

- Abbreviations used in property title documents, 106–107
- Adaptive reuse, 12
- Affidavit to authorize agent, 64–65
- American Land Title Association (ALTA), 167
- Appraisals, property, 5, 133, 134, 220
- Assessed versus appraised value, 132–133
- Assessor’s parcel number (APN), 101
- Assignment:
 - of purchase agreement, 207
 - of real estate option agreement, 158, 199–201
- Attitude, positive mental, 21–22
- Attorneys, board-certified real estate:
 - closing on purchase or real estate options, 179–180
 - locator services online, 218
 - preparing option agreements, 161, 162
- Bail bond liens, 105
- Bird dogs, 83, 88–89
- BLASH (buy low and sell higher), 67
- Blue chip properties, 52
- Budget, property cleanup, 185–186
- Business card, 87
- Business entity, separate, 30
- Buyer’s right of entry, 151, 159, 208
- Buying the property. *See* Exercising your option
- Capital, startup, 25–27
- Capitalization rate, 136
- Caveat emptor doctrine, 112
- Checking accounts, 29
- Child support liens, 105
- Classified ads:
 - property for sale, 199
 - property wanted, 83, 85–87
- Cleaning property for resale, 184–191
 - dumpster, renting, 188–189
 - versus extreme property makeover, 185
 - finding competent professionals, 186–188
 - avoiding being ripped off, 187–188
 - inspecting before paying, 190
 - impact of, 55–56
 - negotiating credit for, 150, 152–153, 184
 - pressure washing, 189
 - schedule/budget, 185–186
 - securing property, 186–187, 189–190
 - tracking expenses daily, 190–191
 - vacant properties, 186–187
- Clear and marketable title, 56–57, 207
- Closing on purchase of option, 177–183
 - attorney, hiring, 179–180
 - joint escrow instructions, 180, 181–182
 - recording memorandum of real estate option agreement, 180–182, 183
 - what to do if optionor refuses to sign all documents, 178
 - witnessing of signatures, 179
- Closing on purchase of property (exercising option), 212–215
 - buyer’s checklist, 213–215
 - final inspection, 213
 - HUD 1 Settlement Statement, 215
 - property taxes (prorating using 365-day method), 212
 - timing (last day of the month), 212–213
 - utilities, 212
- Clouded titles:
 - buying property with, 52, 56–58
 - common title defects, 167
 - exception to problem-property option strategy, 53
 - quiet title action or lawsuit, 57
- Code:
 - condemned properties, 55, 56
 - enforcement departments, 55, 108
 - enforcement liens, 105
 - violations, 18, 53, 98, 108
- Commercial property:
 - Class A, B, C, D, 35–36
 - comparable sales search, 135, 219, 221–222
 - “dirty deals” (small vacant, filthy, run-down), 15, 18–19
 - obsolescent, 20, 33–44, 53
 - rezoning (*see* Rezoning)
 - small mismanaged rental properties that can be turned around, 17, 70–72, 73 (*see also* LASH (lease and sublease higher) strategy)
- Comparable sales search, 98, 133, 135, 219, 221–222
- Concurrent closing strategy, 7–8
- Condemned properties, 55, 56, 152, 168
- Construction lien law, 188
- Contamination. *See* Environmental contamination
- Contingency clauses in purchase agreement, 208–209
- Corporate franchise tax liens, 105
- Correctable problems, profiting from properties with, 19, 52–58
 - cleaning, 55–56
 - government agencies as source of leads, 54–55
 - how you should use the problem-property option strategy, 53–54
 - reselling option to a niche investor, 53, 54

- Correctable problems, profiting from properties
 - with (*Continued*)
 - types of correctable problems:
 - cash flow, 19
 - code violations, 19, 53
 - disasters, 53, 58
 - financial, 19
 - maintenance, 19, 52
 - management, 19
 - ownership, 19
 - structural, 19, 52
 - tenant, 19
 - title, 19, 52, 53, 56–58
 - vacancy, 19
 - types of problem properties that scare off
 - most conventional investors:
 - condemned, 55, 56
 - contaminated, 55, 98, 115–117, 217
 - stigmatized, 19–20, 53, 55, 152
 - why properties with problems shouldn't scare you off, 55–56
- Credit, lines of, 26–27
- Credit reporting agencies online, 220–221
- Crime, 19, 98, 99, 111, 217
- Deed and purchase agreement, 153. *See also*
 - Purchase agreement
 - option fee sole remedy for, 151
- Demographic information, 98–99, 217
- Determination and persistence, 25
- Direct mail, 91
- “Dirty deals,” 15, 18–19
- Disasters, man-made or natural:
 - buying options on properties destroyed by, 53, 58
 - risk of, xxiii
- Doctrine of equitable conversion, xix
- Double closing, 7
- Drainage, storm water, 111
- Due diligence, 95–111
 - age and condition of properties within the area, 111
 - availability of municipal services, 111
 - checklist, 97–98
 - code enforcement within area, 111
 - code violation search, 98, 108
 - comparable sales search, 98
 - crime search, 98, 99, 111
 - definition, 96
 - demographic data search, 98–99, 217
 - double-checking, 108–109
 - factors to consider, 110–111
 - flood zone map search, 98
 - hazardous substances, 98, 109
 - insurance claims history, 109
 - liens, 103–105, 109
 - location, perception by public of, 110, 111
 - people search (checking out owner), 96–97, 99–101
 - property records search, 97, 100
 - property tax records search, 98, 101–102, 108
 - public nuisances, 111
 - questions to ask owners, 109–110
 - storm water drainage, 111
 - title searches, 106–109
 - traffic patterns, 111
 - vacant properties, locating owners of, 102
 - zoning, 108
- Due-on-sale clause in loans:
 - standard lease-option agreement violating, 45
 - straight or naked real estate option not violating, xvii–xviii
- Dumpster, renting, 188–189
- Earnest money deposit, 207
- 80/20 rule, 11
- “Emerging commercial areas,” 56
- Eminent domain, xxiii, 151, 159, 208
- Entry, buyer's right of, 151, 159, 208
- Environmental contamination:
 - contamination scaring off most conventional investors, 55
 - due diligence, 109
 - inspecting suspicious properties for, 115–117
 - market value and, 131
 - online searches, 98, 217
 - stigma, 19
- Environmental protection agencies, 109
- Equipment recommended, 27–28
- Equitable conversion, doctrine of, xix
- Equity, owner's, calculating, 140–141
- Equity skimming scams, 45–46
- Escrow:
 - double, 7
 - sample joint instructions, 180, 181–182
 - scrutiny, property flipping transactions, 4–5
 - title transfer documents, 151, 173–176
- Estimating property's current market value, 131–144
 - appraisal methods, 133–141
 - comparison sales, 133, 135, 219
 - income, 133, 135–139
 - replacement cost, 133, 140, 141, 219–220
 - assessed versus appraised value, 132–133
 - definitions:
 - current market value, 132
 - market value, 132
 - property appraisal report, 133
 - online sources of property appraisal information, 220
 - recommended method, 142–143
 - sample property appraisal report checklist, 134
 - worksheet, 144
- Estoppel letter, sample, 143
- Executory contract, xix, 168
- Exercising your option, 205–215
 - assigning agreement to third party, 206
 - closing on purchase of property, 212–215
 - buyer's checklist, 213–215
 - final inspection, 213

- HUD 1 Settlement Statement, 215
 - property taxes (prorating using 365-day method), 212
 - timing (last day of the month), 212–213
 - utilities, 212
- final inspection, 213
- notification letter, 205–206, 207
- option agreement clause, xx, 158
- purchase agreement, 153
 - already signed, 153, 206
 - contingency clauses, 208–209
 - key provisions, 206–207
 - sample, 210–211
- Real Estate Settlement Procedures Act (RESPA), 209–212
 - what happens if you do not exercise your option, 153
- Expense records, property cleanup, 190–191
- Exterior property checklist, 118
- Failure:
 - overcoming fear of, 22–23
 - reasons for, 23–24
- Fear factor, overcoming (in prospective buyers), 195
- Federal judgment liens, 104
- Federal tax liens, 104
- FHA loans, HUD rule prohibiting predatory property flipping with, 4
- FICO (Fair Isaac Corporation) credit scoring model, 25–26
- Financial condition as negotiating tool, 152
- Financial mismanagement (commercial property), 72
- Financing:
 - lines of credit, 26–27
 - seller, 155–156
- Finding properties to put under option, 13–14, 81–94. *See also* Property types (most profitable for buying real estate options on)
 - author's business modus operandi, 81–82
 - bird dogs, 83, 88–89
 - business card, 87
 - classified property-wanted ads, 83, 85–87
 - direct mail, 83, 91–94
 - finder's fees, 83, 89–90
 - five-pronged search plan, 83
 - Internet, 83, 84–85, 90
 - out-of-town property, locating, 82, 83–84
 - questions to ask owners, 87–88
 - reading trade publications, 13–14
 - types of properties, 11
 - vacant properties, being on lookout for, 92
- Fire departments, 54
- Fix-up cost estimation, 140, 141, 221
- Flipping. *See* Property-flipping strategies
- Flood zone map search, 98
- Foreclosure, risk of, xxiii
- Fraud, scrutiny for, 5
- Gangs, 19
- Google search, 40
- Government agencies as source of problem-property leads, 54–55
- Grant deed, 175, 176
- Grantor/grantee indexes, 102
- Greater fool theory, 147
- Gross rent multipliers, 136–139
- Grounds inspection checklist, 119
- Halfway houses, 19
- Hazardous substances. *See* Environmental contamination
- Heating and air conditioning inspection checklist, 124
- HELOC (home equity line of credit), 27
- Home Equities Corp, 17, 84
- Home office:
 - equipment recommended, 27–28
 - inspection checklist, 130
 - tax deduction, 28–30
- Homeowners' association liens, 105
- HUD 1 Settlement Statements, 7, 175, 215
- HUD rule prohibiting predatory property flipping with FHA loans, 4
- Identity verification, 147–148
- Income method of estimating property value, 133, 135–139
 - capitalization rate, 136
 - gross rent multipliers, 136–139
- Indoor mold, 114–115, 221
- Inheritance tax liens, state, 105
- Inspecting cleanup crew's work, 190
- Inspecting property before buying option to purchase, 112–130
 - checklists, 113, 117–130
 - attic, 120
 - bathroom, 126
 - bedroom, 129
 - dining room, 127
 - electrical, 122
 - exterior property, 118
 - garage and carport, 121
 - grounds, 119
 - heating and air conditioning, 124
 - home office, 130
 - kitchen, 125
 - living room, 128
 - plumbing, 123
 - on closing day, 213
 - finding competent inspector, 113
 - inspecting for:
 - environmental contamination, 115–117
 - indoor mold, 114–115
 - lead-based paint hazards, 117
- Installment sales (lease-option transactions), 46–47
- Insurance:
 - condemned properties, 168
 - general liability, 70

- Insurance (*Continued*)
 leasehold owner's title, 70
 renters', 50, 219
 verifying property claims history, 109
 "Interest in the Property," xviii
- Internet:
 BTI/ATI (Before/After the Internet), 27
 due diligence research using, 96 (*see also* Due diligence)
 marketing properties globally, 196, 197–198
 searching for properties to buy options on, 82, 83, 84–85
- Internet resources:
 attorney locator services, 218
 building and repair cost calculators, 221
 commercial property sales, 219, 221–222
 comparable sales data, 219
 credit reporting agencies, 220–221
 crime information, 217
 demographic information, 217
 environmental hazardous waste information, 217
 indoor mold, 221
 lead-based paint hazard, 221
 mapping services, 197–198, 217–218
 people information, 216–217
 property appraisal information, 220
 property records, 216
 property replacement cost information, 219–220
 property valuation and analysis software, 220
 real estate-related information, 222
 renters' insurance information, 219
 tax information, 220
 Thomaslucier.com web site, 30
 title insurance/underwriting information, 218
- Involuntary liens, 103
- Irrevocable right to purchase property, xvii–xviii
- Judgment liens, 56, 105
- Just-in-time (JIT) property, 9
- KISS (keep it simple) principle, 149
- LASH (lease and sublease higher) strategy, 66–78
 how it works, 67
 lease agreements:
 finding valid, 67
 master (key provisions/negotiation points), 68, 70
 sublease (key provisions), 68–69
 versus lease and option strategy, 66
 list of what you need to know, 66–67
 parties involved (three), 67
 protecting position as master lessee, 69–70
 general liability insurance policy, 70
 leasehold owner's title insurance policy, 70
 recording memorandum of lease, 70
 tenant selection, 74–78
 type of property best suited for, 70–75
- Lawsuit, asset forfeiture, risk of, xxiii
- Lead-based paint hazard, 117, 221
- Lease and option strategy, 41–51
 defined, 47–48
 insuring personal property, 50
 key terms to be negotiated, 49–50
 versus lease-option (*see* Lease-options (sublease-options))
 mechanics, step-by-step outline, 48–49
 recording separate memorandums of option and lease in the public records, 48, 49
 requiring lease payments through licensed loan-servicing company, 50–51
 separate transactions (using separate lease and real estate option agreements), 47–48
 type of property best suited for, 51
- Lease and sublease. *See* LASH (lease and sublease higher) strategy
- Lease-options (sublease-options), xvi–xvii, 41–47
 appealing to credit-challenged would-be homebuyers, 44–45
 cash reserves required to subsidize, 44
 difference between a straight real estate option and, xvi–xvii, 41
 due-on-sale clause violation, 45
 equity-skimming scams involving uses of, 45–46
 financially not feasible, 43–44
 installment sales, 46–47
 lessee as landlord, 42
 misnomer, 41
 parties involved, 42–43
 risk-reward ratio, 42
- Legal description of property, 158, 207
- Legal status of real estate options, state variation, xx–xxi
- Licensed loan-servicing companies, requiring lease payments made to, 50–51
- Lien(s):
 asking owner about, 109
 bail bond, 105
 checking public records for, 103–104
 child support, 105
 code enforcement, 105
 construction, 188
 homeowners' association, 105
 involuntary, 103
 judgment, 56, 104, 105
 marital support, 105
 mechanic's, 104
 mortgage and deed of trust, 105
 municipal, 105
 priority determined by type of lien and date recorded, 103
 public defender, 105
 satisfaction of, 56
 tax, 104, 105

- types of, 104–105
 - voluntary, 103
 - welfare, 105
- Lines of credit, 26–27
- Loan information, verifying, 140–141
- Loan seasoning, 5
- Location:
 - negotiating tool, 151
 - perception of by public, 110, 111
- Maintenance problems/mismanagement, 52, 72
- Makeover, extreme property (versus clean-up), 185
- Mapping services, online, 197–198, 217–218
- Marital support liens, 105
- Marketable title, 56–57, 207
- Marketing. *See* Reselling real estate options
- Market value:
 - assessed value versus, 132–133
 - definitions, 132
 - determining (*see* Estimating property's current market value)
- Master leases, 66, 68, 69–70. *See also* LASH (lease and sublease higher) strategy
- Mechanic's liens, 104
- Memorandum of lease, 70
- Memorandum of real estate option agreement, 159, 176, 180–182, 183
- Mismanaged properties. *See* LASH (lease and sublease higher) strategy; Property management
- Missing heirs, 56
- Mold, indoor, 114–115, 221
- Mortgage and deed of trust liens, 105
- Municipal liens, 105
- Municipal services, availability of, 111
- Negotiating purchase of real estate options, 145–156
 - greater fool theory, 147
 - KISS (keep it simple) principle, 149
 - knowing what you want, 150
 - knowing when to stop talking, 149
 - owners' FAQs about real estate options, 153
 - projecting professional image, 148
 - property owners' attitude toward negotiating process, 146–147
 - rules (six), 148–149
 - seller financing, 155–156
 - terms:
 - credit for cleaning up property, 150, 152–153
 - credit for real estate option fee paid, 150
 - length of real estate option period, 150
 - option fee sole remedy for default, 151
 - purchase price of the option, 150, 154
 - purchase price of the property, fixed, 150, 154–155
 - refund of option fee for damage or destruction, 151
 - refund of option fee for eminent domain action, 151
 - requiring title transfer documents held in escrow, 151
 - right to assign the real estate options agreement, 151
 - right to enter the property, 151
 - right to extend the real estate options period, 150
 - right to record a memorandum of real estate options agreement, 151
 - tools for obtaining lower prices and better terms, 151–152
 - verifying identity, 147–148
 - what to do when your initial offer is rejected, 156
- Neighborhood crime search, 19, 98, 99, 111, 217
- Niche property investors, 53, 54
- Nightingale, Earl (*The Strangest Secret in the World for Succeeding Today and Lead the Field*), 22
- No-trespassing signs, 38
- Nuisance-type property, 20, 111
- Obsolescent properties, 20, 33–44, 53
 - checklist, 38–39
 - classification of commercial buildings (Class A,B,C,D), 35–36
 - definition of undervalued property with immediate resale profit potential, 34
 - finding new owners for, 37–38
 - flaws that cause properties to lose value, 35
 - option investors as buyers of last resort for, 37
 - putting to most profitable use, 36
 - thinking outside local real estate market, 39–40
 - vacant property checklist, 38
 - why properties with curable obsolescent flaws make ideal option properties, 34–35
- Office equipment, 27–28. *See also* Home office
- Online information. *See* Internet resources
- Option. *See* Real estate option(s)
- Option fee (price paid for real estate option):
 - calculating resale price, 193
 - credit for, 150
 - negotiating, 150, 154, 158
 - refund for damage or destruction, 151
 - refund for eminent domain action, 151
 - sole remedy for default, 151
- Option agreement clauses (optionor/optioneer), 158
- Owners. *See* Property owners
- Paint, lead-based, 117, 221
- Parcels of land, identification for tax purposes, 101–102
- Pareto Principle, 11
- Parties to the agreement (clause), 158, 206–207

- People, online search for, 96–97, 100–101, 216–217
- Performance mortgage, signed warranty or grant deed compared to, 176
- Personal property, real estate options as (California), xxi
- Plumbing inspection checklist, 123
- Police/sheriffs' departments, 54
- Predatory property flipping, 4. *See also* Property-flipping strategies
- Pressure washing, 189
- Price. *See* Purchase price
- Problem-property strategy. *See* Correctable problems, profiting from properties with
- Property-flipping strategies, 3–9
- concurrent closing strategy, difficulties with, 7–8
 - costs eating up profits, 6–7
 - definition, 4
 - HUD rule prohibiting (FHA loans), 4
 - illegality of, 7–8
 - obstacles to investors, 5–6
 - option-flipping recommended instead of, 8–9
 - real estate options compared to, 3–9
 - transactions under scrutiny, 4–5
- Property management:
- key functions (four), 74–75
 - property maintenance, 72, 74
 - reasons for mismanagement, 71–72
 - records administration, 72, 74
 - rent collection, 74
 - small mismanaged rental properties that can be turned around, 17, 70–72, 73 (*see also* LASH (lease and sublease higher) strategy)
 - telltale signs of grossly mismanaged rental property, 72–73
 - tenant selection, 72, 74
 - types of mismanagement, small rental properties, 72
- Property owners:
- calculating equity, 140–141
 - checking out (due diligence), 96–97, 100–101, 216–217
 - finding names of all in your county, 99–100
 - negotiating with (*see* Negotiating purchase of real estate options)
 - out-of-town (locating), 82, 83–84
- Property records search, 97, 100, 101, 216
- Property search plan. *See* Finding properties to put under option
- Property taxes:
- prorating using 365-day method, 212
 - records search, 98, 101–102, 108
- Property titles. *See* Title(s)
- Property types (most profitable for buying real estate options on), 15–20
- adaptive reuse, 12
 - characteristics in common, 16
 - code violations, properties cited for-18
 - condemned single-family houses, in emerging commercial areas, 15
 - correctable problems, properties with, 19, 52–58
 - “dirty deals” (small vacant filthy run-down commercial properties), 15, 18–19
 - obsolescent properties, 20
 - rezoning candidates, 15, 16–17
 - small mismanaged rental properties, 17
 - specializing in at least two different types of option properties, 15
 - stigmatized properties, 19–20, 53, 55
- Property valuation. *See* Valuation
- Public defender liens, 105
- Public health departments, 55
- Public nuisances, 20, 111
- Public records:
- recording separate memorandums of option and lease in, 48
 - searching (*see* Property records search)
- Purchase agreement, 206–211
- assignment of, 207
 - contingency clauses, 208–209
 - key provisions, 206–207
 - option agreement to ripen into, 159
 - sample, 210–211
 - signing with option agreement, 153
- Purchase agreement clauses (buyer/seller), 208
- Purchase price:
- options (option fee):
 - calculating resale price, 193
 - negotiating, 150, 154
 - refund, 151
 - property (fixed in option agreement), 150, 153, 154–155, 158, 207
- Quiet title action, 57
- Rail-front, 192
- Real estate:
- attorneys, 161, 162, 179–180, 218
 - online information, 222
 - twenty reasons for investment failure, 23–24
- Real estate option(s), xv–xxv, 3–9
- author's experience with, xv–xvi, xxiv
 - comparison to property-flipping strategies, 3–9
 - definition, xvii, 153
 - doctrine of equitable conversion and, xix
 - due-on-sale clause not violated by, xvii–xviii
 - expiration of option, xx
 - extension of option period, 158
 - high-profile investors who have used, 3
 - “Interest in the Property” defined, xviii
 - key elements (seven) of transaction, xix–xx
 - versus lease-option, xvi–xvii (*see also* Lease-options (sublease-options))

- legal status varying from state to state, xx–xxi
- most profitable types of property, 10–20
- online resources, 216–222
- reasons for using, xxii–xxiii, 3–9, 153
- risks that can't be controlled, xxiii–xxiv
- transaction mechanics, sequential outline, xx
- what you need to know about, xvi
- Real estate option agreement, 157–165
 - assignment of, 158
 - clauses, essential, 157–159
 - compliance with state real property statutes, 160
 - default, 158
 - definition, 159–160
 - elements, three essential, 160
 - escrow, 174
 - finding/hiring experienced board-certified real estate attorney, 161, 162
 - master copy, 162
 - memorandum of, 159, 176
 - not executory contract, xix, 168
 - parties to, 158
 - purchase price, 158
 - sample, 163–165
 - witnesses, 162–163
- Real estate option investment business:
 - getting started:
 - equipment recommended, 27–28
 - initial capital, 25–27
 - IRS publications available online, 29–30
 - maintaining separate checking account, 29
 - setting up home office, 28–29
 - requirements:
 - avoiding listening to naysayers, 23
 - determination and persistence, 25
 - imaginative, analytical, and creative mind, 24–25
 - overcoming fear of failure, 22–23
 - positive mental attitude, 21–22
- rules (12), xxv
 - cleaning up property under option, 184–191
 - closing on purchase of real estate option, 177–183
 - due diligence, 95–111
 - estimating property's current market value, 131–144
 - exercising option, 205–215
 - finding properties, 81–94
 - holding title transfer documents in escrow during option period, 173–176
 - inspecting property, 112–130
 - marketing/reselling real estate options, 192–204
 - negotiating low-cost options and below-market purchase prices, 145–156
 - preparing option agreement, 157–165
 - using title insurance to insure real estate options, 166–172
 - strategies:
 - LASH (lease and sublease higher), 66–78
 - lease and option, 41–51
 - obsolescent properties, 33–44
 - properties with correctable problems, 52–58
 - rezoning possibilities, 59–65
- Real Estate Settlement Procedures Act (RESPA), 209–212
- Real property tax liens, 104
- Records mismanagement, 72
- Refund of option fee, 151
- Rental property:
 - mismanaged (*see* Property management)
 - strategies using options (*see* LASH (lease and sublease higher) strategy; Lease and option strategy)
- Renters' insurance, 50, 219
- Replacement cost method, 133, 140, 141, 219–220
- Reselling real estate options, 192–204
 - assignment of option agreement, 199–201
 - calculating resale price, 193
 - classified ads in local newspapers, 199
 - for-sale sign on property, 198
 - marketing methods (five best), 195
 - notifying optionor, 201
 - overcoming buyers' "fear factor," 195
 - packaging properties to highlight best features and potential, 194
 - taxation of income from sale, 202–204
 - using Internet to market properties globally, 196, 197–198
- Residential property, comparable sales search, 135, 219
- Rezoning:
 - affidavit to authorize agent, 64–65
 - application packages, 62
 - avoiding areas with support of anti-rezoning zealots, 62–63
 - best type of property, 15, 16–17
 - buying options on properties with potential for, 15, 16–17, 59–65
 - definition, 60
 - determining if potential option property can be rezoned, 63–64
 - emerging commercial areas, 56
 - obtaining optionor's written approval, 64–65
 - sequential steps in process, 60–61
- Right of first refusal versus irrevocable right to purchase property, xvii
- Riskiness of real estate options, xxiii–xxiv, 167–168
- Risk of loss clauses, 159, 208
- Sandwich leases, 66. *See also* LASH (lease and sublease higher) strategy
- Securing vacant property under option, 186–187, 189–190
- Seller financing, 155–156

- Selling real estate options. *See* Reselling real estate options
- Signs:
 for sale, 198
 no trespassing signs, 38
- Single-family houses:
 condemned, 15
 money-making strategy (*see* Lease and option strategy)
- Skeptics, 23
- Startup capital, 25–27
- State(s):
 construction liens, 188
 inheritance tax liens, 105
 legal status of real estate options, xx–xxi
 real property statutes, option agreements complying with, 160
- Stigmatized properties, 19–20, 53, 55, 152
- Storm water drainage, 111
- Sublease. *See* LASH (lease and sublease higher) strategy
- Sublease-options. *See* Lease-options (sublease-options)
- Supply and demand, local property, 14
- Tax information:
 IRS publications available online, 29–30, 203
 online, 220
U.S. Master Tax Guide recommended as reference guide, 203
- Tax issues:
 hiring properly licensed professional to prepare tax returns, 204
 income from sale of real estate options, 202–203
 property taxes:
 prorating using 365-day method, 212
 records search, 98, 101–102, 108
- Technology, using in option investment business, 27–28
- Tenant(s):
 in LASH strategy (lessee and sublessor), 67 (*see also* LASH (lease and sublease higher) strategy)
 mismanagement, 72
 selection, 74–78
 basing denial to rent on legitimate business reasons, 78
 six steps, 75
 ten qualification standards, 76–77
 sublease-options, 44–45
- Title(s):
 clear and marketable, 56–57, 207
 clouded, 52, 56–58
 common abbreviations used in documents, 106–107
 common defects, 167
 exception to problem-property option strategy, 53
 quiet title action or lawsuit, 57
 seasoning, 5
 transfer documents (held in escrow during option period), 151, 159, 173–176
- Title companies versus board-certified real estate attorneys, xxiv
- Title insurance/insurers, 166–172
 cloud as exception to policy, 56
 getting policy commitment before buying option, 169–170
 information online, 218
 reputable national underwriters, 169
 sample letter to title insurers, 170
 three factors to always consider before insuring an option, 171–172
 underwriting information available online, 172, 218
 what a standard real estate option endorsement doesn't insure, 168
 what title insurers look for in option agreements, 168–169
 why most title insurer consider real estate options to be risky, 167–168
- Title searches, 107–108, 109
- Trade publications, 13–14
- Traffic patterns, 111
- Utility meter readings, 212
- Vacant properties:
 cleaning up and securing, 186–187
 financing purchase of, 10
 locating owners of, 102
 looking for, 92
 sample checklist, 38
- Valuation:
 calculating resale price of real estate options, 193
 market value (*see* Estimating property's current market value)
 property valuation and analysis software online, 220
- Visualization of property in variety of uses, 12
- Voluntary liens, 103
- Warranty or grant deed, 175, 176
- Waste clause, 158
- Welfare liens, 105
- Wintle, Walter D., 22
- Witnesses to signatures, 162–163, 179
- Worst-case scenarios, including in option buying decision process, 11–12
- Zoning department, due diligence, 108, 111