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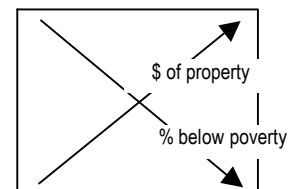
Steps in the Property Search

In this market, with hot property flying off the market so quickly, it is dangerous if you see too many properties and end up on a wild-goose chase—instead *you must be able to separate the wheat from the chaff and hone in on what you want:*

- Analyze and compare all neighborhoods of interest before setting up any showings.** Under Sales/Demographics at our website, we provide 10 years of price appreciation data, and you can print detailed maps of each of the 77 areas of the city. The public property search on the website lets you see snapshots of listings and is ideal for helping you decide where to focus. When you know areas are of interest, ask us to set up for you a 'closed-sale driving tour' of each area of interest (this shows exactly what investors paid). *You're ready to move to step 2 when you have a clear picture of what it is that you want to buy.*
- Once you know your focus, before you ask for any showings, your job is to rule out 80% of the listings.** If you know a neighborhood extremely well, this stage might be completed without ever leaving your home office. But, for most investors, drive-by's are a key part of this step. *Normally it takes all three of the following actions to determine which listings to rule out:*
 - Conduct a spreadsheet analysis on ALL the listings.** Only by examining many listings will you get good at seeing which ones are the best.
 - Make an estimate of work needed.** Unless you are buying in the highest price range of a neighborhood, you probably should expect to spend \$50,000 or more over time fixing and upgrading your building. In picking listings to see, you must consider which of the following may apply and to what extent you think they do:

Time	Typical \$	Description
<input type="checkbox"/> Yrs 1-3	10-20K	<i>Immediate safety and building 'stabilization' issues (i.e., the building inspection list of short-term, important repairs). Few 100-yr old buildings need NO work!!!</i>
<input type="checkbox"/> Yrs 1-3	10-30K	<i>Duplexing or enlarging apartments if possible to increase rent (and to eliminate any illegal garden units). Many buildings can command enhanced rent!!!</i>
<input type="checkbox"/> Yrs 3-5	10-20K	<i>Mid-range necessary building repairs (i.e., the building inspection list of things that didn't have to be done immediately).</i>
<input type="checkbox"/> Yrs 4-6	10-40K	<i>Updating/upgrading windows, heat, electric, plumbing, etc.. Putting on a new roof or rebuilding porch and/or garages probably must happen at some point!!!</i>
<input type="checkbox"/> Yrs 5-7	10-40K	<i>Some modernizing (kitchens/baths, adding 2nd bath, etc.) eventually will probably be needed unless the future of this building is to deconvert or condo'ize.</i>

- Conduct a neighborhood analysis.** The US Government Census Bureau (which you can access on our website Sales/Demographics tab) will show median family income and percent living below the poverty line for any address, and this diagram suggests price is inversely proportional to the percentage of the people living below poverty *Drive-by's are for most investors a critical part of this step.*



- Go inside only those properties you think you might want to buy.** 20% of the listings out there will probably be worth going to see—they are the wheat, not the chaff. In fact, here's a standard to shoot for: *if you do your homework and drive-by's well enough, you shouldn't need to see the inside of more than 6-8 properties if going non-owner occupied or 10-12 if owner-occupied before putting an offer in.*
- If the existing listings don't fit the bill, then you must learn to play the new listing game.** Here the rules are different: 1 in 5 new listings will be so hot it flies off the market, and so here it is the most AGILE investor who wins big time.