

Free Special Report #2

**“Think You Can’t Make Money In Real Estate?”
“Think All The Money Is In Foreclosures?”
“If You Do - Think Again!!!”**

**“NO MORE Foreclosures...NO MORE Distressed Properties...”
Finding the home to earn a HIGH PROFIT MARGIN is as EASY
as DRIVING THROUGH YOUR OWN NEIGHBORHOOD...**

FINALLY - something easier and different than a foreclosure. For those of you who have tried to find that special deal you already know what I mean when I say, “it’s like trying to find a needle in a hay stack, it can be done but it’s not easy.”

According to the Mortgage Bankers Association, over 400,000 homes went into foreclosure last year. Yes, it seems like a lot, but not when you factor in the amount of people living in America. The odds become slim for a small percentage of people to find the one that will earn a profit.

I am here to tell you there is no reason to waste so much time in trying...

You can go to any Real Estate Agent and tell them you are in search of a single-family house that has the property zoned for multiple dwellings. You will be amazed how many are listed. The agent will be able to print the addresses within Minutes from the multiple listing that the realtor subscribes to in any neighborhood. IT’S THAT EASY...

- You don’t need... to be a Realtor!!
- You don’t need... to be a Contractor!!
- You don’t need...a Contractor’s License, but you will learn how to get paid the Contractor’s Profit!!
- You will learn... how to pay yourself a weekly salary of up to \$1000 by being your own Superintendent!!
- Live in the house...and let your tenants pay your mortgage!!

- You don't need... to have money;
you will learn how to use (OPM) other people's money
you will learn how to structure the deal
with a Bank, Homeowner, Investor, Partner
or you can do it yourself!!
- Anyone who chooses to do this CAN!!
- You don't need... any experience, just the will!!

I am very pleased and very excited to introduce this to you! Firstly, who am I and why do I think I can teach you how to add a duplex or more to a single-family home to create a generous profit?

My name is, Donald Young, & I have been in the construction industry for 30 years. I have been a General and Framing Contractor since 1984. I currently hold My A-license (Engineering) and my B-license (General Contractor), which are the two top contractor licenses in the state of California. I have contracted millions of dollars worth of work including Structural Retrofitting, Underground Piping, Town Home Units, Remodels, Track Homes and all types of Residential and Commercial Building. In the late eighties I began buying foreclosures and distressed properties. When the early nineties came, the economy fell into a deep recession, which caused construction to slow down, and the real estate market began to see one of its worst down turns in recent history. I needed to find away to stay busy. As a result, I began to add duplexes, triplexes and fourplexes to single-family homes and I went on to become very successful at this.

In the heart of the recession of the early nineties, I bought, built, sold and owned over \$14,000,000 million dollars worth of multi-family zoned real estate. My expertise in this area, coupled with the fact that so many people wondered how I was making so much money in real estate during a recession, led to the publishing of a book which explained and defined the concept that I had been utilizing to maximize my profits in real estate.

The book, *Real Estate & Self Contracting- A Winning Combination for a Profit Making Business*, is now the best selling manual of its kind. This manual is what the focus of this report is all about: *How to Add a Duplex or More to a Single Family House*.

How I made \$68,000 in five months, on my first project by adding a duplex to a single-family home!

In looking for a house to fix up, my real estate agent sent me to look at a two bedroom one bath home. It was listed at a price comparable to the rest of the neighborhood. It was not a bargain price so the cost to fix it up would prohibit me from making a reasonable profit if I chose to sell it. In looking around the neighborhood, I noticed there were apartments built on properties that were in close proximity to this particular lot and perhaps this lot was zoned for apartments as well. After inquiring about the zoning in the area, I learned that this property was rezoned recently. It was previously zoned for apartments but now the maximum units allowed were four. Because of the multi-family zoning, I now felt that this property had potential but the key would be in figuring the right configuration on the property to determine the profit margin.

As a builder, initially my focus was to tear down the house and build the four units allowed by the city. After analyzing the cost to do this, I again realized the profit margin would not work. In looking at this property, the existing house was built at the front of the lot with the garage in the rear with a driveway that ran down the side of the house. I knew there was enough room to remove the garage and build something behind the house. I began figuring the cost to build one more house and what the potential value would be; however, the cost was still too high. I then played with the idea of building a duplex or a triplex. I ran the cost and the value for both. Since this was my first multi-family project, I choose the simpler of the two and decided to build a duplex. The duplex showed lots of financial potential so I made an offer with a ten-day grace period. This gave me time to do my due-diligence and make sure that I evaluated this property correctly.

To keep things simple and move ahead as fast as possible, I used Type V construction, which is the most basic way to build and it did not require an engineer or an architect. The Type V construction guidelines were available at my local building department and I simply incorporated them into my set of plans. In my book, I show you how to do this and how to work with the Department of Building & Safety.

Additionally, with the offer I asked for a forty-five day escrow to allow myself enough time to have plans drawn, which I did myself, and submit them into plan check and have them approved before escrow closed. This allowed me to begin construction the day I took ownership. From that day, it took me three months to build, rent out the duplex and sell the completed triplex for a profit of \$68,000.00.

Most often asked Question: Why does this concept work every single time?

Leaving the house is the KEY to the success of making higher profits...

The example on the graph below is a quick overview, of how this might look:

Let's assume you are purchasing a house that is 1000 square feet and each unit you build will be 1000 square feet. The zoning of the property that the house sits on will allow for a total of 5 units.

If the build cost in your city is \$65.00 per foot, I recommend leaving the house, building around it and **SAVING the \$65,000 DOLLARS** it will cost you to rebuild that house. The money you just saved will become part of the profit every single time. Note: The numbers speak for themselves. Look at the equity in the right column of the graph and decide for yourself. Even the annual cash flow is within hundreds of dollars of each other.

<i>Description</i>	Purchase Price	Demo or Remodel Cost	Build Cost Per Foot: \$65 - 5 Units \$60 - 2 Units	Total Cost	*Annual Rents	*Gross Income Multipliers	Building Value	Gross Equity
5 – Units	\$100,000	\$5,000	\$260,000	\$365,000	\$43,500	8.75	\$380,625	\$15,625
Adding 2Units to Existing House	\$100,000	\$3,000	\$120,000	\$223,000	\$30,600	* 9.5	\$290,700	\$67,700

***Gross Income Multiplier:** Number which, when multiplied times the gross income would give an indication of property value. It is a guide and may be obtained from a realtor or appraiser.

	5 New Units	2 new units plus house	
* Smaller the project the higher the gross multiplier.	\$43,500	\$30,600	Annual Rents
	\$18,382	\$11,231	Mortgage Payments (6%)
* Annual Rents: Cash Flow – assuming a 30% down payment.	\$13,050(30%)	\$ 7,650(25%)	Operating Expenses
	\$ 12,068	\$11,719	Net Cash Flow

*Here are more reasons why the profit is **GUARANTEED** to be there everytime...*

- **TIME:** The smaller the project, the more control you will have and the faster you can build it. This equals less monthly interest payments and, you will be able to bring in monthly rental income faster.
- **HIGHER RENT:** By keeping the house, your overall rental income will be greater. Most people will be willing to pay \$50.00 to \$100.00 more per month to rent the house thus creating a greater total rental income than if all the units were apartments.
- **CURB APPEAL:** Again, keeping the house really works to your advantage because it creates a home-like, comfortable atmosphere that an apartment building cannot give. This is appealing not only for the tenants, but for the potential buyers of the property. Investors will be more willing to purchase your property if they feel the units are easier to keep rented.

- **CASH FLOW:** I always rent out the house at a discount rate during the construction process. Not only do I get monthly cash flow, but also I have my own built in security guard for the construction site that I don't have to pay.
- **CHEAPER BUILD COST:** The smaller the building, the less it will cost you in Architect and Engineering Fees (most cases you will not even need an Architect or an Engineer by using the Type Five construction).
- **PROFIT:** Supply and demand. Because this is a relatively low risk and low cost investment for rental property, these types of projects sell quickly providing you with greater cash flow to move on to your next project.

Not only is this concept uncomplicated, the timing in real estate could not be better... Along with interest rates at some all time lows and the current housing shortage, there are great opportunities for creating the best cash flow from rental properties at this time.

URGENT: Reason to build more residential units NOW!!!

Census 2001 Through 2020:

An article in the Los Angeles Times stated, **A Lack of Building Apartment Rentals** in the early nineties along with a steady influx of immigrants and high birth rates among our population have caused ***Shortages in the housing market.***

The problem exists because we haven't built any housing in this country in the past 10 or 15 years, one city official had stated. He went on to say, the intensity of the problem in our nation varies by city.

An example is in Orange County, California. The population there increased by 435,733. The number of housing units, though, increased only by 94,412, enough for 283,236 people, based on the county average household size of three individuals. This is the same situation in cities across the country the article went on to say.

The housing crunch exists nearly everywhere in the nation and is more pronounced where our nation's low-wage workers congregate, said the Community Housing Corporation. Just in California, the Community Development warns that **220,000 new housing units will be needed each year through 2020** to handle expected population gains.

What happens when a housing crunch exists?

The shortage in housing is only getting worse. If you combine the present problem of a housing shortage with the fact that the demand for housing will continue to rise, now is the right time to build rental property. Remember the timeless economic concept of ***Supply and Demand.*** The demand for rental housing will stimulate the necessity to build rental housing and with that will come a higher market price, which in return will equal greater profits for you. Additionally, the rental price per unit will be driven up as well creating a higher positive cash flow for you!

Adding units to an existing single-family home isn't a new idea but it is a great idea for the present market. There is no need to reinvent the wheel to become successful in real estate. Real Estate & Self Contracting are a Winning Combination and you can become not only a successful property owner but a successful builder as well.

How to get started...

As with any business endeavor, one must gather as much information and knowledge as possible to become informed and capable of making smart decisions. ***Real Estate & Self-Contracting: A Winning Combination for a Profit Making Business***, is an excellent step-by-step guide to teach you what you need to know to locate, buy, remodel and sell income properties. In the book, I will equip you with the business skills you need to start your own business but, more importantly, I will educate you with enough hands-on knowledge that will allow you to begin building.

A Personal Note...

We have all bought the books that promised great wealth without working, but I found most of them to be worthless! What they are selling is how to make money with little or no effort. If I can teach you one thing right now before you buy this book or any other how to book ... it is this...there is NO easy money to be made, you have to work for it...I am not going to promise you you will be rich just by reading...but if you are willing to stay focused and set your sights on a realistic goal then my book will get you to where you want to go. I give you all the facts and formulas that it takes to build upon.

I promise you that the contents in my book will aid you in the quest for knowledge. At first, as with any new concept, all this might seem confusing, but by pondering the impact, you will put yourself to the next level ~ more independence! If you take this knowledge and apply it to your own talents, you will succeed in building.

A Final Thought...

I think I can safely say that I have the hands-on experience to teach you and guide you through this process. You will learn from a person who has done every aspect of what is being taught in the book. I am not a guy selling information just to sell it. I have been in this business over 20 years and since it has worked for me, I know it will work for you!

***Sincerely,
Don***