INVESTOR FIELD GUIDES / BOOK 08

Finding Real Estate Deals That Make Sense

Build a repeatable pipeline and focus your time on properties worth investigating

Real Estate Nate

Free Investor Academy

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Scenarios are hypothetical, not Nate's transactions. Verify property data and applicable outreach rules before acting.

You do not need every lead

More property names are not the same thing as more opportunities. A useful pipeline helps you identify the few situations that fit your strategy, verify their facts and make a decision without spending an entire week on a property that never had a realistic path to your numbers.

I start with a buy box: the area I understand, property types I can handle, an exit I would actually use, available cash and the performance I need. For a rental, I want positive cash flow and at least 1.30 expense-adjusted coverage under realistic assumptions. For a flip or wholesale, I test a 5-10% lower exit separately from the repair contingency. A lead that cannot possibly fit those limits deserves less of my time than one that might.

1. Build a useful buy box

Describe geography by neighborhoods or a radius you can actually serve, rather than a state-wide search you cannot inspect. List the property types, condition, access to financing and price range you can support. Include excluded conditions, such as a renovation beyond your available cash or experience. A buy box is adjustable when you learn; it is not a substitute for underwriting.

Make two columns: **must fit** and **need to verify**. A property outside your area may fail immediately. A property within it but with an unknown roof might be worth a brief call. Unknown does not mean acceptable; it means your next action is to find out.

2. Choose sources you can consistently work

Listed properties can be reviewed with an agent and compared against current competition and closed sales. Relationship-based opportunities may come through people who know your criteria. Public records or direct owner conversations can identify circumstances worth researching, but a public record is not a complete picture of the owner's needs, title or motivation.

Record where each lead came from, when the information was checked, the property address, status, asking price if known, contact or listing source, and the next action. Note outdated or conflicting facts. If a property is listed, respect the agency relationship and communicate through the appropriate channel. Follow applicable contact, privacy and marketing rules and maintain an accurate suppression process.

3. Screen before full underwriting

Ask five questions: Is the property in my area? Does its type and condition fit my capabilities? Is there a plausible exit? Is the expected price within a range that could work? What essential fact is missing?

Imagine a house offered at $180,000. Relevant finished comparable sales cluster near $200,000, and the visible condition suggests extensive work. You do not yet know the exact repair cost, but purchase plus a substantial renovation leaves little room for selling costs, financing and profit. That is a reason for a quick, respectful decline or a request for more information-not a reason to spend hours inventing a $250,000 resale value.

A different property is offered at $100,000, has plausible rent evidence and needs a roof evaluation. It may justify a closer look. The roof could still make it a pass, but the next step is clear: obtain access and a qualified estimate, then run the whole deal.

4. Ask questions that surface facts

In a seller conversation, understand the condition, occupancy, desired timeline, known repairs and the seller's goals. Listen before introducing your process. Do not equate distress, a public filing or a request for speed with consent, desperation or a willingness to accept any price. Verify who owns the property and whether another party is authorized to act.

You might say: 'Can you tell me what work the property needs and what timing would be helpful for you? I will need to review the numbers and condition before I can discuss a reliable offer.' Avoid promising a price or closing date before your review supports it. Where a property is represented, coordinate through the appropriate agent.

5. Rank by fit and uncertainty

Give your first attention to leads that fit the buy box, have a credible exit and have enough information to calculate a range. A middle category may contain opportunities with one material unknown or a price that could work only after negotiation. Place properties outside your criteria, no longer available, or missing essential access in a hold or pass category, with the reason recorded.

Do not call a deal good because the owner is responsive. Responsiveness can make the information gathering easier; the deal still needs to meet the math. Likewise, a lead can be worth following without being ready for an offer. Track those stages separately.

6. A weekly rhythm

Set time aside to review new opportunities, update changed listing statuses, request missing information, underwrite the strongest candidates and follow up appropriately. Record the next step and its date after every conversation. Before taking action on a lead that has been sitting in the pipeline, reconfirm availability, property facts and contact preferences.

At the end of the week, review why deals were passed: price, repairs, location, lack of rent support or insufficient information. If most leads fail for the same reason, adjust where you look or how you screen rather than weakening your standards.

Field checklist

1. Does the property fit my written buy box and actual capacity?

2. What is the possible exit, and what evidence supports value or rent?

3. What price range could work after costs, reserves and a downside test?

4. Which facts are unknown and who can verify them?

5. Is the property available, represented, occupied or subject to a contact restriction?

6. What is my next respectful action, and when will I take it?

Continue with the finding deals course, seller conversations course and deal worksheet. Confirm the requirements for your location and circumstances.

Review the leads you stopped pursuing

At the end of a month, take ten properties you passed on and sort them by the first fact that ruled them out. If seven failed because they were already pending, you have a verification problem upstream. If seven were available but had no plausible cash-flow path at any realistic price, change the search criteria or source. If the most promising properties keep stalling at the same inspection question, identify a better way to obtain that information. This exercise gives you something more useful than a raw lead count: a reason to change a specific part of the process.

Field exercise: Three leads, only one gets a walkthrough

The facts you have

Lead A is vacant and looks cheap, but current availability is unverified. Lead B is confirmed available with a supported rent range and a repair question that a specialist can answer. Lead C has an attractive finished-value claim based on a different property type across a major boundary.

How I would work it

Start with B because one identifiable fact can change a decision and the other facts support the next step. Verify A’s current status before spending time underwriting it. Ask for relevant comparable evidence on C before using the claimed resale price. If any lead fails the written buy box, record the reason so it does not recycle through the pipeline as a new opportunity.

Work the next decision

Assign each lead one next action, one owner and one date. At the next review, compare actions completed and facts verified rather than counting leads touched.

Write a buy box that can say no

A good buy box is specific enough that two people can use it and reach approximately the same screening decision. “Cheap houses near me” is not enough. Write the geography you can actually inspect and operate in, the property type, the condition you can handle, your preferred exit and the capital or financing constraints that make an opportunity realistic. Then write down the things you will not compromise on. Make the exclusions as clear as the preferences.

For example, suppose I can make a walkthrough within thirty minutes, have a crew that can handle a light renovation, and want a rental I can own without relying on a quick refinance. That is a different search from an investor looking for land in several counties or a full renovation with a flip exit. The radius is only a convenience. Decide whether a property is genuinely reachable and whether you understand the market for the proposed exit. Write down where you have enough current rent or sales evidence to make a decision. A house just inside a circle is not automatically a fit.

Separate the cash you could spend from the cash you are willing to put at risk. If you have $55,000 available and need $15,000 left after the property is ready to operate, the working project limit is $40,000 before counting any further obligations. A preliminary plan calling for $22,000 down, $5,000 to close, $10,000 for immediate work and $4,000 for early carry already totals $41,000. That lead does not fit as modeled even before a repair surprise. Search filters based on price alone will not catch this. Add a capital check to the first serious screen.

Put each criterion into one of three columns: required, preferred and verify. A minimum expense-adjusted coverage screen is a requirement if you’ve decided it is one. A fenced yard may be a preference. A sewer connection that the seller

reports but has not documented is something to verify. Do not move criteria between columns because you like a property. Change the rule intentionally when you have evidence that it should change, and record the reason.

Make room for strategy changes without treating them as loopholes. If a property fails your rental screen, a flip is only worth considering when you have relevant closed sales, a repair scope and a realistic timeline and cost model. For a flip or wholesale screen, I look at a 5-10% lower exit separately from the repair contingency. A lead does not become an “opportunity” merely because you found a different exit label. It earns further time when there is evidence that the new path is possible.

Practice: choose the non-negotiables

Write down the distance you can actually service, the amount of work you can handle, one cash reserve floor and one measurable exit requirement. Now picture a lead that fits all four except the cash reserve. What would you do?

Answer: Don’t advance it as a qualified deal. Record the size of the shortfall and ask whether a documented change in price, costs or financing could solve it without hiding the risk. If there is no realistic path, pass or put the lead on a clearly defined hold. A high score on the other criteria doesn’t replace a hard gate.

Choose two sources you can handle well

I start with the sources I can use consistently and verify. A good local agent can help you review listed properties, relevant closed sales and changes in status. A direct relationship with an owner, manager or another investor can bring a property to your attention. Public records can help check facts when you know what the record represents. None of these should be confused with a guarantee that a property is available or a person wishes to be contacted.

Give each source a job. A current listing can be useful for price, photographs and the appropriate person to ask about showings. An official property record can help you identify a parcel and compare recorded details, although it may not reflect current condition or authority to sell. An owner conversation can tell you whether a person wants to discuss the property, but does not replace documentation. A referral may give you a warm introduction; it is not permission to pass around private details.

For a listed lead I want the exact identifier and timestamp, current price, the represented contact channel and the condition questions I cannot answer from the listing. For a relationship lead I want to know who made the introduction, what the other person actually asked for and whether it’s appropriate to follow up. For a record-based lead I want the original source, date, record type and how that fact affects the investment question. If I’m using a data provider, I keep the provider label separate from the source evidence.

Consider a house that appears in a “recently expired” search. That could justify a status check. It does not establish that the property remains expired, that the listing relationship ended, or that the seller wants an approach. Look for newer records

and verify the appropriate communication path. If the evidence shows a recent sale or pending contract, update the lead. Don’t send a pitch based on an old label because it was included in a weekly export.

When comparing sources, look at how many decision-ready leads they produce for the time and money spent. If an agent sends fifteen properties and three qualify for review, and another source sends fifty that take two hours to clean and yields one that qualifies, the bigger file did not necessarily help you. Track the time you spend on research, cleanup and verification. Keep paid information requests for cases where the answer could actually move the deal forward.

Give each record a useful identity

Three spreadsheets may show the same property as three leads. One may abbreviate the street, another may omit a unit and a third may use the owner’s mailing address. Before making decisions or scheduling outreach, normalize the property address and compare reliable parcel or listing identifiers where appropriate. Keep the source history rather than discarding records that hold different evidence.

Be careful with multi-unit properties and adjacent lots. A single address may be used for more than one unit, and a package marketed as one opportunity could contain multiple parcels. Don’t merge records just because the strings look similar. Identify what is actually being offered and whether the buyer must purchase the entire package. An attractive price for one parcel is not the same as the asking price for a group.

A concise lead record should distinguish the property, people, status and decision. At the property level, capture the location, parcel or listing identifier if appropriate, type, condition evidence and source dates. At the person level,

record only what you need, whether their role is verified and which communication restrictions apply. At the opportunity level, capture the asking price, likely strategy, decision stage and next action. Separating these fields prevents an old phone number or a stale availability label from looking current just because a new property note was added.

Suppose a listing source still shows a property available from Monday, but a current update from the listing agent indicates a signed contract. Don’t average the facts or overwrite them without keeping the history. Mark current status based on the better, more timely evidence, save when you verified it and hold outreach or analysis that depends on availability. If the property returns later, start by verifying the new status and price. The old analysis may still teach you something; it is not an automatic decision.

Practice: clean up without losing evidence

You have a property record with an owner mailing address from a public source, an agent contact from a current listing, and an old spreadsheet with a telephone number that may belong to a prior owner. What belongs in a current calling list?

Answer: None of those details, by itself, establishes a permitted or useful direct owner call. Keep current listing information with the property and use the appropriate represented channel. Keep the old phone number out of the operational calling list unless it is verified and its use is appropriate under the rules that apply. Document why a channel is held instead of carrying questionable contact data forward as if it had been cleared.

Check whether you should reach out before deciding how

The value of a property does not decide whether a person should be contacted. I keep those decisions separate. A record can deserve underwriting and still be held for outreach. Public availability of a record, a purchased lead list, or a technology platform's ability to send a message is not proof that the outreach is appropriate. Before using a channel, understand the applicable rules, opt-outs, any existing representation, and your own restrictions. Have qualified advice for your specific program and location.

Put suppression checks before the send or call list. If someone has asked you to stop, preserve the instruction in the system your team actually uses so that a later import doesn't accidentally restart the contact. Keep notes about the channel and date. A fresh spreadsheet that doesn't carry the restriction is not a clean list; it is missing an essential fact. When there is an unresolved identity, location or contact restriction, hold the record until the appropriate person resolves it.

Use the most respectful permitted route. If a seller is represented, work through the appropriate person. When someone requests no further contact, don't switch to another channel to try to bypass that preference. For inbound conversations, identify yourself and why you are contacting the person, keep any follow-up aligned with what they agreed to and record their preference. Avoid messages that reveal sensitive property or personal circumstances to people who may have no connection to the property.

For background when reviewing a U.S. calling program, start with the FTC's Telemarketing Sales Rule guidance, and have qualified counsel determine what federal, state and local rules

apply to your actual program. The guidance is not a blanket ruling that a particular kind of real-estate outreach is permitted or prohibited. Check platform rules as a separate question. An available feature is not an authorization.

If I can’t confirm the contact route today, I don’t treat that as a reason to drop everything. I can still review the property, check whether the figures fit, or ask the appropriate representative about availability when that route is clear. If the deal never works on price or condition, the unanswered contact question never needed to take up anybody’s time.

Learn to do a ten-minute financial screen

The first financial screen should answer whether there is a believable path to your target. It is not a substitute for a quote, inspection or final underwriting. Use ranges, label what you assumed and decide whether one more fact could turn the property into a serious candidate. If the only way to make the deal work is to use the best possible value and the lowest possible cost, I don’t spend the afternoon chasing it.

Suppose a listed house could rent for $1,500-$1,650 based on preliminary comparison. Model management at 8% of rent and vacancy and routine repairs at 10% combined for this illustration. Use $275 for monthly taxes, insurance and other recurring owner costs and a separate $90 allowance for larger replacements. At $1,500 rent the estimated income available before principal and interest is $865. At $1,650 it’s $988. At a 1.30 expense-adjusted coverage requirement, the corresponding payments are about $665 and $760. Those payment limits change when you verify actual costs or use a different rent assumption.

A preliminary principal-and-interest quote of $815 misses the screen even at the high end of that rent range. With a lower supported purchase price or different verified financing, the lead might merit another look. But without a credible path to the payment, don’t record “cash flow positive” as a qualified deal. Positive cash flow is part of the test. At the high end, $988 less $815 is $173 before omitted costs or income taxes; the coverage is still only about 1.21.

For a flip, suppose a house asks $126,000 with a plausible finished value of $210,000. Preliminary repair scope is $30,000, separate contingency $5,000, other costs $24,000, and required profit $25,000. Holding those costs fixed for the quick illustration, the base purchase ceiling is $126,000. With a 5% lower exit at $199,500, it falls to $115,500. At a 10% lower exit of $189,000, it is $105,000. If a seller is firm at asking, there is no modeled room to retain the full profit in either stress case. If you hear they might consider a lower price, verify that statement and the property facts before deciding to make an offer.

Do not turn a rough ceiling into a final asking-price response before checking the project. The next move may be asking for the contractor’s written scope, getting an insurance quote, or asking the agent whether the seller will consider terms within the modeled range. Track exactly what would justify moving from screen to full underwriting.

Keep a promising lead from turning into an invented deal

A preliminary number should answer one question: is there a credible reason to investigate? Suppose a listed house is asking $126,000. A quick rental screen supports a tentative price ceiling near $110,000, based on $1,500 rent and an insurance estimate you have not verified. An agent says the seller might consider less. That is a reason to ask for better evidence, not a reason to enter $110,000 as an accepted price.

Write down the claim and its status. The asking price is published; the possible flexibility is a conversation; the insurance is an estimate; the rent needs comparable evidence; and the ceiling is a model output. If the insurance quote later comes back $100 higher per month, rerun the model before you update an offer. Moving a lead forward means that the evidence got better, not that you moved the number closer to what you wanted.

A note you can use at the next review

Try keeping a short record that says: “Available as of Tuesday, per listing agent. $126,000 ask. No written counter. Three relevant rentals support investigation, but lease terms differ. Quote and repair scope needed. Next action: request a property-specific quote and see whether there is a realistic range the seller would consider.” That is enough for another person to pick up the work without asking which figures were real.

Screen a property whose status keeps changing

A house appears on your expired list on Monday. A public listing page shows a sale from last year, the original agent says it was relisted, and the new listing appears under a shortened version of the street name. Before calling it a fresh opportunity, match the parcel or full address, compare dates and ask the relevant agent to confirm the current status. Keep the most recent reliable status beside the original lead source. If the records cannot be reconciled, hold the lead instead of assuming it is available.

Now assume you confirm it is active and represented. Record the current listing and follow the appropriate communication channel. Do not treat the old expired status as a reason to bypass a current relationship. If the home is already under contract, decide whether monitoring it is useful; do not model it as an active purchase without a credible path.

Practice: stop a stale lead from being counted twice

You start with 24 entries from two sources. Four pairs refer to the same properties, three of the remaining properties are under contract, and five sit outside your buy box. If those categories do not overlap, how many remain for a preliminary screen? Start with 24, remove four duplicate records to leave 20, then remove three and five to leave 12. Label these twelve as candidates to investigate, not deals you can buy. Decide how many you can responsibly verify this week.

Use the time you actually have

I would rather do good work on five candidates than carry thirty whose next step is unclear. If I have ninety minutes on Friday, I block twenty for checking status and deduplication, forty for screening the strongest candidates, twenty for arranging the most valuable follow-up and ten for recording decisions. The exact schedule is not the point. Give verification and follow-up time a place in the plan. A search that produces names but never produces a reliable next decision is incomplete.

At the end of the session, I want a short list with evidence, supported assumptions and one next action each. A pass should have a reason: wrong asset, financing cannot work, condition beyond capacity, status unresolved or no plausible price. If the same reason repeats across several weeks, change the search filter or the source before increasing volume. When an old pass comes back with genuinely different terms or better evidence, reopen it and keep the earlier decision visible. That is how I learn whether the pipeline is finding better opportunities or merely showing me the same properties again.