

Creating Wealth Rehabbing Property

By Pete Youngs

When I was growing up and about to graduate, I wondered what path to take as I entered the life of leaving mom and dad's house and making it on my own. It was always a dream of mine, like everyone to become wealthy and be my own boss. So in my last year in high school, I got into a work for credit program that allowed me to get out of school early and go to work for school credit. I was given a job painting the inside of vacant properties at an apartment complex for a general contracting company. Like all jobs, I started at the bottom of the scale and was a trim man (painting the doors, windows and baseboards with a brush) following behind a spray man. He was a higher paid person and basically ran our crew for the G.C.

This is when my entrepreneur spirit was born. I quickly made friends with this spray man and he eagerly taught me how to paint with an airless paint sprayer. I was then given a raise from \$5.00 per hour to \$7.00 and they set me up with my own crew. It was here that I started to learn the pricing structure, the estimating techniques and how and where to get deals on materials and cheaper labor. Within a year or so, I started my own painting and remodeling company and began getting contracts to paint and remodel houses and apartments. I found that I was really making quite a bit of money, and little did I know at the time that I was setting a lifelong path of making money through rehabbing properties.

After a few more years in the business, I started to get big commercial jobs like Fidelity National Banks, Publix Distribution Center, MCI, part of the 1996 Atlanta Games etc.

It had become that I no longer could be physically working on the job, I now had to be the general contractor and oversee all aspects of the job myself. My finding was that a general contractor got the contracts, ran the job and labor, handled the materials and pocketed as much as 50% of the money charged for the job. The rest he paid out in labor and materials. What a great concept of making money. I would continue to get the jobs and hire out the labor and pocket huge dollars while other people did the work!!!

Well as I had come full circle in learning the ropes of rehabbing, my brother had bought some books and tapes at a seminar and coaxed me into fixing up the properties that he was buying. We quickly found that the real estate business and the property rehab business was a no brainer and started our real estate investing career by joining forces and a company to buy, fix up and sell properties full time.

By sending in copies of profit checks to the person whose books and tapes my brother had bought, he immediately got us involved in the business of teaching people how to buy, fix up and sell properties making huge profits all over the

country. That is what started the teaching aspect of our real estate investing careers over 15 years ago. After buying almost everyone's books and tapes systems that ever came down the pike, we now had become respected teachers of the trade and for the past seven years have shared the stage with almost all of the well known authors and lecturers on seminar circuits and national conventions. Also for the past seven years we had been contracted by the big names to teach Foreclosure-[Rehab Bootcamps](#) to thousands of students nationwide. But my favorite thing that I do is speaking to real estate investment clubs. I remember being involved and listening to real people in the club that had been using the techniques and actually making money in real estate...

No matter what strategy of real estate investing you are doing, wholesale properties, foreclosures or any other, the most common place that people reduce their profits is in the fix up or rehab. Most people do not have the knowledge to estimate damage or cost of repairs. They have to depend on the contractor and hope that the costs and repairs are reasonable and can be done without taking the majority of the expected profits.

Well this is where my expertise is it's keenest. I over the past 15 years or more have developed a way to teach anyone the in and outs of rehabbing properties for profit. It is possible to lower your rehab costs by 50% to 75% less than the going rates.

You can act as your own general contractor and oversee your own jobs. If you are handy, you will be able to save a lot of money by do it yourself techniques. If you are not, there are several ways that you can hire out subcontractors and semi skilled labor yourself for a great savings in either cash in your pocket or equity in your property. Learning how and where to get contractor discounts is a must for any investor. Being able to do simple estimating on your own proves to be a great way of comparing estimates you get from your contractors. You can save money by pulling your own permits when applicable. Even knowing what day is best to rent equipment from a tool rental yard can save you hundreds of dollars.

Learn to run every property you do by acting as your own general contractor. In most cases not only will it increase your profits thousands of dollars in profit or equity, but you can pay yourself a salary or fee to run the job also. Just remember more money is lost in the fix up of a property than most other factors. So my suggestion is to educate yourself in all aspects of the fix up of properties. It is an absolute must for seasoned or new investors alike. This can increase the profit in any property from hundreds to thousands of dollars. Every rehab technique that is a cost cutter puts cash in your pocket that would otherwise end up in someone else's. Keep it in your pocket...it's your money!

About the author

Pete Youngs has been a general contractor/investor for almost twenty years. For

the past seven years he has taught a foreclosure rehab bootcamp that he and his brother Tony had designed and together have taught thousands from all over the U.S. and abroad. Pete has also shared the stage at national conventions and seminars with all the top names in their fields of expertise.

He is also a highly sought after speaker at real estate investment clubs seminars and and conventions. His expertise is teaching others how to rehab properties for 50 to 75% below retail costs. He has authored many courses, books, tapes and videos on the subject of rehabbing as well as termite and property inspections.

Pete is giving a [presentation](#) on "How to rehab properties for 50% of the going rate" on Wednesday October 20th followed by a one day [workshop](#) in San Ramon, CA on Saturday October 23rd, 2004 hosted by East Bay Wealth Builders Club.