Ultimate Quick Guide for Out of State & Foreign Investors in the US

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Foreclosures are at an all time high, supply heavily outweighs demand, lending from banks are really tight and home values are at or near rock bottom and they will likely stay low for 2, 3 maybe even 5 years. The most self made millionaires came from buying real estate during The Great Depression when everyone else was running away from real estate. The same opportunities exist today to buy extremely low. On top of that, the US dollar is extremely weak adding another huge opportunity for foreigners with a much stronger currency. Today's US dollar and real estate market present the ***Opportunities of a Lifetime***!!

For foreigners investing in the US and out of state investors there are 3 main keys:

1) Understand the Risk
2) Do your Due Diligence
3) Problem Solve

Don't overcomplicate things, it is the same due diligence in your local area you just have to do more. I've heard bad stories about foreigners and out of state investors and after researching their situation I found that almost all of them made mistakes. They did not do due diligence, they speculated, made emotional decision, fell for slimy sales tricks and now they cry victim. Don't be a sucker, savvy investors justify their decisions based on due diligence, understand the risk, solve problems and control their success.

5 Steps for Foreign and Out of State Investors:

1) Pick a Market - Base this decision on facts, do not follow the herd into competitive, high risk, low return deals. I ask people all the time why they picked their market and they cannot justify their decision. The facts will tell the story, I have done tons of research on where to invest and the popular markets all grade as the worst and the smaller under the radar markets are by far the best. I have identified some really incredible markets such as Cleveland, Columbus, Memphis, Cincinnati, Pittsburgh, Indianapolis, Dallas and Houston. Savvy investors can make money in any

market, but the best opportunities with the lowest risk and highest returns reside in the markets I mentioned and I have all the facts to support this.

2) Build a Team – Don't settle for the first agent, property manager, contractor, etc that you find. Do your due diligence to make sure your team is credible, experienced and the right fit. Always create win-win relationships where goals are aligned and you can duplicate over and over.
3) Identify Prospects – Create your criteria and stick to it. Find the high end blue collar areas that have the best deals. These areas will cash flow well, have deep discounts, some will be ripe for rentals while others ripe for flips. Play the numbers game, offer on a lot of prospects and you can cherry pick the best deals.
4) Do Your Due Diligence – Below is a due diligence checklist, if you do not justify your decisions based on due diligence then you are a fool and deserve to lose money.
5) Critique and Improve – Evaluate the deal and process, improve, delegate, automate and duplicate.

Due Diligence Checklist – Understand the Risk & Justify your Decisions based on Due Diligence

Due diligence isn't just important, it is critical to success. Business decisions are based on solid information, you must be able to justify your decisions based on due diligence. Here is a very thorough checklist due diligence items to complete.

1. **All Comps For Sale, Active and Pending Sales –** Get Comps for the last 3-6 months within .5 to 1 mile. Also do it for the last 3, 5, even 10 years to see trends and the full story.
2. **CMA, Comparative Market Analysis –** Get a CMA so you can see how everything stacks up, average listing price, for sale price, property size, beds, bath and even average time on market.
3. **# of foreclosures –** Too many foreclosures can put downward pressure on an areas value, but you do want opportunities.
4. **# of rentals vs home owners –** This will be important to determine if it is a flip or rental.
5. **# of for sale vs sold comps –** This is also crucial to determine if it is a flip or rental as you can see your competition and the areas pride of ownership.
6. **Crime, Unemployment, Population, other trends –** Warzones and declining areas are to be avoided. Upside potential is what you want.
7. **Schools, shopping, entertainment, parks, transportation, desirability –** People want to live in desirable areas with these amenities.
8. **Do things in 3s –** Get 3 rehab bids, 3 agents opinions, 3 property managers feedback and consult 3 other investors/experts.
9. **Exit strategies –** Thoroughly analyze your exit strategies, create backup plans and ensure you have strong multiple exit strategies.
10. **Worst/Best/Expected Case Scenarios –** Analyze worst case scenarios, best case scenarios and the expected scenarios. Be realistic, conservative and understand the risk.