The Wholesaling Real Estate Guide

A Practical Guide to Getting Started

How to Find Deals, Lock Them Up,

and Get Paid Without Owning Property

START YOUR JOURNEY →

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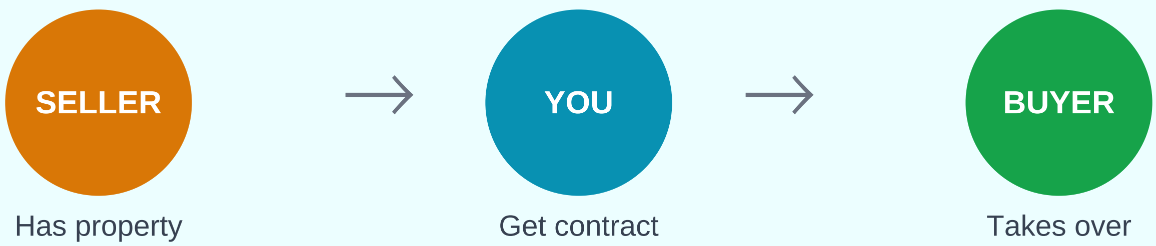
Chapter 1

What Wholesaling Really Is

Wholesaling real estate is the process of putting a property under contract at a discounted price and then selling that contract to another buyer for a profit. You are not buying the house.



Assignment

Transferring your rights in a purchase contract to another buyer. You sign an assignment agreement that lets the new buyer take over. Once assigned, you are out of the deal.

KEY POINT

You are not buying the house. You are tying up the right to buy it, then selling that right. You never own the property, even for a moment.

Chapter 2

Why Wholesaling Works

Wholesaling exists because not all sellers want the same thing. Some want convenience, others want speed, and some simply want a problem solved.

Seller Wins

- ✓ Fast, certain sale
- ✓ No repairs needed
- ✓ Problem solved

You Win

- ✓ Earn assignment fee
- ✓ No money tied up
- ✓ No renovation risk

Buyer Wins

- ✓ Discounted property
- ✓ Deal pre-analyzed
- ✓ Saves search time

■ KEY POINT

Wholesaling is a service business. You're being paid to solve problems and save people time. The seller needs to sell fast, the buyer needs deals—you connect them and earn a fee.

Chapter 3

Finding Motivated Sellers

Everything in wholesaling starts with finding motivated sellers. A motivated seller is someone who needs to sell faster than the traditional market allows.

■ Motivated Seller

A property owner who has a strong reason to sell quickly, often willing to accept a below-market price in exchange for speed, convenience, or certainty.

Common Motivated Seller Situations

- Foreclosure — The bank is taking the house
- Divorce — Neither party wants the house
- Inheritance/Probate — Don't want inherited property
- Job Relocation — Carrying two mortgages
- Unpaid Taxes — Can't catch up
- Poor Condition — Can't afford repairs
- Tired Landlords — Done with tenants

Finding Motivated Sellers

■ Don't Wanter

Real estate slang for an owner who simply doesn't want the property anymore. They may have equity but value peace of mind more than maximizing sale price.

■ Pro Tip

Tired landlords are gold mines. Look for "For Rent" signs that have been up a while. A simple question—"Have you ever considered selling?"—can open a great conversation.

Free/Low-Cost Methods

- ✓ Craigslist (FSBO, For Rent)
- ✓ Newspaper classifieds
- ✓ Driving for dollars
- ✓ Word of mouth
- ✓ "For Rent" signs
- ✓ Facebook Marketplace

Paid Methods

- Direct mail campaigns
- Bandit signs
- Online advertising
- Lead lists (probate, tax)
- Pay-per-click marketing
- Skip tracing services

Finding Motivated Sellers

KEY POINT

Simple marketing works best when starting out. Bandit signs, classified ads, and word-of-mouth are often enough to get your first deal. Master one or two methods before adding more.

The message should always be clear: you buy houses for cash and close quickly. Keep it simple.

Signs of a Motivated Seller Property

- Overgrown yard or deferred maintenance
- Mail piling up at the door
- Boarded windows or obvious vacancy
- "For Rent" sign up for months
- Multiple code violation notices

Pro Tip

Your first deals will likely come from the simplest methods: driving neighborhoods, calling on "For Rent" signs, and telling everyone you know that you buy houses.

Chapter 4

Handling Seller Calls

When a seller calls, your goal is not to make an offer immediately. Your goal is to gather information and understand their motivation.

KEY POINT

The person who asks the most questions controls the conversation. Listen 80%, talk 20%. Let the seller tell you everything about their situation before you talk price.

Questions About the Property

1. What's the property address?
2. How many bedrooms and bathrooms?
3. What condition is it in?
4. Is anyone living there now?
5. How long have you owned it?

Handling Seller Calls

"Why are you selling?"

Understand their motivation—life change, financial, or just wanting to move on.

"How quickly do you need to sell?"

Speed and price are connected—faster need means more motivation.

"Is the property listed with an agent?"

If listed, there may be an existing contract. Ask upfront.

KEY POINT

If the property is already listed with an agent, we don't make an offer. You need properties that are NOT listed. Move on to the next lead.

Handling Seller Calls

"Do you have a mortgage? How much?"

Know about debts—mortgage must be paid at closing.

"Any other liens or back taxes?"

Other debts must settle before property sells free and clear.

Liens

A legal claim against a property for unpaid debt. Common liens include mortgage liens, tax liens, and judgment liens. They get paid off when the property sells.

"What are you hoping to get for the property?"

Understand their bottom line. Consider mortgage and liens.

Handling Seller Calls

Pro Tip

When they tell you what they want, don't react. Write it down and keep asking questions. Figure out your offer later. Never negotiate on the first call.

Best Deals Come From Sellers With:

- High motivation (need to sell, not just want to)
- Equity in the property (room for profit)
- Realistic expectations about price
- Property NOT listed with an agent
- Flexibility on closing timeline

Walking Away

Always be respectful and transparent. If a deal doesn't make sense, walk away. Your reputation matters more than any single deal.

Chapter 5

Determining Property Value

Before making an offer, you need to understand two numbers: what the property is worth fixed up (ARV), and roughly what repairs it needs.

■ ARV (After Repair Value)

What the property would sell for on the open market after all repairs are completed—the "fixed up" retail price.

■ Comps (Comparable Sales)

Recently sold properties similar to yours in location, size, and features. They show what buyers actually paid.

How to Estimate ARV Using Zillow

1. Search for your target property address
2. Look at SOLD properties (not listings)
3. Filter for last 3-6 months
4. Stay within 1 mile of target
5. Find similar bed/bath/sqft

Determining Property Value

■ Pro Tip

Focus on SOLD prices, not listing prices. What someone actually paid is what matters—not what someone is asking.

Good Comps

- ✓ Sold within 3-6 months
- ✓ Within 1 mile
- ✓ Similar bed/bath count
- ✓ Similar square footage

Bad Comps

- ✗ Over 6 months old
- ✗ More than 1 mile away
- ✗ Very different size/style
- ✗ Foreclosure sales

Estimating Repairs: Walk through the property and note major items: roof, HVAC, plumbing, flooring, kitchen, bathrooms.

■ KEY POINT

When in doubt, estimate repairs HIGH. It's better to be conservative. Your buyers will do their own estimates—don't overpromise.

Chapter 6

Making Offers That Work

Now that you know the ARV and repair estimates, you can calculate your maximum offer.

Maximum Offer = ARV × 70% – Repairs – Your Fee

Assignment Fee

Your profit for finding and assigning the deal. A good baseline minimum is around $2,500, but fees can range from $2,000 to $20,000+ depending on deal size.

KEY POINT

There's no hard rule on assignment fees—just get paid! The amount is completely up to you as the wholesaler. Bigger deals can command higher fees.

Making Offers

Example Calculation

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ARV: $150,000
$150,000 × 70% = $105,000
$105,000 – $20,000 (repairs) = $85,000
$85,000 – $5,000 (your fee) = $80,000

Your Maximum Offer: $80,000
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■ Pro Tip

Try for deals where you can get the property for LESS than 70% of ARV. The bigger the discount, the easier to move the deal.

Presenting Your Offer: Be confident and explain your reasoning.

"Based on condition and comps, I can offer $[X].
Cash sale, as-is, close in 30 days. No commissions."

Chapter 7

Contracts and Protection

Your contract is everything. Without a signed purchase agreement from the seller, you have nothing to assign.

■ Purchase Agreement

The contract between you and the seller that outlines the terms: price, closing date, and conditions. The seller must sign to put property under contract.

Getting the Contract Signed: Once the seller agrees, meet with them and have them sign. This puts the property under contract.

■ Pro Tip

Tell the seller you'll let your partner check everything out. Then start looking for your buyer.

Contract Must-Haves

- Your name "and/or assigns" as buyer
- Property address
- Purchase price clearly stated
- Closing date (30-45 days)

Contracts

Assignment Clause

Language allowing you to transfer the contract. Always put "and/or assigns" after your name. Example: "John Smith and/or assigns" as buyer.

KEY POINT

"And/or assigns" after your name gives you the legal right to assign the contract to your buyer. Without it, you may be stuck and unable to transfer the deal.

KEY POINT

Standard closing is 30-45 days. You need this time to market the property to other investors. A closing under 30 days is considered a quick close.

Pro Tip

Build relationships with 2-3 investor-friendly title companies before you need them.

Contracts

Protecting Your Deal After Signing: Once you have a signed contract, you need to protect your position.

■ Claim of Interest or Memorandum of Contract

A document filed with the county recorder's office that creates a public record of your contractual interest. It notifies anyone searching the title. The name varies by state.

■■ State Variations

This may be called something different in your state. Check with a local real estate attorney for the proper terminology.

■ Pro Tip

File this before shopping your deal to investors. It protects you if the seller tries to sell to someone else.

Contracts

By recording this document, third parties are put on notice that you have a claim. They'll see it when they run a title search.

Contingency

A condition that must be met for the contract to proceed. If not met, you can cancel without penalty. This protects you from bad deals.

Useful Contingencies

- Inspection contingency — approval of condition
- Partner approval — approval by your partners
- Financing contingency — exit clause
- Clear title contingency — marketable title

Always consult a local real estate attorney to make sure your contracts comply with your state's laws.

Chapter 8

Title Companies

An investor-friendly title company handles the paperwork and makes sure the transaction closes properly.

■ Title Company

A neutral third party that researches ownership, checks for liens, and handles the closing paperwork between buyer and seller.

What Title Companies Do

- Title search — Verify ownership and find liens
- Prepare documents — Handle all closing paperwork
- Hold escrow — Secure earnest money deposits
- Distribute funds — Make sure everyone gets paid

■ Title Search

Examines public records to verify ownership and discover any liens or claims against the property.

Title Companies

Pro Tip

Call title companies and ask for a preliminary title search (~$50). This verifies ownership and reveals any liens upfront before you spend time marketing the deal.

The preliminary title search is your protection. It tells you exactly what you're dealing with before you invest more time and energy into a deal.

What a Preliminary Title Search Reveals

- Current owner's name and how title is held
- Outstanding mortgage balances
- Tax liens or unpaid property taxes
- Judgment liens against the owner
- HOA liens or assessments
- Any other claims against the property

KEY POINT

If the title search reveals problems—like more owed than the property is worth—you know to walk away before wasting more time. A $50 search can save you weeks of work.

Chapter 9

Finding and Managing Buyers

A strong buyer list makes wholesaling easy. Without buyers, you have contracts but no paycheck.

Cash Buyer

An investor who purchases without financing. They can close in 2-3 weeks—no bank approval needed. These are your ideal buyers.

Where to Find Cash Buyers

- Local real estate investor meetings (REIAs)
- Real estate networking events
- Facebook groups for local investors
- BiggerPockets forums
- Craigslist "We Buy Houses" ads
- Courthouse/auction attendees

Finding Buyers

KEY POINT

Associate yourself with local real estate investors. They become your buyers, and they can refer other buyers to you. Your network is your net worth.

Pro Tip

Your first buyers are hardest to find. Once you close a deal, word spreads. Investors talk, and soon buyers come to you.

Proof of Funds (POF)

Documentation showing a buyer has cash available—a bank statement or lender letter. Always request POF before accepting their offer.

Ask Potential Buyers

- What areas do you buy in?
- What's your price range?
- How quickly can you close?
- Can you provide proof of funds?

Finding Buyers

KEY POINT

A buyer who won't provide proof of funds probably can't close. Serious investors understand this is standard practice. Don't waste time on unqualified buyers.

Marketing Your Deals — Send Buyers:

- Property address and photos
- Bedroom/bathroom count, square footage
- ARV and the comps you used
- Repair estimate (be conservative)
- Your assignment price (contract + fee)
- Deadline to respond (creates urgency)

Pro Tip

Create a simple one-page deal sheet for each property. Include all the key numbers and photos. Make it easy for buyers to evaluate quickly.

Chapter 10

Getting Paid

This is where you get paid—and then you're completely done. The seller has already signed the purchase agreement.

■ KEY POINT

You are literally selling the purchase agreement to the buyer. Once you sign the Assignment Agreement and the buyer pays you, you are out of the deal completely.

The Assignment Process

1. Have signed purchase agreement with seller
2. Find a buyer who wants the deal
3. Sign an Assignment Agreement
4. Buyer pays your assignment fee
5. You're done — sold your contract position

Getting Paid

Your role ends when the buyer pays your fee. They deal with seller and title company from there.

Example

```
Contract with seller: $80,000
Find buyer, agree on $5,000 fee
Buyer pays you $5,000
Buyer takes contract at $80,000
Buyer closes with seller — you're out
```

■ Pro Tip

Get a non-refundable deposit when buyer signs the assignment. This shows they're serious. $1,000-$2,000 is typical.

Found deal → Tied it up → Got paid → Done!

Chapter 11

Common Mistakes

1. **Overpaying**
   Stick to your formula. Walk away if numbers don't work.

2. **No Buyer List**
   Build your list before you have deals.

3. **Poor Communication**
   Silence kills deals. Keep everyone updated.

4. **Skipping Legal Advice**
   Laws vary by state. Consult an attorney.

5. **Analysis Paralysis**
   Learn basics, then take action.

6. **Giving Up Too Soon**
   Takes 2-3 months for first deal. Stay consistent.

■ KEY POINT

Successful wholesalers aren't smarter or luckier. They take consistent action and don't quit when things get hard.

Chapter 12

Sample Deal Walkthrough

Here's how a wholesale deal actually works from start to finish.

1

Find the Deal

Call on "For Rent" sign. Owner Mike is tired landlord. Owes $45K, wants $80K. NOT listed.

2

Run Numbers

Comps: $155-165K renovated. ARV: $160K. Repairs: $25K. Fee: $5K. Max: $82K.

3

Make Offer

Offer $78K. Mike counters $80K. You agree—under your max of $82K.

Sample Deal

4

Get Contract

Mike signs purchase agreement. Under contract at $80K. File memorandum with county.

5

Find Buyer

Send to buyer list, post on Craigslist. Investor Sarah agrees to $85K with POF.

Notice: you're marketing at $85K—contract price plus fee. The buyer knows exactly what they're paying and what you're making. Full transparency.

> **Pro Tip**
>
> The assignment fee is clearly disclosed. Everyone knows the numbers. No surprises at closing.

Sample Deal

6

Assign & Get Paid

Sign assignment agreement with Sarah. She pays you $5,000. You're completely done.

7

You're Out

Sarah owns your contract position. She deals with Mike and title company. You don't go to closing.

Your Profit: $5,000

Time invested: ~10 hours total

This is the power of wholesaling. No money out of pocket. No ownership. No renovation risk.

Chapter 13

Final Thoughts

Wholesaling requires consistency and integrity. The process is simple: find sellers, make offers, get contracts, find buyers, assign, get paid.

Remember: you're solving problems. The seller needs a fast solution. The buyer needs deals. You connect them and earn a fee.

This Week

- [ ] Find 2-3 investor-friendly title companies
- [ ] Start building buyer list (aim for 10 names)

This Month

- [ ] Start marketing for sellers
- [ ] Talk to 10+ potential sellers
- [ ] Make your first offers

This Quarter

- [ ] Stay consistent with marketing
- [ ] Close your first deal
- [ ] Review and improve process

Now go take action.

Glossary

ARV	After Repair Value — Property worth after rep
Assignment	Transferring contract rights to another buyer
Assignment Fee	Your profit for the deal
Cash Buyer	Investor who buys with cash
Comps	Recently sold similar properties
Contingency	Condition to cancel contract if not met
Don't Wanter	Owner who wants to be rid of property
Lien	Legal claim for unpaid debt
MAO	Maximum Allowable Offer
Memorandum	Document filed to protect interest
Motivated Seller	Owner with strong reason to sell fast
POF	Proof of Funds
Purchase Agreement	Contract outlining sale terms
Title Company	Handles closing and fund distribution

About the Author

The author is a former licensed real estate agent with years of experience as an REO agent, handling many types of real estate transactions including foreclosures, short sales, wholesaling, lease options, and subject-to deals.