

How to Sell Your Property at Peak Price Using Rent to Own

Free Special Report by Mark Jackson

Thank you for downloading this short report on how to sell your property at peak price. I hope you find it to be of value.

So, your previous home or inheritance is stood empty; a worry! You want to move on with your life, but the house has become a ball and chain. Or perhaps you have bought a second home and now the repayments are too much. Or you need to downsize and the market is not allowing you to sell for what you owe. What if you could find a real solution?

Perhaps you are the owner of an investment property that has just become a burden. Or as an investor you need to release some equity? Remortgaging is just impossible.

Perhaps you want to maximise your profit from a property that would otherwise perform softly? Maybe you are consolidating, moving on that property which has been a drain to your time and resources.

This report will outline a real solution to those problems.

Let's talk about Rent to Own and Lease Options!

To sell or not to sell... that is the question

If you buy property as an investment you'll know, felled trees don't fruit. Some investors teach that to sell is to sin, and that property gives when it's kept and held. It's not always clever to sell good stock too soon – when greed gets the better of you. A quick fix is sometimes good, but whiskey really starts to please the palate when it's been given time to mature. Property is no different. The rewards for barrelling and holding, at least for a while before selling, are huge.

Some property I bought, especially in the heady early days turned out to be a pain in the posterior! Some were a little further away than was sensible; others attracting destructive tenants; still others were leeches. Rather than go the quick fix route and sell traditionally I prefer the following solutions:

Selling on a lease option to another investor

Selling through Rent to Own to a Tenant Buyer

Selling on a lease option to another investor

There are many investors who may be willing to buy a property (empty or tenanted) from you on negotiated terms. With their local connections and knowledge they may be better placed to manage a property which might be a distance away from you. Perhaps they have available funds to improve a property, which has been neglected or damaged. They may be well endowed and able to withstand a downturn and house-sit until values start to rise again, when they can buy.

Copyright © 2009 by Mark Jackson

All rights reserved, including the right of reproduction in whole or in part in any form

If an investment property has become a liability for you selling on a lease option may be an excellent solution. If you have a property you'd like to have house-sat – please contact me by writing to enquiries@propertyoptionexpert.co.uk

Selling through Rent to Own to a Tenant Buyer

Rent to Own is a simple arrangement whereby the tenant can live in the house and pay rent, but also has a legal document giving them the right to buy the house within an agreed time frame.

Consider some of the benefits of selling to a tenant-buyer on rent to own

- *Huge demand for these properties*
- *The Tenant comes with a Home-Owner mindset*
- *A sizeable lump sum when the buyer moves in*
- *No nuisance phone calls over maintenance issues*
- *Freedom to focus on other parts of your portfolio*
- *Regular rental payments*
- *Cash-flow from extra purchase instalment payments*

How To Turn The Cash Tap On

When dealing with Tenant Buyers, ensure you are clear, ethical, honest and firm. Be consistent and always follow through. Avoid being overly friendly or familiar. This is a business relationship, and whilst you are helping the people concerned, there need to be clear boundaries.

Step 1

Find a tenant buyer

Simple line ads in your local newspaper are cheap and powerful!

The “for sale” section brings in better qualified tenant-buyers than the “to-let” section, because those looking in the for-sale section usually have some money and are working.

This one works for me every time:

Wanted! Local working family fed up of wasting money on rent. Rent to Own! No banks. 3 bed semi, [local area]. £115 per week. Call...

The phrase Rent to Own works best in the UK. Don't try “buy with lease option” or other technical stuff – it just confuses things. Even Rent to Buy isn't quite as well understood. Buy means spend. Own means home.

Use signs. Professionally made signboards are great. Mine have black printed lettering on a yellow background. Like a bumble bee. These are perfect for attracting the right people. They simply read, “Rent to Own” and “Purchase Price Fixed”... and a telephone number.

Some in the USA also recommend small handmade signs written on bright board with a black permanent marker pen. Messy is good because it stinks of a bargain. They can work some parts of the UK, but may cause quite a stir and not a few calls of complaint. So I can't recommend them – but they do work...

Copyright © 2009 by Mark Jackson

All rights reserved, including the right of reproduction in whole or in part in any form

There are a few ways you can deal with the calls coming in.

Answer them personally

Have a PA or call centre answer them

Use an answer machine service (24hrs) and let them leave a message

Showing the house

Do group viewings. This creates competition. Let everyone know that there is a huge demand for this opportunity.

Prepare the house for viewings!

People love light, cleanliness and the feeling of space. Create it!

When prospective tenant-buyers arrive, greet them at the door. Point them to the kitchen, where you have left a sign-in form. This can show columns for their name, and the amount of money they have to get started in their new home.

Step 2

Choose Your Tenant Buyer

Discuss the purchase price. Agree the Option Fee (money to move in), the monthly rent (best if it is market rent) and the extra monthly payment (which goes towards their deposit when they buy)

The Purchase price can be frozen for up to 36 months, and you need to structure the Option Fee and other payments in such a way that the tenant buyer will have at least a 10% deposit within the term.

Discuss the purchase price after you have found out they love the property! If you don't feel the love, don't waste your time!

Get them to fill out an application form before they leave the house! Charge a modest fee to cover your time in reviewing it.

You can be qualifying them before they leave – ask salient questions

You can explain to them that you will be looking at four areas –

How much they have to put in to get them started

Their income (their monthly payments should be no more than 30% of their income)

Their credit history

Their track record with rents

If you later discovered that they lied to you about something on their application, find somebody else

Copyright © 2009 by Mark Jackson

All rights reserved, including the right of reproduction in whole or in part in any form

Get a home-holding initial payment from your tenant-buyer there and then

Don't delay in making your decision as to who gets the house. That will often be the one with the most money to get started

Step 3

Get a Solicitor who is familiar with Rent to Own and Lease Option agreements to arrange the final paperwork. Richard Spencer of BPE, and Kay Bowers of Austin Sanders Law Firm are excellent and affordable. See <http://www.PropertyOptionExpert.co.uk> for contact details.

Your tenant buyer will also want to take advice before signing the final paperwork.
Move your tenants in and enjoy!

A Word of Warning!

When selling on a Lease Option you need to establish that your buyer is first and foremost a tenant. A Lease Option is made up of two parts - a Rental Agreement (AST) and an Option to Purchase. Keep the two agreements separate. If you have to evict your tenant buyer (rare) and you have the two halves as one agreement, there will be confusion in court.

It is much more complicated to evict **buyers** if they stop paying, than it is to evict non-paying tenants. Make sure you get a home-owner guarantor for the tenant, so you can show if needed that there was a sensible reason for not taking a rental deposit. Otherwise, allocate part of the Option Fee as a bond, and protect it accordingly.

For more information or help on any of the points raised in this report, simply email <mailto:info@PropertyOptionExpert.co.uk>

Mark Jackson is recognized in the UK as a Leading Expert in Property Options.

With experience in buying and selling using creative strategies including options, he is well placed to help others. He offers mentoring services and regularly holds seminars and training in the UK for those who would like to know more about how Lease Options and other buying and selling strategies can be used ethically to solve property problems, help others and generate wealth.