DISPOBRIDGE

# Cash Buyer's Guide to Off-Market Deals

How to Find, Evaluate & Close Wholesale Properties

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## 1 Why Off-Market?

Off-market wholesale deals allow cash buyers to acquire properties at 20-40% below MLS prices by accessing distressed assets from motivated sellers before public listing, enabling faster closings in 7-14 days versus 30-60 days on MLS. This speed minimizes holding costs and capital tie-up for investors with $50K-$500K, while reduced competition from retail buyers preserves profit margins on flips or rentals.

Wholesalers handle seller negotiations, passing assignment fees of $10K-$50K to buyers who get clean contracts without direct haggling. Unlike MLS properties facing bidding wars and contingencies, off-market deals offer certainty, with McKinsey noting institutional investors favor intermediaries for efficient access to inventory.

For smaller cash buyers, this structure de-risks entry by focusing capital deployment on vetted opportunities, avoiding overbidding in hot markets and capturing equity upfront through discounted purchases.

### KEY TAKEAWAYS

- Prioritize speed: Target 7-14 day closings to deploy $50K-$500K across multiple deals annually.
- Save 20-40% vs MLS: Focus on distressed properties for immediate equity.
- Lower competition: Access wholesaler networks for exclusive inventory.

### REAL-WORLD EXAMPLE

A buyer with $200K cash spots a wholesaler's off-market single-family home listed at $120K (ARV $200K). Closes in 10 days, assigns for $15K fee, flips after $40K repairs for $50K profit—impossible on MLS due to 15+ offers.

## 2 Where to Find Deals

Join disposition companies and wholesaler networks via REIA meetings ($100-$500/year) where wholesalers pitch inventory live; active participation earns priority on deals fitting your $50K-$500K buy box. Platforms like OfferMarket list verified off-market properties to cash buyers, streamlining access without cold outreach.

Drive for dollars in target neighborhoods spotting distressed homes (overgrown lawns, boarded windows), then skip-trace owners via DealMachine for direct offers. Send direct mail campaigns to absentee owners, following up with texts and calls to capture leads before wholesalers.

Network at local investor clubs and submit one-page buyer profiles to wholesalers highlighting your proof of funds, target markets (e.g., $100K-$300K fixers), and 7-14 day close capability to reverse the flow and get deals texted first.

### KEY TAKEAWAYS

- REIA meetings: Attend monthly for live wholesaler pitches.
- Driving for dollars: Spot 10-20 leads per hour, skip-trace top 5.
- Buyer profile: Share POF letter and buy box to top 20 local wholesalers.

### REAL-WORLD EXAMPLE

Driving through a C-class neighborhood, you note 15 distressed homes, skip-trace 3 absentee-owned. Mail postcards yield 2 responses; one seller accepts $80K on $150K ARV property from a wholesaler contact, closing with your $100K cash.

## 3 Evaluating a Wholesale Deal

Calculate ARV using 5-10 recent comps within 0.5 miles via PropStream or Zillow, adjusting for size/condition; apply the 70% rule (purchase + repairs ≤ 70% of ARV) minus your 10-15% profit margin. For $200K ARV, max all-in at $120K-$130K to ensure flip viability.

Estimate repairs conservatively: Get 2-3 contractor bids, add 20-30% contingency for surprises like roof/plumbing. Use the $20K-$50K cash range for cosmetic rehabs, avoiding structural hogs that exceed your deployment.

Flag red flags like unpermitted additions, foundation cracks, or title clouds that kill profitability; pass 90-95% of deals to wait for your numbers. Stress-test holding costs at 6-12 months if market slows.

### KEY TAKEAWAYS

- 70% rule: All-in costs ≤ 70% ARV minus profit.
- Comps: 5+ within 0.5mi, sold <90 days.
- Repairs +20%: Bid from 3 contractors, contingency buffer.

### REAL-WORLD EXAMPLE

Wholesaler offers $110K assignment on $180K ARV duplex (comps verified). Repairs $35K (kitchen/bath). All-in $145K = 80% ARV—pass. Counter to $95K purchase ($130K all-in = 72%), seals deal for $25K projected profit.

## 4 Due Diligence Essentials

Run title search day 1 via attorney/title company for liens, judgments, or clouds; budget $300-$500 for rush 48-hour report in 7-day closes. Verify comps independently on Redfin/Zillow to confirm ARV, not wholesaler's estimates.

Schedule zero-day inspection ($400-$600) with trusted contractor focusing on structure, HVAC, roof—walk away from $20K+ surprises. Review assignment fee ($10K-$50K) against deal spread; negotiate down if thin margins.

Check permits/violations via county records, flood zones, and utility hookups. For $50K-$500K buyers, systematize with checklists and rapid-turnaround vendors to close confidently.

### KEY TAKEAWAYS

- Title first: Liens kill deals—rush search essential.
- Zero-day inspect: Structure/roof/HVAC priority.
- Verify everything: Independent comps, fee negotiation.

### REAL-WORLD EXAMPLE

On a $140K deal (ARV $220K), title reveals $15K lien—negotiate seller payoff or walk. Inspection finds good bones, $28K repairs confirmed. Closes day 8, fee $12K—your $200K cash deployed safely.

## 5 Financing Your Purchase

All-cash from personal reserves or self-directed IRA suits $50K-$100K deals, offering instant closes wholesalers demand. For $200K-$500K, layer with hard money loans (10-12% interest, 65% LTV) for 100% financing minus 2-5 points.

Private money from networks (8-10% rates) via 6-12 month terms recycles capital post-flip; pitch with ARV spreadsheets. DSCR loans (1.0+ ratio) for rentals post-purchase if holding, qualifying on property cash flow.

Maintain 20-30% cash reserves for contingencies; refinance to conventional after repairs to pull equity. PwC notes balancing cash for speed with leverage maximizes returns.

### KEY TAKEAWAYS

- Cash kings: 7-day closes win priority deals.
- Hard/private: 10-12% rates, 65% LTV for leverage.
- Refi recycle: Pull equity post-rehab for next deal.

### REAL-WORLD EXAMPLE

$150K purchase uses $100K cash + $60K hard money (11%, 1 pt/mo). Flip sells $240K after $40K repairs. Pays loan, nets $35K profit, refis rental portion for capital recycle.

## 6 Building Your Deal Pipeline

Join 3-5 wholesaler buyer lists via REIA submissions and profiles; respond to 80% of blasts within hours with POF to build top-buyer status. Track in CRM like REIkit for follow-ups.

Cultivate 10-20 wholesaler relationships: Offer value like lender intros, close their deals fast. Host quarterly buyer meetups or use DispoBridge to connect directly with dispositions.

Scale to 2-3 deals/month by geographic expansion to secondary markets (e.g., Midwest $100K ARVs); automate with DealMachine for ongoing leads. Aim for 50+ opportunities reviewed monthly.

### KEY TAKEAWAYS

- Multiple lists: Join 5+ for steady flow.
- Relationship gold: Close fast, refer business.
- DispoBridge/CRM: Automate tracking and marketing.

### REAL-WORLD EXAMPLE

Buyer joins 4 lists, builds rapport with 12 wholesalers. Gets 40 deals/month, closes 2 ($250K deployed). DispoBridge intro yields exclusive $90K triplex—pipeline hits 3 deals/Q.

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