



HOW TO MAKE A

KILLING

IN THE REAL ESTATE MARKET



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Table of Contents

Chapter 1: Introduction.....	4
Chapter 2: Buying a House for Cash.....	7
Chapter 3: Houses Selling Between \$7,000 and \$40,000 All Over the USA.....	12
Chapter 4: Why You Should Avoid a Mortgage.....	19
Chapter 5: How to Find Good Rental Property.....	23
Chapter 6: How to Get Rid of Bad Tenants	37
Chapter 7: How to Bid on Property When There is a Bidding War...	46
Chapter 8: Inside Look at Foreclosures, Pre-Foreclosures, and REOs..	51
Chapter 9: Case Study – How to Locate a Diamond in the Rough? Step By Step Instructions on finding Property Goldmines.....	58
Chapter 10: Tips and Links for the Savvy Investor.....	72
Chapter 11: Finding a Tax Haven State.....	77
Chapter 12: The Bottom Line.....	82
Chapter 13: Buying Around Capitol Cities in the US for under \$45,000.....	84
Chapter 14: Conclusion.....	101
Bibliography.....	102

Chapter 1: Introduction

Real estate is one of the greatest wealth building tools in the world. Unfortunately, many people think that building wealth is tied to how much money they can borrow and how large a mortgage they can attain. Well after the real estate and bank crash the reality should now be settling in that all that glitters is not gold. True wealth is not built by accumulating houses through debt or by the number of platinum credit cards in your wallet.

A prime example of this is Donald Trump, a multi-millionaire who has filed numerous corporate Chapter 11 bankruptcies with his real estate empire. Even though he still has his own television show and is well respected in the business arena he is proof that buying things on credit is not always beneficial in the long run.

True wealth means having no debt and at least twenty-four months living expenses stashed away in cash savings. This means your cars are paid for, your house is paid for, and you have no credit card balance that rolls over month after month. True wealth is not tied to your FICA score. It means that if you lose your job, you don't have to worry because your house is paid for and you have other investment income that is bringing in money. Your wealth is not tied to your job or your car, or your spouse as all of those things can change.

This e-book will teach you everything that you need to know about buying a real estate property and making a profit in the first year, doubling your investment in the second year, and eventually selling it when the market rebounds.

This book is meant to be an educational tool to get out of the poverty trap and into true wealth. In this book you will learn from my mistakes as a real estate investor and benefit from the things that I learned as an average woman with very little disposable income.

When you have real wealth you can choose when you want to work and if you want to work. You can decide to stay home and see the kids through their growing years or sit back and take the winter off and travel to the Caribbean, Dubai, or Europe. The world is your oyster when you have nothing to tie you down.

The real estate market represents a prime wealth building situation that everyone should take advantage of but you must do your homework and you must know when to hold them, when to walk away and when to run! I have learned all of these things and I want to share them with you. This information is not something that you will hear on the radio as most people want you to be in debt and stay in debt. Most people will teach you how to have good credit and keep good credit and how to qualify for the house you really can't afford.

Not many people will recommend buying a house for cash or if they do it may seem insurmountable especially when you are barely making ends meet, but it can be done.

There are pockets of areas throughout the United States where you are able to purchase real estate for under \$40,000 in decent neighborhoods. One area that we have researched extensively is the metro Atlanta area. This area is unique in that there are sales in some areas of Atlanta as low as \$7000 and as high as \$10,000,000 making it difficult to establish an average.

We have also researched the Orlando Florida area with its rich resources and favored city status it is a prime choice for investors. In Orlando you can find property that was purchased for \$160,000 in 2008 now listed at \$22,900 in 2010. In Chapter nine, there is a case study on the Orlando Florida real estate goldmine with step-by-step instructions on finding property goldmines.



House listed on www.ziprealty.com on August 1, 2010
5501 Rosebriar Way B310 Orlando FL 32822
Two Bedroom and 1 Bathroom built in 1987
List Price **\$22,900** – Decrease
Previously sold for \$160,000.00 on 1/18/2008
Time on market July 7, 2010

Real estate investment has produced more millionaires than any other industry and it has proven to be a genuine wealth builder for centuries as well as a wealth destroyer. How many a fine investor has bought a house with a mortgage and then lost his job and was unable to pay? He was just two weeks notice away from bankruptcy and poverty. Well that does not have to be you. Real estate investment is a long term investment and while it is possible to buy a house for \$20,000 and renovate and sell it for \$100,000 this usually takes time. This type of return does not happen every day, but if you select the right type of property in

the right area this can happen. I have seen it happen more times than I care to mention and in this market it can happen in less than two years.

Rental income can also be very lucrative if you know how to get solid tenants and keep good tenants. I learned the hard way how to tell when a tenant is lying and will give you the secrets to the trade and make sure you don't get duped. Real estate investing can be the path to financial freedom but it is not easy it takes perseverance, education, and hard work. This book is an eye opener so sit down, relax, and take notes.

Chapter 2: Buying a House for Cash

The adage reads, "*Buy low and sell high*" and nothing could be truer in the 2010 real estate market. With single family homes selling below \$20,000 the opportunities to make money are endless. The key is finding the right property in the right area and managing it properly. You learn more from your mistakes than you do from your successes, so it is important not to make the same mistake twice.

The key to buying an investment lies in cash. Cash is king and 30-year and 15-year mortgages are not king they are debt and the only instant profit you can earn from them is reducing your debt unless of course you sell the property for higher than the outstanding mortgage balance.

To top that off, getting into debt and paying interest goes against many religious precepts. The three main religions in the United States, Christianity, Islam, and Judaism all speak against charging usury (interest) in their religious books.



House listed on www.ziprealty.com on August 1, 2010
9831 Barley Club Dr. Orlando FL 32837
Two Bedroom and 2 Bathroom built in 2006
List Price **\$14,900** – 93% Decrease
Previously sold for \$218,000.00 on 8/28/2008
Time on market July 13, 2010

In the Bible it states in Leviticus 25:35-37: "*If one of your brethren becomes poor, and falls into poverty among you, then you shall help him, like a stranger or a sojourner, that he may live with you. Take no usury or interest from him; but fear your God, that your brother may live with you. You shall not lend him your money for usury, nor lend him your food for profit.*"

In the Qur'an it states in Chapter 2 verse 275 - 279 (Baqarah), *"Those who consume interest cannot stand [on the Day of Resurrection] except as one stands who is being beaten by Satan into insanity. That is because they say, "Trade is [just] like interest." But Allah has permitted trade and has forbidden interest. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to [dealing in interest or usury] - those are the companions of the Fire; they will abide eternally therein..."*

The Talmud references Ezekiel 13 (Hebrew.): "He has lent on usury; he has taken interest; he shall surely not live, having done all these abominations."

With the warning from the religious sector along with what reality shows us, buying houses with interest and paying a bank interest is like building a house with sticks and no foundation, when a big storm comes the whole thing falls apart.

While there are riches made every day by people who buy real estate with no money down and a totally financed mortgage by the bank, there is a lot of risk inherent in this practice. All we have to do is look at the crisis now with the banks closing down, foreclosure rising, homelessness, and unemployment and we can see the result of usury based economics. According to the Federal Deposit Insurance Corporation (FDIC), twenty-three banks failed in July 2010 in the United States.

Debt and plentiful credit has powered the United States economy for decades. But since the financial crisis of 2008, America has gone on a drastic debt diet. Families are paying down credit-card debt and attempting to build up cash reserves. Large and small businesses are learning to operate in an environment where cash once again is king.

The economic shift has been dramatic; bank lending has dropped at a frightening rate. In 2009 the banking system showed the largest decline in loans in the history of the FDIC. At the same time, the amount of commercial and industrial loans outstanding has fallen 19 percent since the fall of 2008—back to the level of late 2006. Even the financial sector, which shoveled debt into the economy like there was no tomorrow have seriously cut back on debt.

During the last two decades people spent and invested based on expectations of what they could borrow. But now things have changed and cash is making a come back. What better time and opportunity then to throw money to the winds and invest in a house with cash and avoid the mortgage trap.

I know it's hard and you want your interest deduction write off on your taxes and like the regularity of making that monthly mortgage payment. But what about the freedom to lose your job and not have to worry about losing your house in the

next month because you fear you will fall behind in your mortgage. There is something to be said for financial security after all. I know I enjoy it with six children between the ages of 2 and 13 and a husband who likes to travel to Europe three or four times a year.

You may wonder, how can I buy a house for cash. Well if you live in Fairfax, Virginia, or any of the other big money enclaves then it will be hard to buy a house for cash in that area, but there are other areas in Virginia where this is possible.

There are numerous areas around the country where you can find single family homes listed at prices under \$20,000 with some going as low as \$1000. Some of the distressed areas of the United States where you can get real bargains include Detroit, Michigan, Indianapolis, Indiana, Baltimore, Maryland, Memphis, Tennessee, Miami, Florida, Orlando, Florida, Atlanta, Georgia, and Cleveland Ohio.



292217317000010 10/03/2006

House listed on www.ziprealty.com on August 3, 2010
4510 Chateau Road Orlando FL 32808
Three Bedroom and 2 Bathroom built in 1984
List Price **\$29,900** – 80.7% Price Decrease
Previously sold for \$155,000.00 on 12/12/2005
Time on market August 2010

In Detroit, Michigan there are single family homes currently listed for sale as low as \$2000!

The Atlanta market is different from other cities in that you can find houses listed for sale as low as \$7000 and with a high of ten million. The range goes from the very low to the very high and these properties are within 30 miles of each other which gives hope that the \$7000 investment property is not as risky as one might first think.

The spectacular thing about the 2010 housing market is that the prices make it feasible for an average middle class family to buy a comfortable house for cash, for cheap, in a decent neighborhood.

If you rid yourself of debt you will free yourself from stress and anxiety and poverty. You don't have to continue doing what you've been doing. You can dare to do something different and start off with the paid off home mortgage or more importantly go the no mortgage route and save the money you were going to pay for the mortgage which should more than make up for any miniscule tax savings you're going to miss with the Internal Revenue Service. I know we like the mortgage interest deduction, but there is no security in that and no peace of mind. If you die and you are the primary bread winner what will your spouse do with the mortgage on the house? Will she end up foreclosing? Or will she have a chance to use the money she's deducting from her taxes for the interest? None of this will avail her, but owning a house free and clear is wealth building for generations to come. Owning two houses free and clear is even better. When you get to 10 then you are on your way to an empire and that's when the money will start to flourish.

I will tell you that I am a home maker who used to be an elementary school teacher and I was able to cash in some mutual fund shares and buy a 3 bedroom house for \$22,000 cash and rent it 2 months later for \$750.00. This means I have a rental income of \$9000.00 per year so in year 3 my total revenue would be \$27,000 so I would have made all of the money back that I invested plus an additional \$5000.00 on top. This means in year 4, 5, and 6 when the market starts to rebound and the value goes up, everything I make is profit. In addition, the \$22,000 house was valued at \$100,000 as the previous owner foreclosed at \$100,000 so in time the value should increase to at least the initial foreclosure price.

Now imagine the typical scenario where I take out a 15 year mortgage for that \$22,000. I could have taken out a loan for 22,000 paying 7% interest rate over 15 years. My monthly payment would have been \$197.74 per month, and at the end of 15 years my total interest payments would have been \$13,594 with a total payment of \$35,594 including principal and interest. In addition to those fees, I would have to pay mortgage insurance and other additional insurances that are not required for cash purchases. With the cash purchase my primary expense is the property tax that is due in November every year and any repairs required on my investment.

Now with the mortgage you have all these expenses as well as the mortgage so it is harder to get ahead and stay ahead, especially if something unexpected happens like a layoff, illness, or death in the family.

In addition, most banks do not like to give mortgages for \$22,000 houses so it would be hard to get a loan for that amount. Moreover, for foreclosures in that

price range they are normally not eligible for FHA or VA financing so you would have to go with conventional financing.

If you are able to obtain a FHA loan you will normally need an average credit score to qualify and 3.5% down payment to qualify for the program. Loan amounts under \$50,000 are difficult to finance and only certain FHA mortgage companies will accept them so it will be hard to secure a loan even with excellent credit.

Other advantages of an all cash deal include: No mortgage payment, sense of security, and available equity in the event of a financial emergency.

When speaking with real estate agents who have been working across the United States over the past 20 years the word is that the real estate is very unstable right now. There are sporadic signs of stability, but the market is unlikely to reestablish itself until 2012.

According to realtors, legitimately qualified home buyers are put through the wringer to gain mortgage approval and this process has become genuinely painful. The demonstrated lack of cooperation and antagonistic approach by banks will continue to hurt any real estate recovery.

People that don't need to sell their house are not selling right now as they do not want to give away their home at these current prices. This accounts for fewer quality homes being offered and those that are listed are attracting immediate attention. Most well priced and well presented homes are contracting in 30-45 days.

For buyers, the very first thing to do is evaluate your position. Some folks shouldn't buy, some should weigh the pros and cons and others should exploit the great opportunity they have.



House listed on www.ziprealty.com on August 1, 2010
1964 LAKE ATRIUMS CIR #167, Orlando, FL 32839
List Price **\$12,000** - 87% Decrease
Previously sold for \$94,500 on July 31, 2006
Condo Fee \$195.00 per month
Time on market July 7, 2010
Built in 1986

Now that you have had a chance to read chapter one and two, you should have a good idea of the types of information you will find in this book.

“How to Make a Killing in the Real Estate Market” is a valuable resource to teach you how to identify key properties and go about the process of buying, renovating, renting and finally selling your property. In the process of doing that it will also teach you how to make more money than you ever dreamed of.

It answers all the important questions about investing in low costs homes and why you should do it with cash and how this is possible all over the United States.

This book provides real examples of real houses currently on the market today that you can go out and try to **buy tomorrow**. If by some chance that house is sold then there will be something similar as the inventory of houses available for sale is at an all time high.

We will show you how to identify the hidden diamonds in the rough. We walk you through the entire process from finding foreclosure properties to picking the best deals.

Foreclosures are at a record high. Just think 23 banks in America closed their doors in July 2010 alone and the number of home foreclosures set a record in the second quarter of 2010, with banks repossessing 269,962 United States homes.

With all of these foreclosures on the market, how do you make the right deal? How do you find out where these foreclosures are? How do you select a real estate agent? What steps do you need to take to buy the house of your dream without it turning into a nightmare?

I have been doing this for the past eight years, and have looked at hundreds of houses and been through more neighborhoods than I care to admit. I've used a flashlight in the middle of the night, and I've peaked in behind boarded up houses as a wild viral cat with red eyes leapt out ready to attack.

Nothing ventured, nothing gained and for the cost of a Big Mac meal you can get valuable information that can help safeguard your early retirement and provide income to your children and your children's children for generations to come.

Right now I'm giving this valuable information away for 50% off of the retail price for the next 200 sales. After 200 additional sales come in the price will jump back up to \$9.99. You probably spend more than that every day on lunch at a fast food restaurant, so the risk is small while what you have to gain is valuable.

Buy now, don't delay as opportunities like this do not come around too often. Soon the market will rebound and the deals will be gone and then you will have nothing but regret.

Go to www.howtomakeakillinginrealestate.com and order today.

Buy this invaluable E-Book now for \$4.99 and find a house for \$11,000 in 2010 or wait till 2011 or 2012 and pay \$9.99 for the book and then pay \$110,000 for a house!

Why the big jump in house prices? These killer deals will not last forever.

Which one would you prefer?

\$4.99 E-book and \$11,000 house NOW or \$9.99 E-Book and \$110,000 house LATER.

Well I would prefer to put the \$98,995.00 savings in the bank for a rainy day, what about you? The choice is yours to make, are you ready?

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