

The Out-of-State Owner Advocate

Why You Are Losing \$1,000s by the Day

SHOULD

This ~~Could~~ be Your Before and After...



Bought for \$110,000 / Sold for \$260,000

SHOULD

This ~~Could~~ be Your Before and After...

611 Abbington Drive, C-2
East Windsor, NJ 08520
(609) 448-3028



**Bought for \$83,000 /
Sales Price \$229,900**

Where are you at with your extra property(s)?



Your property is in a continuous for-rent cycle. Because you live out-of-state, managing your tenants or your empty house is becoming unsustainable.



Your property is a maintenance nightmare. Tenants have been hard on it. The outside is overgrown, the inside is beat up, and you're tired of the constant bills piling up on a property you don't even live in.



You're done with the property and you're ready to sell it to anyone that has a pulse and an all-cash offer (regardless of what it is).



Finally, 3 REAL Profitable Options Offered to Out-of-State Homeowners!!!

Inside You'll Learn:

- How to Get Quick Cash for Your Property: Page 4
- How to get the purchase and upside cash for your property while I do all the sweat equity: Page 4
- How to benefit from my expertise to command the most cash on your out-of-state property: Page 5
- How to avoid the 5 Rookie Rehab Mistakes all newbies make so you can earn the highest retail price on your property: Pages 6-7

Gary Artist here,

I specialize in helping successful people, like you, who have had the foresight to invest in properties around the country. You are receiving this letter today because you own a property outside of your local area.

Therefore, this is most likely not your first letter. In truth, you have probably already received multiple letters, solicitations, and even perhaps ridiculous low-ball offers from other investors and you are getting sick and tired of everyone trying to price gouge you out of what your house is worth.

I am writing you today because I am sensitive to your plight and because I've seen too many homeowners make the wrong decision on their property out of pure desperation or frustration.

In fact, just a few years ago I worked with a homeowner that had substantial equity in her property. Unfortunately, rather than fixing it up and selling it at top dollar, she abandoned it to rot and deteriorate, while ignoring the bills and notices piling up in the meantime. When it finally went to auction, she received nothing for it.

I ended up purchasing the property on the foreclosure steps for \$68,000, invested \$30,000 into fixing it up and sold it for \$137,500. Although it was a windfall for me, I believe it's unfortunate when a homeowner has to experience loss for me to experience gain. I don't believe this should have happened, especially since I have **3 OPTIONS** that could have put money in her pocket and kept her credit clean as a whistle.

This is not an isolated incident. As you'll see in this letter, there are countless homeowners losing out on hundreds of thousands of dollars merely because they didn't know they had other, more lucrative options. Luckily for you, you're receiving this letter, which means you won't be one of them!

The Out-of-State and Rental Owner



The Out-of-State Homeowner Challenges: Do Any Of These Sound Familiar?

- The house is vacant, so you're worried about vandalism.
- The house is vacant, so you're paying for a house that you're not using. And on top of that, you might be paying for your current house, so you have two properties to worry about.
- If you have it on the market, you're probably frustrated that most potential buyers are too picky. You're also not there to make sure the house looks nice for showing.
- You have a non-paying tenant in the property.
- The property needs repairs, but you're not in town to oversee the renovation.
- You have a property manager who is not taking care of the house. After all, the manager knows that you are out-of-state and can't see the day-to-day property management problems.

Out-of-State Example

My real estate agent called me about a house in a very desirable area of town that was owned by a homeowner located 3,000 miles away. They had purchased it 15 years previously to rent it to their kids who were attending college. Once their kids graduated, the house went vacant. In a desperate struggle to keep the house occupied, they rented it out to a less-than-desirable tenant who trashed the property. This vicious cycle continued year after year and they continued to pour money into the property, hoping the value would go up, the market would change, and they would eventually recover their losses.

Eventually, they threw up their hands and decided to list the property for \$179,000. It didn't sell. They dropped the price to \$149,900. It didn't sell. They dropped the price to \$129,900, and then again to \$114,900. Only then did they start getting offers, mine being one of them. They ultimately accepted my offer for \$110,000. Over the next several months, I invested money and time, bringing the property up-to-date by modernizing it, cleaning it, and then staging it for a quick sale. Ultimately, we got it under contract for \$260,000.

This homeowner took a \$150,000 loss, all because they lived out-of-state and didn't have the wherewithal and knowledge to properly rehab and retail it for maximum profit. Why should their distance keep them from realizing such a tremendous upside? The answer is they didn't have or know of any other options.

Rental-Owner Example

I received a phone call from a homeowner with a property located a few miles from where she lived. She had been using the property as a rental and, based on the condition of the property, she was not a very proactive landlord. The property needed a lot of work. Fixed up, this house was worth \$159,900, but, because of its condition and the amount of work needed, I could only offer her \$50,000. After \$40,000 in renovation and repair, this property will yield an additional \$30,000 - \$40,000 in proceeds from the sale.

This begs the question: Why didn't this homeowner just contract out the work herself? The answer is simple: She didn't know about the other options available to fix up the property, market it for the highest profitable price, and sell it for a premium.



Homeowner Loses Sight of Goal & Massive Future Upside

Several months ago, I received a call from a homeowner who had a property across the street from a property my company was currently fixing up. It was a nice house, had great structural “bones,” and was in a very desirable part of town. The homeowner began telling me the story of how he ended up with the property and what his plan for it was.

He and his wife had purchased the property back in 1981 and lived there for a period of 5 years. In 1986, they decided to move into a larger house to accommodate their growing family and decided to keep this house as rental. Over the years, it was his dream to fix it up and sell it for a profit. But, as the years passed, life got in the way, he got busy with kids and soccer, church meetings, bowling league, business travel, and eventually grandkids. He just never got around to fixing up the house.

We settled on \$83,000 as the purchase price of his property, and I am currently investing \$50,000 of my own money into its renovation and repair. Upon completion, the house will be sold for \$229,900. How much money did this poor man leave on the table? With a little more time, energy, effort and know-how, he could have kept this money in his own family.

Today I ask you, “What are you going to do with your house? Is it rented? Do you like being a landlord? Have you struggled to get good quality-tenants that pay on time? Are you sick and tired of being a landlord? Would you like to sell it and be done? Have you had visions of fixing up this property at some point and selling it for a profit, but just haven’t been able to get around to it?”

I realize your house might not yet be listed, but I wanted to make sure you know all of your options, in case you are interested in selling the property. That is the main purpose of me writing to you today. I don’t want you to have a similar sad story as these individuals in this letter because today, you are being empowered with options.

Option One: Sell Your Home for Quick Cash

I truly enjoy envisioning the promise of a property, transforming it, and increasing its value. I love what it does to a neighborhood and a local community as a whole. I’m looking forward to sharing this passion with you, so you can do the same to your own home.

As in the examples before, you can always sell me your home as it sits, for cash, but know you’ll be selling it to me for less than its after-repaired value. I’ll then invest the money necessary to clean and fix it up for maximum profit.

Below, you can see my past handiwork!



Option Two: I Partner With You

Another option is that I partner with you on your property and we turn a profit together. If you choose this option, we first have a conversation and then I do some investigative work to figure out the value, condition, cost of work needed, time it will take, and the ultimate resale value of the property. Once I have determined what I believe we can sell it for, we come to terms on a price that you will receive as a premium for being the owner of the property. I will invest my own money into doing all of the rehab and repair work, and will oversee the staging, listing, and selling of the property. When it sells for top dollar, you get the price we established as the base line, I get a return on my invested capital and labor costs, and then we split the net proceeds 50/50, which allows you to participate in the upside of the new value.

For example, let's just say you have a 3 bedroom, 2 bath, 1,400 square-foot house in a good market. If it were properly renovated and repaired, you could sell it for \$200,000. Because it's old, dated, ugly and tired, you have been receiving low-ball cash offers from investors in the range of \$60,000. You think it's worth a lot more but don't have the time, energy, or wherewithal to do the work. You also know that \$50,000 would really spruce up this property but, unfortunately, you don't have \$50,000 just lying around. You contact me, I inspect the property and agree with you that \$50,000 would make this house a real beauty. We agree on a baseline price of \$60,000, sign a partnership agreement. Then I go in with my crews and over the course of the next several months we renovate and repair the property to bring it up to snuff. We make it beautiful and ready for the highest peak of the market.

We list the house and obtain a buyer for \$199,900. When we close, the numbers look like this:

- Sale price = \$60,000
- My invested capital and labor = \$50,000
- Sale price = \$199,900
- Cost of sale and commissions (typically 10%) = \$19,900
- Total net proceeds = \$180,000

You receive a check at closing for \$180,000, you take out your \$60,000. This leaves \$120,000, you pay me \$50,000 for my renovation and repair, leaving \$70,000. You cut me a check for \$35,000 and you keep \$35,000; which means you sold a house worth \$60,000 for \$95,000 and made a \$35,000 premium profit on all of my hard work and labor. Does this sound great or what?

Option Three: Actively Participate

Using the same scenario as before, you think, "Gee that sounds really good but I don't want to pay you \$35,000 of my profit when I can go to the bank and get a construction loan or put the work on a credit card and hire a project manager to do all of this for me." Well, you are in luck, my friend, because I happen to know a contractor who will not only do all of the work, but also has access to private-money investors who will lend you the \$50,000 that you need for the renovation and repair. I can arrange all of this for you. I will also look over the loan, the construction, the staging, and the sale, and I get paid 25% of the total construction costs. If construction is \$50,000, when the house finally sells, I would earn \$12,500 for my work in overseeing the project and getting it completed.

We list the house and obtain a buyer for \$199,900. When we close, the numbers look like this:

- Sale price = \$60,000
- Your invested capital and labor, including closing costs of the financing and debt service on the loans = \$50,000 + \$10,000 = \$60,000
- Sale price = \$199,900
- Cost of sale and commissions (typically 10%) = \$19,900
- Total net proceeds = \$180,000

You receive a check at closing for \$180,000, you take out your \$60,000. This leaves \$120,000. You pay off the loan of \$50,000 plus \$10,000 for the financing of the loan for the renovation and repair, leaving \$60,000. You cut me a check for \$12,500 and you keep \$47,500; which means you sold a house worth \$60,000 for \$200,000 and made \$47,500 premium profit on all of my hard work and labor. Does this sound great or what?

We find that 60-75% of respondents choose Option One as many of them at this point are so sick and tired of the property. They just want to get their money and run.



Thinking Of Rehabbing it Yourself?

There are two ways to rehab: Do it yourself or hire someone to do it for you. There are pros and cons to both. If you can do it yourself, you can save money on labor. The downside is that if you don't know what you're doing and you don't fix according to code, you will have major problems. Also, if you have a day job, you only have nights and weekends to work, which means it might drag on for months. This can cost you more money and a lot of frustration.



Speaking of money, when you fix and sell a house, you will probably use financing for most of the rehab. You also have insurance, utilities, taxes, and many other costs. All those costs add up fast and that is why you need to fix and sell quickly. The longer it takes to make repairs on a home, the less profit you will make in the long run.

Which Option is Right for You?

As you review each of these three options, you can see that Option #1 is by far the easiest. You get your \$60,000 now, I close in less than 14 days, and you are done with this property and can move on to other interests. We find that 60-75% of respondents choose this option, as many of them are so sick and tired of the property and they just want to get their money and run.

Should you choose Option #2 – you are agreeing to partner with me and my company. We will do a fantastic job on getting this property fixed up and resold. This process could take 6 – 18 months and there is no guarantee that it will sell, or that you will actually earn more than you would just selling it to me outright. However, my past experience has shown that there is an upside and you'll have the opportunity to share in it.

Should you choose Option #3 – you are committing yourself to be actively involved in the process from start to finish. You will either need to come out of pocket with enough cash to pay for all the renovation and repairs yourself, or take on the liability and expense of a loan. You would also need to coordinate with an architect, engineer, designer, and the city on pulling permits. The overall bulk of the liability of the project will rest on your shoulders. I can certainly help you as a consultant, but not being the owner or a partner in the project, I would have no signing authority or ultimate say in the project as a whole. I can tell you that even though this option potentially puts the most money in your pocket, it is by no means a hands-off method to increasing your earnings. If you do decide on this option, I've included 5 rehab mistakes to avoid on the next few pages.

Top 5 Rehabbing Mistakes We Can Help You Avoid



My associates and I have been in this business for over 20 year and I've seen many a newbie make the same rookie mistakes I made when I first got started. Through my own experience, and through the experience of others, I've compiled a short, but by no means comprehensive, list to help you understand the magnitude of this undertaking.

Rehabbing is a delicate process that takes a good deal of realistic calculations, smart and objective decision- making skills, experienced gut reactions, and ultimately the ability to know immediately what repairs will give you the best return on your investment and what repairs to leave well enough alone.

Rehab Mistake #1: Not Having Enough Patience

Novices rush out and hire the first contractor that makes a bid to address the work they can't do themselves. Professionals either do the work, or rely on a network of prearranged, reliable contractors.

Novices expect to rush through the process, slap on a coat of paint and earn a fortune. Professionals understand that rehabbing and selling houses takes time and that the profit margins are sometimes slim.

We can be your professional service. We have the right amount of patience to make sure the job gets done and gets done properly. Although we have patience, we also know that time is of the essence. We work against the clock, to renovate the home on budget and then turn around and sell it before the financing costs eat up the profits.



Rehab Mistake #2: Not Having an Experienced Advocate Who Has Your Back

Without question, the majority of failed rehabs are directly correlated to poorly calculated costs and schedules. This happens because the homeowner is often unaware of the amount of time, and the costs of materials and repairs. That's why it's best to have someone in your corner who can accurately estimate all of the costs you are likely to incur, as well as which upgrades have the best return on investment and which upgrades will hack away at your bottom line. A professional is also likely to know how much time it will take to complete each job.

By getting involved in Options Two or Three, you can tap into the seasoned experience of my team. We can help you accurately account for the cost and time of each repair and make sure the contractors are keeping to the schedule that will put your finished property on the market during the prime time.



Rehab Mistake #3: Miscalculating Costs

To get to how much it's going to cost to rehab a house, you first need to know what you can sell the property for when it's all done. Once you know this all-critical number, the other costs associated with the house rehab will really start to come into focus.

The best way to determine the After Repair Value (ARV) is through comparing other houses similar to yours that have sold nearby within the past six months. These types of properties are known as "comps." Once you have your ARV, you can start figuring out other costs like:

- Finance Costs
- Renovation Costs
- Realtor's Fees
- Carrying Costs like, property taxes, utilities, insurance

You can certainly try to figure out the comps and costs through online services. But since these numbers are so vitally important, it's best to enlist the help of a professional like me.

With my many years of experience, I most likely know the ins and outs of the market far better than you do. With Options 2 or 3, I give you a complete assessment of construction and repair costs, project time lines, comparable sales and valuations so you will know what the property will be worth post-renovation, as well as a real estate agent's opinion of what listing price will get the property sold the fastest.

Rehab Mistake #4: Overdoing It

While you will want to produce the best product possible, over-improving a rehab is a very real and costly possibility. To make the home more appealing, all too often newbies will incorporate unneeded upgrades that exceed expectations of the neighborhood. You need to remember that you are rehabbing to sell. Keep expenses to a minimum, while still making sure to upgrade your house to the point where it is slightly better than the available comparables. Make it stand out, but not too much.

We have been doing this for years and we know how to view other comparable properties in the neighborhood to decide what improvements and finishes to mimic.

We also keep ourselves knowledgeable of the newer designs, paint schemes, and finishes and how to incorporate them into the repairs while always staying true to the neighborhood standard. We never overdo or underdo.

Rehab Mistake #5: Not Managing Contractors Correctly

Every new rehabber has a horror story about a contractor and if you're not careful, you could be one of them. As in every profession, you have a few bad apples that give the profession a bad name. How do you avoid these bad actors?

1. Make sure to check out each contractor thoroughly. You can never do too much background checking before making a decision.
2. Always insist on a properly-written contract, typed and signed. It should spell out even the smallest details.
3. Never fork over a large down payment for materials or pay the contractor before the job is done.

4. Avoid any suspicious contractor whose address is listed as a post-office box.

We have a team of fully vetted, experienced contractors who work quickly and efficiently to properly rehab the property for the highest retail value. They understand county codes and what permits are necessary for the types of rehab your property needs.



There is no obligation for you to choose any of these three options, and if you just want an opinion, I can do a walk through and give you a complete assessment of construction and repair costs, project time lines, comparable sales, and valuations. You'll then know what the property will be worth post-renovation, as well as the listing price that will get it sold the fastest. I welcome a conversation about the property without any obligation to repair, list, or sell it.

If the property is currently rented, your tenants will not be made aware of the phone call. If they need to be removed prior to the start of our relationship, I have a very good attorney and property manager that can help. If you have an existing lease with your tenants which is outstanding for 2-10 months, there is still a lot of preliminary preparation and planning that we will need to do and there is a good chance I may not be able to start on your project for several weeks or months. Therefore, it is imperative that you contact me now, long before you think you might want to sell. That way you at least have a better understanding of what your options may be.

I look forward to speaking with you and coming up with solutions that will put the most money in your pocket.

Yours in Success,

Gary Artist

Gary Artist
CEO

PS – I cannot reiterate enough how much interest we have been receiving on this partnership opportunity. Our calendar is filling up fast and you delaying a day or a week could push your project back several months.

PPS – The market has not been this hot for some time. If you have been thinking about making a move, you cannot afford to relax, you must act now.

PPPS – There is no obligation. Every caller will receive a full market evaluation, construction cost estimate, and a real estate agent evaluation of the after repaired value.

PPPPS – In the time it took you to read all of this information, it's possible that several other out-of-state owners have already called me. Don't let your deal get lost in the shuffle. Call now and let us make your opportunity our priority.

**We Are a Turnkey, One-Stop Shop to Fix
and Sell Your Property for Top Dollar!**

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