



# 24 Proven Ways to Find Off Market Apt Buildings

Congrats on taking action and getting this Top 24 List.

Before I listen to ANYONE I want to know their credentials so I can determine if I should listen to them. I won't tell you if you should listen to me but I'll tell you my credentials and let you decide.

I currently control over \$28,000,000 in real estate which includes a 168 unit, a 155 unit, and a 250 unit apt community (as well as some single family homes).

I have also interviewed hundreds of guests on my DAILY podcast, [Best Real Estate Investing Advice Ever](#) (including Robert Kiyosaki and Barbara Corcoran). And I'd estimate about a quarter of them are focused on apartment investing. So I've learned from my first-hand experience as well as from people I've directly spoken to on my show.

Ok, now, let's get into it.

There are actually benefits to both you AND the apt building owner for doing an off-market deal. And it's important you know the reasons why it's beneficial to the owner so you can negotiate with pure intentions since BOTH of you will benefit. This will greatly help your success rate.

## **Three ways the apt building owner (i.e. seller) benefits from doing an off-market deal:**

1. Save money because there's no commission to a broker.
  - a. That can be between 2% - 6% of the purchase price. On a \$5,000,000 property 4% is 200k worth of savings.
2. They get their money faster.
  - a. Instead of having to wait for the broker to put together an Offer Memorandum which can take weeks (or months) to complete, they can simply share the financials and current rent roll with you.
  - b. Once you look at that then you put it under contract, do your due diligence and close. By doing it this way they get paid faster. Not to mention all the time it takes AFTER the Offer Memorandum is created to do property tours, qualify buyers, etc.
3. It's less hassle for them.
  - a. There are no property tours with multiple people.
  - b. There are no multiple question and answer sessions with prospective buyers.
  - c. There are no random people poking around the property disturbing the tenants.
  - d. There are no rumors around the apartment community that it's being sold which could negatively affect tenant and/or vendor relationships.

## **Three ways you (i.e. buyer) benefit from doing an off-market deal:**

1. Save money.
  - a. You're not involved in an auction-type process where the broker is doing their job of finding the highest paying buyer who will close. Instead, you're working directly with the owner and getting a fair price that isn't artificially bid up from other buyers.
2. More creative financing opportunities.
  - a. By working directly with the owner you learn their pain points, goal/s with the transaction and what they ultimately want out of the deal. This can be used to structure something creative with them that meets their goals and yours.



3. Close faster.
  - a. Instead of having a broker relay messages, you are speaking directly to the owner which can help expedite the process.
    - i. By the way, I enjoy working with brokers and usually get a lot of value by working with them. However, off-market deals where brokers aren't involved are the best deals to do because of the previously mentioned reasons.

Before we get into the tactics I also want to mention that **there are only two ways for you to get an off-market deal.**

1. You Talk to the Owner Directly
2. You Talk to Someone Who Knows the Owner (i.e. wholesaler, friend, electrician, etc.)
  - a. There would likely be some sort of compensation to the middle person

The ideal scenario is to talk to the owner directly every time but that's not reality. Sometimes there are middle people who make the intro and they are very valuable because it could be a service professional who has a network of lots of owners they can refer you to.

Therefore, **your tactics should target owners directly AND people who know owners.** Some of the below tactics do a better job at targeting one over the other, however, you should make sure to do things that reach both.

Now that we've set the framework, let's dig in.

## **Here are 24 PROVEN ways to find off-market apartment buildings.**

### **1. Create Content for Owners:**

- a. This Best Ever guest created a *How to Sell Your Apartment Building for Smarties* guide. Hear his story on my podcast: <http://joefairless.com/blog/podcast/jf541-how-a-young-commercial-investor-raised-over-1m-to-purchase-a-30-unit-deal/>
- b. You can download the guide [here](#).
- c. Of course, after you create it for them you have to find them to give it to them. See tactics below that address that.

### **2. SEO (Search Engine Optimization):**

- a. I personally use SEO to increase the popularity of my podcast. The thought is that as more people listen to the podcast I will get sent more off-market deals. I have found that to be true as I get about 1 "off market" deal a week. Some aren't truly off market but some are. In order to do SEO you must have a website since you're optimizing your rankings
- b. I use [www.upwork.com](http://www.upwork.com) for my SEO and pay a team \$3.33 an hour for 20 hours a week. I spend about \$250 a month and have seen my website rankings for certain search words increase as a result.
- c. When picking your keywords think like an owner thinks in your market. So instead of "sell my apt building now" which isn't a term an apt owner would likely put into a search bar, instead do keyword phrases like "increase my NOI."
- d. SEO is oddly neglected when it comes to apt building buying. There's a bunch of people doing it for single family homes but not apts. This is a huge opportunity.

### **3. Start your Own Real Estate Podcast:**



- a. 46 million people listen to podcasts every month. iTunes is a huge distribution channel for your message. Now you just need the message.
  - b. Your topic could as narrow as “Apartment Investing in the Windy City” or broad as “Apartment Investing in the US” or even just real estate (then have apt people on there)
  - c. This targets people who know owners as well as owners. Plus, you’ll learn a lot while building friendships across the world along the way. A couple tips:
    - i. Do an interview format so you have a reason to reach out to high-profile people. By interviewing high-profile people you gain social credibility from others who have heard of those people but are being introduced to you for the first time. It’s just like when you’re introduced to someone by a mutual friend. Because it’s via the mutual friend you have credibility (i.e. you’re not a stranger).
    - ii. Do it consistently. You don’t have to be a crazy as me and [do a daily podcast](#) but be consistent and commit to doing it for at least 12 months. Then reassess to see if it’s a good use of your time. And if you’ve been doing it consistently then I guarantee it will be a good use of your time.
- 4. Start a Meetup:**
- a. Depending on your focus this can be targeting owners directly, people who know owners or both.
    - i. For example, when I moved to Cincinnati after living in NYC for 10 years I knew it would be important to start making friends in Cincinnati. So I started a Mastermind Group that is free to attend and, 8 months later, it has a packed house of real estate investors. There are only a couple apt owners but we only need to do a couple deals a year in order to make some big-time dollars. Plus, the group also helped me raise \$50,000 on the 155 units I’m closing on later this month via a referral from a group member.
    - ii. Or you could take a different approach and create an Apartment Investing Meetup where you only focus on apt investing. Do this even if you own ZERO apts. Just invite owners to speak at the meeting. Mortgage brokers, insurance agents, lenders, appraisers, property managers, CPAs and attorneys would also love speaking at the event.
    - iii. Here’s a video of a happy hour real estate investing meetup I started:  
<https://www.youtube.com/watch?v=zFvmyTccVQ>
- 5. Craigslist:**
- a. Respond to the “for rent” apt ads on Craigslist by asking the owner if they’d be interested in selling. Someone with an apt to rent is losing money on that apt at that moment in time so they might be motivated to unload the property.
- 6. Cold Calling:**
- a. Listen to John Cohen talk about how he gets multifamily deals from cold calling owners:  
<http://joefairless.com/blog/podcast/jf345-your-guide-to-direct-mail-cold-calling-and-multi-family-purchasing/>
- 7. Direct Mail:**
- a. Good ole’ direct mail. [Here’s a template](#) a Best Ever guest used to close on an apt building that made him over \$2,000,000.
  - b. Here’s the interview where he discussed that deal:  
<http://joefairless.com/blog/podcast/jf531-how-his-experience-in-spec-homes-lead-him-to-commercial-deals/>
- 8. Drive by then Calling Owner:**
- a. When I interviewed Juan Maldonado he said 8 out of 10 apt deals he’s done has been via cold calling apt buildings he drove by and signs of distress. He has acquired 560 apts



and closed on over \$26M in real estate so he's speaking from experience. Listen to his interview here: <http://joefairless.com/blog/podcast/jf340-your-insider-scoop-to-cold-call-for-deals/>

**9. Bankers & Mortgage Brokers:**

- a. They know investors. They also want you to do more deals so they can loan you money.

**10. Eviction Court:**

- a. Go look up the court docket and see who is evicting their tenants. If you see a pattern you might find a very motivated landlord wanting to get rid of the headache.

**11. Property Management Companies:**

- a. They know where the skeletons are buried because they manage the good, bad and ugly. They'll know if an owner wants/needs to sell and if you build a relationship with them you might get introduced to a very good deal. Plus, they want your biz so they can manage the property as well.
- b. Caution: if you buy from a property mgmt. intro, before going with that property mgmt. company you'll want to double check that the reason the property is being sold isn't because of the property mgmt. team's errors.

**12. Create a YouTube Channel:**

- a. Similar to podcasting, this is a way to reach a ton of people. But you know that already, right? Figured. Well...are YOU on YouTube posting videos at least weekly?? If not, why not?? If video isn't your thing then don't do this but if it is then this can be a great platform to build a relationship with people and get access to larger deals via introductions.
- b. Key is consistency then improve quality over time. Plus, have a centralized theme (i.e. Apt Investing, Raising Money, Finding Off-Market Deals, etc.)

**13. Title Company:**

- a. They could be a good referral source for equity too because they know the groups that are currently closing on apt communities.

**14. Appraisers:**

- a. They are good people to know. Even if you don't get a deal from them you can ask them about the deals you do come across.

**15. Apartment Association Meetings:**

- a. Lots of owners. Lots of professionals. Lots of opportunities. Just Google this for your local area. They tend to cost a couple hundred a year to join.

**16. Real Estate Investing Meetings:**

- a. You likely won't find too many big-time apt owners but you will find a lot of people who are doing wholesaling and might be a bird dog for ya.

**17. Building Code Violations:**

- a. Look up code violations in your county. That tells you who is slacking on their maintenance and who might be needing to sell.

**18. Delinquents on Taxes:**

- a. If they ain't payin' taxes they have big trouble ahead. Maybe you can step in and be a problem solver.

**19. Take a Creative Approach to Loopnet Listings.**

- a. "Wait, isn't this usually listed by a broker so it isn't off-market??!" you might be screaming at me. Well, yes. BUT, let me tell you the story of my 1<sup>st</sup> deal...
- b. I went from buying 4 single family homes to buying a 168 unit apt community. That's a big jump. And the 168 was listed on...LoopNet! But we approached the purchase unlike anybody else before us. We did a Master Lease with Option to Purchase which was treated as an Installment Sale.



- c. Basically that allowed me to go out and raise money from investors. We then put a down payment on the property (about 20%) and took control of it. We got the income, paid the expenses and paid the mortgage payment (while getting equity that's created from the principle pay-down which is about 15k a month). But, and here's the kicker, the owner stayed on the loan as a personal guarantor so my group and I didn't have to go through the exhaustive process of getting approved by the lender. However, I did get in writing that the lender was ok with us doing the Master Lease (otherwise that would be bad news if/when lender found out and made it null and void).

#### **20. Start a Blog:**

- a. Start a blog and interview the best multifamily professionals. They will be flattered you're interviewing them and it will let you get to know the top people in the industry. Who, in turn, likely are apt owners or know apt owners.

#### **21. Vendors:**

- a. Electricians, carpet installers, roofers, plumbers, HVAC professionals, pool repair people, lawn care professionals, etc. ANYONE who is involved in the apt building business. They are on the front lines of the biz and are excellent people to know and talk to. Refer people to them first before asking them to do it for you.

#### **22. Connecting with Local Connectors:**

- a. Fitness trainers, residential real estate agents, insurance sales people, etc. Your local market is full of people who make it their business to connect with others. Why not meet THOSE connectors and leverage each other's network?
- b. For example, you could talk to a fitness trainer and tell her that you are focused on buying apt communities. If she knows of anyone to please let you know. In return you can refer people to her – perhaps tenants of your building. It's a win-win. Always look for the win-win and ALWAYS give them something first before asking for anything in return.

#### **23. BiggerPockets:**

- a. Become an active member of BiggerPockets, a large online community for real estate investors. I've been an active member for many years and have seen real business come from it. When asking for deals make sure to post in the Marketplace section because they have strict solicitation guidelines.

#### **24. Volunteer:**

- a. The more you volunteer for things you are passionate about the more you will connect with people in a meaningful way. Then, you should work your way up to get on the Board of Directors for the charity. Do you think influential people who own real estate are also on the Board of Directors? Exactly.
- b. I'm on the Board of Directors for Junior Achievement and Texas Tech University – both of which have helped me find deals and raise money for those deals.

Ok, so you have 24 PROVEN ways go get off-market deals.

What is your next step?

Here's what I recommend:

**Create ONE THING for owners.**

You MUST have a reason to talk to owners and build a relationship with them.



That can be a meetup, blog, YouTube channel, a fancy pamphlet that solves a problem for them, etc.

**Then focus on doing the distribution or promotion of that ONE THING.**

For example, if you create an Apt Owner Meet-Up then focus on getting your first speaker, a venue space and attendees. You can do this even if you don't have ANY experience.

Two other tips:

1. Whatever you pick, do it CONSISTENTLY. I do my podcast daily but I'm insane (and also successful as a result of it). If you're insane too then do something daily, but, whatever you pick, you need to do it at least weekly.
2. Evaluate after 6 months of doing it consistently. We live in an instant-gratification culture where people ignorantly expect to get immediate results. It doesn't (usually) happen that way. It takes time. Consistent action. Constant improvement.
  - a. If it doesn't work then tweak it or try another tactic. ALL of these tactics work BUT all of them might not work for YOU because YOU have UNIQUE TALENTS and SKILLS. You've got to match up the tactic with what you're uniquely good at doing. That might take some trial and error. It's not about doing all these tactics. It's about doing one incredibly well.

Ok, there you go. Go get after it.

Joe

P.S. If you haven't subscribed to my DAILY podcast, **Best Real Estate Investing Advice Ever** then...shame on you! 😊 When you subscribe you'll learn directly from real estate investors who are making it happen.

Subscribe in iTunes [here](#).

And Stitcher [here](#).

And hear Barbara Corcoran's Best Advice Ever here: <http://joefairless.com/blog/podcast/jf234-shark-tanks-barbara-corcoran-reveals-her-best-real-estate-investing-advice-ever/>

And want to do a deal with Robert Kiyosaki? He tells you how he screens out people here: <http://joefairless.com/blog/podcast/jf262-wanna-do-a-deal-with-robert-kiyosaki-well-ya-better-have-a-good-answer-to-this-question/>