

Top 5 Fears of Real Estate Wholesalers in 2013 [How to Beat Them]

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What are the biggest challenges and fears facing real estate wholesalers in 2013 and how can you overcome them?

There is little question that we are seeing the best combination of conditions for flipping houses that we might have ever seen. Still new and veteran real estate wholesalers alike have their concerns, and rightly so considering the trough we are climbing out of. However, more than being afraid of risk some are equally or even more afraid of not being able to take full advantage of the current market and banking all they can while times are good.

So what's bugging wholesalers today and how can you overcome these fears with ease?

The Top Five Concerns Facing Wholesalers Today:

1. Financing

It doesn't matter whether you have \$1 million sitting on the sidelines or only a pocket full of pennies. Investors want more money to make big moves and scale while the discounts are juicy. However, there are two sides to the financing challenge; wholesalers making acquisitions and finding buyers that can qualify for loans. When it comes to end buyers today look abroad; 35% of transactions today are cash deals and much of that money is coming from overseas. To fund your flips look to transaction funding for easy access and maximum leverage.

2. Deposits

Most wholesalers want to get as many offers out there as they can but they are also concerned about the amount of earnest money deposits being demanded and the risk of losing them.

Three options to consider:

- Get end buyer money upfront to fund deposits
- Choose HUD homes which require very little down payment
- Only make deposits with your own real estate attorney or title company

3. Getting Real Guidance

Statistics and forecasts continue to be confusing and many investors wish that they had access to an expert second opinion. This is a great time to take advantage of coaching; it's what top performers do. It can help to cut through the media hype, keep you accountable and moving forward and provide the critical insight required for building a scalable and sustainable wholesale business.

4. Getting Better at Networking

Constant networking is the foundation of great success in real estate investing and a consistent flow of business and income. However, not every investor is a bubbly social extrovert. That doesn't mean it can't work for you.

For those that hate mingling in big crowds consider:

- Showing up early and staying late to make easier connections
- Slowing the pace and focusing on one or two good connections
- Choosing a better venue. Try intimate dinners, lunches or activity based networking
- Practice your pitch
- Focus on how you can help them, not yourself

5. Understanding the Local Market

Many don't see a relation between the media spin and their local markets. If yours hasn't turned yet don't complain; most investors want access to more distressed properties. The National Association of Home Builders Improving Market Index shows that 70% of major metros are on the rebound and every state has at least one major metro area moving up the list, showing the recovery spreading fast. Of course some patterns are changing, though there are great opportunities for flipping houses in any market. If you don't like the mix of pros and cons in your local market you shouldn't have to look too far afield to find the right blend.

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