



MAKING HARD CASH IN A SOFT REAL ESTATE MARKET

- Find the Next High-Growth Emerging Markets
- Buy New Construction—at Big Discounts
- Uncover Hidden Properties
- Raise Private Funds When Bank Lending Is Tight

Wendy Patton and Justin Ryan

ADVANCE PRAISE

"This book shows you exactly how to make a lot of money now—in today's market. Read it, do it, and you will make it."

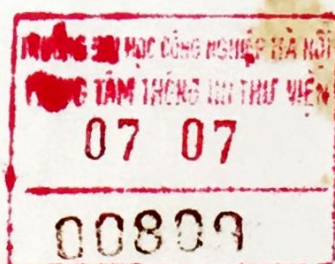
—Robert Shemin, bestselling author,
Why Is That Idiot Rich and I Am Not??

"Wendy and Justin have put together a marvelous book teaching the reader how to evaluate market changes and emerging markets. It is fantastic!"

—Kendra Todd, winner of *The Apprentice*,
host of HGTV's *My House Is Worth What?*,
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"This book is filled with creative strategies that work in today's market. A must read for the real estate investor!"

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by Investing in Real Estate



Making Hard Cash in a Soft Real Estate Market



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**WENDY PATTON
JUSTIN RYAN**



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Introduction

There is *nothing* more important than being in the *right market* at the *right time*. This is more important than *ever* right now in our country. Why? Because so many markets have *softened*. Several years ago, a real estate investor could make one mistake after another and still make a profit, because many markets were hot. Things are different today. A new set of strategies is required. Right now, if I was investing only in my home town, profits would be dismal at best. Today, nothing is more important than knowing exactly how to invest in our current real estate climate.

There is still a ton of profit to make in today's market, if you know exactly how to do it. In fact, there is even *more* money to be made. In today's market, so many people think "real estate is not a good investment right now." This creates *less competition*. And people who have some very powerful "contrarian" insights will do very, very well.

I started investing in real estate at the ripe old age of 21 (this is Wendy Patton writing). I started investing primarily with rental properties and single-family homes in the Detroit, Michigan area. I always thought that my ideal portfolio for these types of properties would be right in my own back yard. I wanted to be "close to them" so that I could be in control. Keeping my properties geographically close also enabled me to do something else I was not aware of at the time; it allowed me to stay in my comfort zone!

I didn't realize back then that by stretching my comfort zone, a skill that my partner Justin Ryan taught me, I could make so much more money in real estate investing while freeing up more of my time. Today my husband, Michael Gott, and I invest in many emerging markets across the United States. We research and

determine where we want to invest based on many different indicators, and then we search to find the right opportunity. We are not tied specifically to our local market any longer; emerging-market investing has liberated us and given us our financial freedom.

Let me tell you the story that changed the way I invest in real estate. My friend Sharon made \$200,000 in a few months, and because I got in a few weeks after she did, I only made \$100,000 on the same deal. Sharon was standing in the blazing hot sun. It was 90 degrees with 90 percent humidity. She was waiting with more than 1,000 other people for the chance to buy 1 of 200 units that were being made available for pre-sale in a newly developed condominium project. (When I heard Sharon recount the story from that day, I said to myself, "There *must* be a better way!")

As the day progressed and the heat index was still climbing, Sharon was struggling to stay out in the heat of the day, but she really wanted one of these condos. There was no place to go except back to the car to cool down, but in this lottery you had only 15 minutes to respond when your name was called. If you did not respond, your name was removed from the drawing and any hope of getting into the project at such an early stage was gone forever. The day seemed to drag on and on. When she looked at her watch, she realized she had been out in the heat for six hours. Then suddenly, like a shot in the dark, she heard her number called! She ran to the trailer where she put down her reservation deposit to buy the condo.

During the waiting, another name was called out: Carleton Sheets, the man himself. She thought to herself, "If Carleton is buying one of these units, then this truly must be a good investment; he is no dummy when it comes to real estate investing." Figuring he lived nearby and he really knew and understood the market, she felt that she was on her way to an outstanding investment, and that's exactly how it turned out to be.

The unit Sharon picked that day ended up increasing in value more than \$100,000 in weeks! A good investment? I would say so! It wasn't even built, and she had nearly doubled her money! After hearing this story from Sharon, I thought to myself, *I want one of those units!* This was the launching point for my personal pre-construction investment portfolio, and although I've been a successful real estate investor for many years, this experience changed the way that I invest.