that I want to include this one is that he introduced to us a website called www.RealtyBid.com that a lot of the asset managers use if they can't sell the property initially through the realtor. So check it out.

Larry: Yes, it's Larry Goins. How you been?

Realtor 2: I'm fine. How are you?

Larry: I'm doing great. I'm looking online at this little house over on XX Court. What can you tell me about that?

Realtor 2: It's a bank foreclosure. They're motivated to sell it obviously. What's the list price on it, \$32,000, I think, or \$30,000?

Larry: It's \$32,900, I believe.

Realtor 2: Yes, it's \$32,000 or \$32,900.

Larry: No, it's \$32,000 even.

Realtor 2: \$32,000 even? They should have sold it at the beginning. Of course, that's the way it always works, when we had the offers on it. It's been sitting around so I would say they're poised for some sort of an offer.

Larry: How long has it been on the market?

Realtor 2: Oh, it's been quite a while. I'd have to look. I think we got an extension on it. It's been over 90 days. That put it out to Realty Bid, which they typically do. I'm not sure where we are on Realty Bid but they're definitely accepting offers on it. It's still out there.

Larry: Oh, really? Is that a website?

Realtor 2: www.RealtyBid.com. The asset managers will send the property to realty bid if they don't sell on the market sometimes. It's been out there for 90

days so far, roughly, maybe a little bit more than that. It does need quite a bit of work, a lot of work.

Larry: About how much in work are you looking at, just a ballpark?

Realtor 2: I'd have to guess. I would think anywhere, depending upon the mechanicals and how bad they are, probably around \$20,000 in work.

Larry: After we got it fixed up and put \$20,000 in it, what do you think it would appraise for, just a ballpark?

Realtor 2: Let's see here. There are so many foreclosures over there. I'm looking at my broker price opinion. It would appraise probably in the \$60,000s, I would think.

Larry: Probably \$60,000 or \$65,000?

Realtor 2: Probably so.

Larry: Let's say \$65,000. What do you think we could rent it for?

Realtor 2: On that side of town, I don't have a lot of experience on rentals, but I know some guys that do. I would think you could rent it for probably \$500/month. It's hard to say. It has a fenced in yard and it's on a cul de sac. It is brick but it does need a lot of work. I know guys that are renting property over there for \$500 or so a month, all the way up to \$600. I don't have a lot of experience over there.

Larry: It seems pretty good size though, almost 1,300 square feet.

Realtor 2: Right, but it's rough, man.

Larry: Based on the number you're telling me, I need to be in the teens. Is there any point in putting an offer in?

Realtor 2: I don't know. Let me see here, Realty Bid would be the best place to do something like that.

Larry: How would I find it on Realty Bid?

Realtor 2: www.RealtyBid.com. I'm just trying to see if the bid period is over or not. Yes, it was offered September 6th through the 20th on Realty Bid, so that's not out there anymore. So don't bother with that. No one's come in with anything that low, quite frankly, if you're in the teens. I'm happy to try it for you, but I have no idea with this particular property.

Larry: So it didn't even sell on Realty Bid?

Realtor 2: Well, not yet. I had an email that said there was some pending activity on it and that's all that they tell me about it. XXX is an asset management company, so we're not really dealing with the actual owner of the property. It's harder for me to tell you what I think people will do when that happens. You follow me?

Larry: I probably need to offer like \$16,780.

Realtor 2: You know, stranger things have happened. You won't insult me. I'm happy to put it in for you.

Larry: Hey, I bought a four-bedroom brick house about two weeks ago. It didn't need but about \$6,000 in work, we paid in the mid \$20,000s for it. They started out asked \$60,000s. So you never know. Do you want to fax it over to me? Or do you want to email them or do you want to put it on paper? However you want to do it is fine.

Realtor 2: What they need is a copy of a \$1,000 earnest money check, proof of funds letter and I can email you that offer.

Larry: That would be great.

Realtor 2: What were you talking?

Larry: \$16,780.

Realtor 2: When were you going to close?

Larry: We usually do like, well, quite frankly I usually let the realtor decide that, but we generally close them in about 15 business days. About three weeks and just get a five to ten day inspection upon acceptance.

Realtor 2: They usually give seven.

Larry: That's fine.

Realtor 2: Well, we can give it a shot. Who knows what will happen. I don't know at this point.

Larry: My email is Larry@LarryGoins.com.

Realtor 2: Great, we'll see if we can get that taken care of. Good.

Larry: Hey, I appreciate it.

Realtor 2: All right.

Larry: Thanks.

Track 3:

Larry: This is a property that we have an offer on right now. We haven't received the response back yet but notice my offer is real close to one that was rejected a few days ago and see my response when she told me that.

I was calling a house over on XX Street. Is it still in the market?

Realtor 3: I have two listed on XX Street, Larry.

Larry: Well, that's a good thing. Are they both by the same owner?

Realtor 3: They are not. One of them has been renovated and one them needs it. It's brick.

Larry: How much work does it need, just a ballpark?

Realtor 3: Well, we know it needs to be painted. It needs carpet. The windows are pretty iffy. You might have to replace the windows.

Larry: How many does it have? Ten?

Realtor 3: There's some overhang work that needs to be done around the front. It's starting to rot a little bit.

Larry: Is it livable now?

Realtor 3: I'm not sure it's livable now.

Larry: That's a good indication to how much work it needs.

Realtor 3: Yes. It needs quite a bit of work.

Larry: Do you think it needs \$5,000? \$10,000? \$15,000, just a ballpark?

Realtor 3: By the time that you do paint, you do carpet, let's see that would probably be around \$4,000. You fixed up some of the outside overhand, the soffits and some of that. I'm going to guess. I'm going to throw this out to you. \$6,000 to \$7,000 depending on if you're going to do some of the work yourself or hire it out.

Larry: Let me ask you this. What do you think it would probably be worth after we put that work in it, just a ballpark?

Realtor 3: I have another down the street. It's a little smaller. It's a two bedroom. It's been renovated. It's on the market for \$56,900.

Larry: \$56,900?

Realtor 3: it's a two bedroom. Obviously it's going to make more sense because it's a three bedroom. Are you talking about reselling it?

Larry: Yes, buying it to fix up and sell or to rent it out.

Realtor 3: If you could be careful about some of the work that goes in there, it's got the space in it.

Larry: Yes, do you think it'll appraise for around \$65,000 possibly? If the other one's \$57,000, the two bedroom?

Realtor 3: I don't know why it wouldn't.

Larry: Is this one bank owned?

Realtor 3: The other one was bought by an investor and renovated.

Larry: Is it bank owned, this one we're talking about?

Realtor 3: This one is bank owned.

Larry: About how long has it been on the market?

Realtor 3: This one has been on the market for probably about 70-75 days.

Larry: Had may offers?

Realtor 3: We did have one offer and then the guy decided that it was more work. He wanted to try to do the work himself and he decided that it was more than he wanted to bite off.

Larry: I'm with you. To submit an offer, does this particular asset manager, do you need to do it in writing? Or do you email them?

Realtor 3: We have to have a formal. We need a prequal letter and a \$500 earnest money check.

Larry: That's fine. Now let me ask you this question.

Realtor 3: Do you want to get in it? I'd be happy to give you the code.

Larry: I don't need to get in it before we make an offer. We buy about five to ten houses a month and it's tough for us to look at all of them before we get a deal worked out. What we generally do is we do them with a five to ten day inspection and most of them work out. Occasionally you'll one that needs a lot more work than what you anticipated. It's just all about the numbers. We don't necessarily have to look at it up front.

Realtor 3: I just want to make it clear that this one needs work.

Larry: Absolutely. That's not a problem at all. Do you know if this particular asset manager or bank has any other properties in the area that maybe we could buy two or three or four at a time and get a little better price? Sometimes they'll do that.

Realtor 3: I don't. No, I sure don't.

Larry: It's worth at least asking when you submit it. Let's go ahead and submit an offer. I'm going to go ahead and give you my information and my fax number.

Realtor 3: Let me give you my fax number so you can send it over. Are you a realtor?

Larry: No, ma'am.

Realtor 3: Okay, then I'll fill it out for you.

Larry: My name is Larry Goins. The name of our company, which we buy in, is Investors Rehab Inc. My phone number is 803-831-0056. I'm at extension 304. My fax number is 803-831-0805.

Realtor 3: So is it going to go for the buyer as Investors Rehab Inc.?

Larry: Correct.

Realtor 3: At Larry Goins. All right, tell me what your offer is.

Larry: \$27,850.

Realtor 3: We had one come in for \$27,000 last week and it was rejected. They didn't even counter it.

Larry: Oh really? Okay, at least with this one they'll know that \$27,000 is probably in the ballpark.

Realtor 3: Tell me again, \$27,850?

Larry: Yes.

Realtor 3: Let me see. I need to get an earnest money check from you and a prequal letter.

Larry: That's fine. What most of them do is just send me over a cover sheet telling me how much earnest money is and where to send it. I'll fax you back a copy of the check, put the check in the mail and fax you back a copy of the contract along with all the addenda and the agency disclosure, and a copy of my bank statement.

Realtor 3: All right, that sounds good. \$27,850, let me see what I can do with this. They wouldn't even come back on the other one.

Larry: Sure. I know you're the listing agent, and you work for them, but we also want to get a deal closed. Nobody makes anything until the deal gets closed.

Realtor 3: We do too.

Larry: Maybe you might be able to sell them that this is what it's coming in at?

Realtor 3: We'll do our best.

Larry: Great! That sounds good. Thank you very much.

Realtor 3: You're welcome.

Larry: You have a great day.

Track 4:

Larry: Here's another call with an REO broker and notice how fast the calls can go when you know what you're asking for. Once you get pretty smooth with it, you can get straight to the point and know whether or not you're going to be able to make a deal on a property and get another website to look at. Then you can move onto the next call.

I'm calling about your house over on XX?

Realtor 4: Yes sir?

Larry: How are you doing?

Realtor 4: Fine. You?

Larry: Did I catch you at a bad time?

Realtor 4: No sir, go ahead.

Larry: Okay, good. The house is still on the market?

Realtor 4: Yes sir, it is.

Larry: Great. What can you tell me about it?

Realtor 4: It's a bank owned property. It needs some interior work, carpet, floor coverings, and paint. It would make a cute little house. It's out in the country. It's got a nice, level lot. It's being sold as-is, where-is, it being a foreclosure.

Larry: Just a ballpark, about how much work do you think it needs?

Realtor 4: Well, you know, some people argue with me, it depends. If it's something I'm going to live in or something I'm going to rent?

Larry: Something we're going to fix up and sell.

Realtor 4: Something you're going to fix up and sell?

Larry: Right. Is it in that kind of area? Is it in mostly owner occupied or is it a better rental?

Realtor 4: It's mostly owner occupied out there. It's kind of out in a rural area where it's at. \$15,000 to \$20,000, the most. As small as it is, that's being pretty high.

Larry: \$15,000 to \$20,000 in work?

Realtor 4: Yes, that's being pretty high. That's redoing a whole lot. All the kitchen cabinets need to come out and be redone, new ones put in. It looks like it's got a new heat pump or gas pack on the side of it.

Larry: It looks like a pretty big house.

Realtor 4: Well, actually it's not that big. Somebody has gone in there and done some work themselves, trying to remodel it a little bit. I don't know but it looks like you'll probably have to redo most of that.

Larry: It says 1454SF?

Realtor 4: Right. To me that's kind of small. The house lays out funny. What they've done is they took a porch and enclosed it to make a bedroom out of it. They tried to, you know.

Larry: Is that a back porch, I guess?

Realtor 4: A side porch and I think they took the back porch and enclosed it and tried to make a laundry room out of it.

Larry: So they're adding that as heated square footage, probably?

Realtor 4: Yes. Right.

Larry: After we put the \$15,000 to \$20,000 in it, what do you think that this house is going to be worth?

Realtor 4: \$65,000.

Larry: \$65,000?

Realtor 4: Yes.

Larry: So if we pay what they're asking for it, there's no advantage?

Realtor 4: Not really.

Larry: Oh, yes, I need to be right around \$20,000. Have you had many offers on this?

Realtor 4: Actually, no. I've had a ton of lookers but no offers.

Larry: How long has it been on the market?

Realtor 4: I've had it four months.

Larry: So about 120 days on the market?

Realtor 4: Yes. The only thing is, they still won't take half price for it. What they'll do is, I'll have it probably another month, and then they will reassign it to another agent. Then they just keep working their way down.

Larry: Probably they'll eventually put it on www.RealtyBid.com, I guess.

Realtor 4: Probably so.

Larry: Do you get a lot of bank owned properties?

Realtor 4: Yes.

Larry: Do you? Well, we buy about five to ten a month. I buy them from all over, anywhere from Gaffne to Hickory to Monroe, Statesville, Rock Hill, Spartanburg, you name it. We buy them, fix them up and wholesale them. Or buy them and wholesale them as-is to investors and help them with the financing to get in the deal. Do you have anything else we probably need to look at?

Realtor 4: Pull up our website. We have quite a few on there. www.xxx.com.

Larry: Okay, I think I know it. Who's the broker in charge?

Realtor 4: Actually XX is the broker in charge. XXX has most of the listings.

Larry: That's whom I've worked with. I think I've bought one or two from him. I know we've made a lot of offers. I don't know if we've closed anything or not. I've talked to him four or five times. Well, I don't guess there's any point in doing anything with this one yet.

Realtor 4: No, not for a resale.

Larry: Uh huh, okay. All right, if you get something else, just let me know.

Realtor 4: Okay.

Larry: Hey, I appreciate it.

Realtor 4: Uh huh. Bye.

Larry: Thanks, bye.

Track 5:

Larry: This is a realtor I called about a property while I was mentoring a student. I happen to ask him what else they had that they needed to get rid of? He told me about a commercial piece of property. We actually ended of purchasing this piece property for not too much more than what we initially

offered. We actually ended up buying it and paying \$40,000, even though it was listed for \$199,000.

We ended up buying the piece next door from the Department of Transportation, or DOT, for \$12,000 because it was surplus property to them. We ended up doubling our piece and now we have it back on the market at \$300,000, so I wanted to include this call for you.

Realtor 5: Hey, Larry.

Larry: How are you?

Realtor 5: Pretty good. How about you buddy? I haven't seen you in a long time.

Larry: Oh, I know. What have you been up to?

Realtor 5: Just trying to make a living.

Larry: Really, I hear you. Selling a lot of houses?

Realtor 5: It's kind of slow this year. I did real well last year. I had the best year I've ever had last year. It started out and I don't know, everybody I've got has rotten credit.

Larry: I know, man. That's the way it's always been.

Realtor 5: Well, I hadn't had that kind of problem until this year. It's really hit me hard this year.

Larry: Really?

Realtor 5: I've made a few pretty good deals.

Larry: Good. How's your subdivision doing?

Realtor 5: I have six lots left.

Larry: Man, that's strong!

Realtor 5: I'm doing pretty well on that.

Larry: That's awesome!

Realtor 5: I just sold a new house in there and I sold one in December that a built. I sold it for him. I sold them both before they got the sheetrock up. He's got a foundation going now. I figure I'll sell it as soon as he gets it framed.

Larry: That's sweet.

Realtor 5: Yes. You want to buy some lots over there?

Larry: Well, I'm out of the building business now.

Realtor 5: Retired? Or you got rich and quit?

Larry: Easy now. No, I'm buying houses. We're still doing mortgage lending. We're doing hard money and rehab loans for investors, which works pretty well on these bank owned properties, where we can get an investor in it for no money down and give them the rehab money too. We're buying about five to ten houses a month.

Realtor 5: How are you operating now?

Larry: How do you mean?

Realtor 5: I mean going by a company name?

Larry: Yes, we have a company called investors Rehab, Inc. that we buy properties in. We wholesale a lot of them to investors and some of them we'll fix up and retail to owner-ocs.

Realtor 5: The rest are for rehab?

Larry: Yes.

Realtor 5: What's their number?

Larry: It's 803-831-0056.

Realtor 5: And you're looking to buy some houses?

Larry: Yes. Do you still have that little house on XX Road?

Realtor 5: Yes.

Larry: Tell me about that.

Realtor 5: It's just a little mill house. It's three bedrooms and one bathroom. It has, I think, some kind of gas heater, but no air conditioning. It's had vinyl siding put on it. They didn't quite finish and they have some more of it in the back room. The guy really wants to sell it.

Larry: Really?

Realtor 5: Any kind of close offer.

Larry: Does he live there?

Realtor 5: No. What it is, he's disabled and he's moved over here into some of these apartments, I can see them from my place, almost. It's for people that are sick or disabled or one thing or another.

Larry: Like assisted living?

Realtor 5: No, they're made for disabled people. They're all like on a slab, there's no steps or anything like that. They're all handicapped bathrooms. This guy's is in a wheelchair. He can get out, get in his own vehicle and go somewhere and come back in by himself. He's living there probably for nothing or almost nothing, you know, low income.

Larry: Does he have a mortgage on this house?

Realtor 5: No or he told me he didn't. I know what he'll take but I can't really tell you that.

Larry: I understand.

Realtor 5: He's my client.

Larry: I understand that. I wouldn't ask you.

Realtor 5: But don't be ashamed to make an offer.

Larry: Let me ask you this. After we do this work and put some AC in it, what kind of appraisal can we get on this house? We're going to buy it, fix it up and put a first time homebuyer in it or we're going to rent it out.

Realtor 5: It depends on how well you want to fix it.

Larry: If we want to fix it to sell instead of rent.

Realtor 5: You'd probably have to put a heat pump in it, that's what I'd think. Would you think a heat pump?

Larry: Yes, I would.

Realtor 5: probably in the \$3,000s on a heat pump.

Larry: I can put one in for \$2,800.

Realtor 5: That's good. The kitchen needs something, I can't remember what. I haven't been in the house in a while. I'd say if you're lucky, you might get by with spending \$5,000 or \$6,000 on it. If you're lucky. Does that sound about right to you?

Larry: Maybe so.

Realtor 5: It could bring anywhere from around \$39,000 to \$49,000, in my opinion. That's what I'm thinking. It depends on how good you get it looking and who you get in there. I sold a house that wasn't as good as this up on XX View. Do you know where that is?

Larry: Right.

Realtor 5: It was an old mill house that was a whole lot older and in worse shape than this one. It didn't have a heat pump in it but we threw one in the package when we sold it and I think I got \$41,000 or \$42,000 or \$43,000 for it. I'd have to go back and look at it. It wasn't near the house this house is. It just wasn't there, you know, but this house here could be made to be a pretty nice little house.

Larry: Let me ask you a question. It looks like the house is an older house but been added to. Is that right?

Realtor 5: I don't know.

Larry: It looks like the main section with the porch is the original and it looks like it has a section that's been added on to, to the left.

Realtor 5: We didn't do a property disclosure on it because he doesn't live there anymore.

Larry: Right, I'm with you.

Realtor 5: It was just as-is.

Larry: But you've walked through it, right?

Realtor 5: Yes, but I didn't really notice that if it was.

Larry: Does it have any functional obsolescence, like you don't have to walk through one bedroom to get to another one or anything, do you?

Realtor 5: I don't think so. I think that when you walk in the back door, you walk into the kitchen. It has a back porch and a kitchen. Then you walk into the living room. There's a bedroom in the back and two bedrooms on the far end and the bathroom is, I can't remember where the bathroom is. I haven't been in there lately. I've gotten to where I can't remember all of this stuff like I used to.

Larry: Man, I know what you mean.

Realtor 5: Are you going to be up here any time?

Larry: No, I usually just send somebody out to look at it.

Realtor 5: If you want to send somebody to look at it, I'll show it to them. Try to, whatever you want to. If you <inaudible 6:37> on the appraisal, I think it'll appraise up in the \$40,000s.

Larry: Let's offer him \$18,640. Cash, closing in 15 days.

Realtor 5: He won't do it.

Larry: He won't?

Realtor 5: No. There's no use to write it up. That's too much. He can't do that. He's not going to do that. I know what his figure is and it isn't worth writing up.

Larry: I understand.

Realtor 5: You're going to have to come up a good bit on that offer.

Larry: Really?

Realtor 5: Yes.

Larry: My numbers show that I need to be around \$20,250 to make my numbers work if it needs \$6,000 in work and it's worth \$49,000.

Realtor 5: You can't buy it for that, I mean, not at this point. I'll call and talk to him.

Larry: At least call and talk to him. That is the most I can give for it, \$20,250.

Realtor 5: You'd pay \$22,500?

Larry: \$20,250, cash, and close in 15 days. Just subject to an inspection because we make a bunch of offers and we can't look at them until after we know that we have a deal. I send an inspector out to look at it. Then

we'll do a title and close it. I usually get XX to do this. I buy two or three a month <inaudible 7:53>.

Realtor 5: I know. <inaudible 7:56> You had a course through him the other day, Continuing Ed.

Larry: Continuing Ed? Yes, he's teaching them all around now.

Realtor 5: It's 803-831-0056?

Larry: Yes. If you need to put it in writing or if you want to just talk to him. Tell him that I started out at \$18,640 and when you said that there was no point in that, well, the most I can do is \$20,00. \$20,250.

Realtor 5: I'll talk to him but I don't think he'll take it, but you never know.

Larry: Glen, you have anything else we need to look at?

Realtor 5: Do you buy any investment property?

Larry: Yes.

Realtor 5: All right, I have something that I want to tell you about. On the new bypass in XXX, just before you get to Hardees coming from XXX. On the left I have a whole house over there that needs knocking down and burned. It's sitting on 0.79 acres, but it's all usable land. They took part of it for the highway. It was a full acre.

Larry: Is that that brick house right there on the end on the left?

Realtor 5: Yes. It has city water and sewer. The house needs knocking down. It needs a fast food restaurant sitting there or something like that.

Larry: The house just before that, they added a garage onto it a couple years ago and then didn't they tear it down or something?

Realtor 5: They moved on there.

Larry: They moved one?

Realtor 5: Yes and actually, when you leave xx and start to xxburg, it's the first house on the right. He wants to sell it, but he's asking a stupid price for it.

Larry: How much is he wanting?

Realtor 5: He's asking \$199,000 but he needs an offer. He needs the money.

Larry: Does he? Is he living in it?

Realtor 5: No, nobody's living in it.

Larry: Was it the guy that was living in it? Owns it?

Realtor 5: He inherited it and there were 19 people that had to sign it over to him. Do you know we got everyone to sign it without charging him a dime?

Larry: Are you serious?

Realtor 5: The mother died and everybody knew who was supposed to get and they never did anything. It set there for a long time and finally I just got an attorney. I had to pay for everything. The guy works for me some, but he really, really, really wants to sell it.

Larry: Has he had any offers?

Realtor 5: Just a fizzle or two but nothing.

Larry: Has he had any solid offers or just some people indicating interest?

Realtor 5: Indicating interest and talking. They were kind of low.

Larry: Were they under \$50,000 or over \$50,000?

Realtor 5: Around that.

Larry: What do you think it's worth?

Realtor 5: I think it's worth \$100,000.

Larry: You think so?

Realtor 5: Yes, but you can buy it for less. He really wants to sell it. He big time wants to sell it. I know it will pass title because they owe about \$14,000 or \$15,000 on it still and he's tired of making payments. I've got a lien on it for some money. I spent a right good bit getting it straightened out and I have it listed so I'd get a commission. So I have an interest in it. I need to disclose that.

Larry: What does he owe you?

Realtor 5: For getting it attorney fees and all straightened out and some money I loaned him, just some different things. I have a \$5,000 lien on it. He

doesn't really owe me that much but I made it larger to where if I had to loan him a little more, you know?

Larry: Right, I'm with you.

Realtor 5: He's tired of making payments but he doesn't want to lose it. He isn't going to lose it because I'm going to buy it if I have to. I just don't need it, but I'd sure take it for what he owes, you know?

Larry: Absolutely!

Realtor 5: He really wants to sell it.

Larry: So he has nothing in it?

Realtor 5: Nothing.

Larry: So what do you think we could do with it?

Realtor 5: Put some kind of business there.

Larry: What kind of business could we put there?

Realtor 5: A fast food restaurant. I don't believe it's big enough for a gas station but you could put a fast food there. It's not in the city but it could be put in the city easy enough.

Larry: It has city water and sewer?

Realtor 5: Yes.

Larry: What is it zoned?

Realtor 5: It's not really zoned anything because it's out of the city but it's really commercial. You wouldn't want to use it for residential.

Larry: Oh, no. That's not its highest and best use.

Realtor 5: Yes. It can be anything you want it to be.

Larry: And you think it's worth \$100,000?

Realtor 5: I think it would do that. See, when we started out, we started out at \$300,000.

Larry: You started out at \$300,000?

Realtor 5: There's a guy across the road asking \$300,000 for a piece of property over there and had somebody looking. I ended up with the same fellow out of XX. I had to get the file out and look what his name is. He was some kind of investor, helping people look for properties and all I could find <inaudible 12:20> you're looking at it now.

You have visibility from the exit from 85 if you had a high enough sign. You could see a sign from 85, on the property. See, right now, it's not in the city. It's wide open, anything you want to do. If you put it in the city, it'd be commercial and as long as it's something good for the town, you wouldn't have any resistance at all. As long as it's legal, you could do it.

It's a good lot and there's nothing else available. That's it. That is it. There's nothing for sale out there. There's some stuff behind Hardees that's been screwed up forever. The people are in bankruptcy and it's just a mess.

Larry: Is the house still there?

Realtor 5: The house is there but it's just a trash house.

Larry: Okay. My question was could I rent it out until the market turned, until I could get a decent price out of the property as commercial?

Realtor 5: You'd probably have to do some work on the house.

Larry: How much work would I have to do to it?

Realtor 5: I've never been in it. I can't answer that.

Larry: I'm with you.

Realtor 5: It needs a roof. It's just an old trash house. I could get it burned for you and you could haul off the rest. They'd burn it for me. They'd burn it for training. You can still get away with it up here.

Larry: If we paid around \$29,000 for it, after paying you and after paying it off and paying the lien, he'd put about \$10,000 cash in his pocket and we could do that in about ten days.

Realtor 5: Hold on a minute. You said you could pay \$29,000?

Larry: \$28,670. Let's offer him that.

Realtor 5: Payoff is \$14,000 and my commission.

Larry: I figured you were probably getting 10% aren't you?

Realtor 5: Yes. You'd be looking at about \$50,000. That's what you're saying?

Larry: Say that again?

Realtor 5: You'd be looking at paying about \$50,000. Around \$55,000 is what you're talking about. Give me a total figure you're offering.

Larry: I want to offer \$28,670.

Realtor 5: Plus all the other?

Larry: No. I want to pay him \$28,670.

Realtor 5: For the property?

Larry: Uh huh.

Realtor 5: Oh no, he's not going to do that. You're tight today! What's the matter with you?

Larry: I'm always tight.

Realtor 5: You're tough.

Larry: Yes, but I buy a lot of houses.

Realtor 5: You aren't going to get that one. I'd give \$50,000 for it and I don't even want it!

Larry: Listen Glen. I know you work for him but I also know you want to sell it. You want to get your \$5,000 back and you'd like to get that 10%. What's it going to take to buy this house?

Realtor 5: I've got to talk to him. I'm just talking, but I think if you get up to about double that, you can get it.

Larry: Double what?

Realtor 5: What you said. Or close to double. They have it on tax books at \$59,000 or \$58,000 or something like that. I have a tax receipt somewhere. They have it close to \$60,000 on tax books and if anything is ever going up, it is.

Larry: Well, let's start out at \$38,000 and see where it goes. I don't want to pay \$50,000 for it, but I can close really fast. If he really needs the money that bad and he wants to close very fast, we can write a check.

Realtor 5: I'm going to see him today. It'll be today or tomorrow before I can talk to you, but I'll get back with you. I just had somebody come in. I'm going to have to go right now. I've got your numbers. Let me work on him and I'll get back with you.

Larry: That sounds good. Thanks.

Realtor 5: All right. See you.

Larry: Bye.