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JV Deal Playbook

Split Fees Without Drama — A Complete Guide

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1 What Is a JV Deal?

A JV (Joint Venture) deal in real estate wholesaling is a business arrangement where two or more wholesalers or investors collaborate to wholesale a property, pooling resources like contracts, buyer lists, or marketing expertise to close the deal and split the assignment fee.[2][4]

Use JV when you have a signed purchase contract but lack a cash buyer list, funding for earnest money deposit (EMD), or market knowledge in a new area; go solo if you control all elements including leads, negotiation, and buyers to keep 100% of the fee.[4]

Typical scenarios include one partner securing a distressed property contract under purchase price (e.g., $150K contract on $200K ARV home), while the other provides buyers and funds the $5K EMD, enabling a quick double close or assignment for a $20K total fee.[3][4]

ACTION ITEMS

- Assess your weaknesses: List what you lack (e.g., buyers, funding) before seeking partners.[4]
- Target complementary partners: Network on platforms or local REI meetups for those with cash buyer lists if you excel at finding deals.[3]
- Vet partners: Review 3 past deals and references to confirm reliability.[6]

WATCH OUT

Avoid JV if partner has poor reputation or unverified track record—leads to deal fallout.[6]

Don't JV every deal; over-reliance erodes your solo skills and full profits.[4]

Watch for partners pushing vague 'networks' without proof of recent closes.

2 Structuring the Split

Common fee splits in wholesale JVs are 50/50 for equal contributions, 60/40 favoring the partner providing the contract/deal, or 70/30 if one funds EMD and buyers while the other only sources the lead.[4]

Splits depend on contributions: Contract finder gets 60-70% (e.g., $12K of $20K fee on 60/40), buyer provider 30-40%; adjust for extras like marketing costs or exclusive buyer access.[2][4]

Example: $10K assignment fee splits 60/40 ($6K to deal finder, $4K to buyer provider); document who brings contract, EMD ($2-5K), photos/comps, or marketing to justify split.[4]

ACTION ITEMS

- Calculate contributions: Score each partner's input (deal=40pts, buyers=30pts, funding=20pts, marketing=10pts) to propose split.[4]
- Use a split calculator template: Input total fee, percentages, and outputs (e.g., Excel: =Total*0.6 for Partner A).[2]
- Agree pre-marketing: Sign off on split before sharing property details to avoid disputes.[4]

WATCH OUT

Unequal effort leads to resentment—ensure split matches value (e.g., no 50/50 if one does 80% work).[2]

Vague 'based on contribution' clauses cause fights; specify exact % upfront.[2]

Watch partners demanding 50/50 despite minimal input like 'just buyers'.

3 The JV Agreement

The JV Agreement is a legal document outlining roles, fee split, timeline, and exit for a specific wholesale deal, often formed as a simple contract without a new LLC.[2][4]

Essential clauses: Roles (e.g., Partner A negotiates contract, Partner B provides buyers), fee split (60/40 on $15K), timeline (close in 30 days), dispute resolution (mediation then arbitration), exit (buyout at 50% fee or dissolve if no buyer in 21 days).[1][2]

Use for single deals; protects via earnest money liability limited to the property and ensures profits split post-close.[1][4]

ACTION ITEMS

- Draft template: 1. Parties/Objective (wholesale [address]); 2. Contributions/Roles; 3. Profit Split (%); 4. Timeline/Deadlines; 5. Disputes (mediation); 6. Signatures.[2]
- Customize per deal: Insert property address, ARV, fee estimate, EMD source.[4]
- Get attorney review: Spend $200-500 for state-specific tweaks, especially on assignment rights.[5]

WATCH OUT

No written agreement = disaster; verbal deals fail 80%+ on fee disputes.[2]

Missing exit clause traps you if deal stalls—always include dissolution triggers.[1]

Avoid partners refusing to sign—signals unreliability or hidden agendas.[6]

4 Communication Protocol

Establish daily/weekly updates via shared tools: Text/email for quick status, Google Sheet for deal tracker (columns: Task, Owner, Due Date, Status).[4]

Track stages: Contract signed → Marketing → Buyer offers → EMD wired → Closing docs → Funds wired; handoff seller to buyer via joint call/email.[3][4]

Handoff protocol: Partner A shares seller contacts post-contract; Partner B introduces buyer, coordinates inspection/closing with title company.[4]

ACTION ITEMS

- Set up shared tracker: Google Sheet with tabs for Comps, Buyers List, Timeline.[4]
- Schedule check-ins: Daily texts during marketing, weekly calls for updates.[3]
- Define handoffs: Document 'Partner B emails buyer intro within 24hrs of contract share.'[4]

WATCH OUT

Radio silence mid-deal kills momentum—enforce 24hr response rule.[6]

Untracked status leads to duplicate marketing or missed deadlines.[4]

Watch partners ghosting after contract—revoke access immediately.

5 Common JV Disasters (And How to Avoid Them)

Scenario 1: Partner ghosts after contract share, shops deal solo. Lesson: Share minimal info pre-agreement; use non-circumvent clause.[4]

Scenario 2: Buyer flakes, EMD lost ($3K). Lesson: Partner funding EMD signs personally; JV covers 50/50 or via transactional funder.[4]

Scenario 3: Dispute over $8K fee split post-close. Lesson: Lock split in signed agreement with exact % before marketing.[2]

Scenario 4: Seller backs out day 15 due to poor handoff. Lesson: Joint intro call to seller/buyer; one point of contact.[3]

Scenario 5: Partner demands higher split mid-deal claiming 'better buyers.' Lesson: No changes post-agreement; include amendment clause requiring mutual sign-off.[2]

ACTION ITEMS

- Add non-circumvent: 'No solo shopping deal for 90 days post-close.'[5]
- EMD protection: Use transactional funding or clause 'funder eats loss solo.'[4]
- Dispute prep: List mediator contact in agreement.[1]

WATCH OUT

Unvetted partners repeat disasters—demand 3 deal proofs.[6]

Weak agreements invite all 5 failures—never skip signing.[2]

Emotion overrules logic mid-disaster; stick to agreement terms.

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