

5-STEPS TO REAL ESTATE INVESTING SUCCESS

A YRC Guide to Assemble your
Real Estate Investing A-Team



STEP **4**

5-STEPS to Real Estate Investing Success

STEP 1: Find a Top Tier Realtor

STEP 2: Connect With An Exceptional Lender

STEP 3: Find An Outstanding Escrow Staff

STEP 4: Hire A Quality Contractor

STEP 5: Find A Quality Property Management Company

Introduction

You are poised to dominate the real estate investing world. You've consumed enough articles and podcasts, and have watched with excitement from afar as your favorite entrepreneurs lay the bricks for their lucrative empires. Now the time has come, and it's your turn. Somebody, somewhere, will succeed at this, so why shouldn't it be you?

With this realization, you immediately begin taking action. You understand that empires are not built alone, and you must assemble a team. If you wish to outperform the competition, you can only settle for the best in creating a high-performing Real Estate Investing A-team.

Creating such a team can be a daunting task, and the point of entry for doing so may be cloudy. YRC is here to clear those clouds up for you. Together, we'll tackle the Real Estate Team building basics by addressing each of its **FIVE** core players, the Realtor, the Lender, the **closing agent, the contractor, and the property manager.**

Along the way, you will inevitably be presented with challenges. You'll find that some are not as excited about your venture as you. They may be unresponsive, unenthused, unreliable, and generally uninspiring. This is all part of the script, and can be frustrating. But ultimately, it is your diligence, good judgement, and communication that drives exceptional people to become a member of your premier team.

This E-book will teach you how to be a better director, pick the right teammates, and ultimately, allow your empire-building dreams to come true.



Find the right Contractor for you.

- ✓ **Use your Network**
- ✓ **Compare Job Experience**
- ✓ **Review Completed Work**
- ✓ **Verify licensing and certification**
- ✓ **Obtain Bids and Decide**

Hire A Quality Contractor

You may not have the time to complete a renovation project yourself. If this is the case, it's time to hunt for a quality contractor to join your team. As in any of the above steps, it is your responsibility to filter through a sea of potentials to find the right match for you.

Use your Network

Ask other investors or homeowners in your area about contractors they've had a good experience with. As always, be thorough in your line of questioning – were their cost estimates clear and accurate? Did the contractor meet their advertised deadline for completion? After your initial search, narrow your options to around 10 contractors that pique your interest. Review each of these Contractors thoroughly with a common-sense approach using: online reviews, personal recommendations, social media and your initial experience communicating with them. Steer clear of any contractors that lack some semblance of these communication venues – a good contractor is easy to get in touch with.

Compare Job Experience

Ask each contractor on your list for a portfolio that extends back at least one year. A portfolio with more than 10 projects indicates an agreeable level of experience. A good portfolio also displays before, during, and after photos of their remodeling work. An added bonus goes to those contractors who also includes blueprints, sketches, and general plans in their portfolio. These give you an idea of how they approach a project. Ensure you are hiring a contractor who specializes in the project you are undertaking – don't hire a kitchen specialist when you are re-modeling your bathroom.

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Review Completed Work

At this point, your list should be narrowed down to the 3-5 range. Any contractors with grainy photos or very few projects on display in their portfolio should be removed from your list at this point. Reach out to your now shorter list of candidates and ask to arrange a physical viewing of their completed projects. This would most likely involve reaching out to a homeowner, or a reference the contractor provided to enter their home and inspect the quality of your prospective partner's work. As always, continue a thorough and skeptical line of questioning when investigating the nature of your contractor's past performance. Visit at least one finished job from each of your contractors. Ideally, the finished jobs are a few years old, so you may see how the work has fared over time.

Verify licensing and certification

Legal requirements will vary by state, and the specific licenses needed will also depend on the project you are undertaking. You must be just as knowledgeable as the contractor when it comes to your area's licensing requirement, to ensure you're asking for the right documents.

In addition to this, make sure anyone working in your house has liability insurance, in case they cause damage to your home, or themselves. Check that all of their paperwork is up to date. If any of the contractors on your list do not have the correct documentation, cross them off your list. An additional red flag should be noted if this information takes too long to get to you, or a contractor is hesitant to produce it. A good contractor has all of this information ready at a moment's notice.

Obtain Bids and Decide

At this point, your list should be no more than three strong. Now, you'll communicate your ideal price for this job to your remaining candidates. After a consultation, each contractor will present a 'bid', which will consist of a brief proposal and estimated costs for the project. The proposal should include a timeline for the project, types of material they recommend, and the total cost. Your final selection will come from these bids, so be thorough in your selection criteria. After making your final selection your contractor will send you a contract proposal with further details on how they intend to see the project through. The project will commence upon your review

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and signature of the proposal. Be wary of any contractor who uses 'short time-fuse' tactics to pressure you into accepting their bid, like suggesting that the offer in their bid is good for a limited time only. A good contractor has plenty of time to let you think on it, and won't take it personally if you decide to decline their services,

or review the contract egregiously before signing. Remember also that cheaper is not necessarily better – understand exactly what it is you want, and choose the contractor who demonstrates most effectively they can realize your vision. This may sometimes come at a higher cost.