The Ultimate Guide To Finding Off-Market Properties

Part 1 - What Are Off-Market Properties?

The term "off-market property" refers to any piece of real estate that is not currently listed on a Multiple Listing Service (MLS). This includes properties that are not currently for sale, as well as properties that are for sale but are not listed with a real estate agent, like a "for sale by owner" scenario. It is common practice for a real estate agent who has been hired by the property owner to "list" the property, meaning they are creating a "for sale" listing in their local MLS. By listing the property, the seller's realtor is hoping that a buyer's realtor will see the listing, inform their client, and the client will want to buy the property.

Another type of off-market property is the scenario known as a "pocket listing," "quiet listing," or "hush listing." This refers to when a realtor contracted to sell a property by the owner, but they never list it on the MLS. This may occur if the owner wishes to keep the property sale quiet (i.e. real estate being sold due to a divorce, death in the family, or other private affair), or if the realtor expects the property to take a long time to sell. As soon as the property is listed on the MLS, it's number of Days On Market begin to accumulate, often negatively impacting the sale price of the property. To avoid the pressure to lower a sales price, a realtor may keep a property off-market and use their own network to sell the property before it ever becomes officially on-market.

Part 2 - Why They're Great For Investors

Now that you know ***what*** an off-market property is, it's time to dive into ***why*** investors actively seek out these properties.

The first reason is **competition**. The minute a property hits the MLS, every local realtor has access to it, opening the floodgates of potential buyers. When a property is kept off-market, only those within the seller's network or investors actively seeking out properties like it will have a shot at purchasing it. If a property with high potential as an investment is listed on-market, it is common that it will sell almost immediately due to realtors who have investor clients or are investors themselves. This is bad news for investors who aren't able to monitor the MLS at all times.

The second reason is **price**. A major reason behind listing a property on the MLS is for a seller to get the most buyers, and more buyers means a higher sales price. Well the basic principle behind any investment is to buy low and sell high, right? For an investor, competition is the enemy since it drives up the sales price and eats away at their profit margin. It's fairly common that the winning offer is from an investor offering higher than the asking price. Off-market properties tend to have little competition by comparison, making them a favorite for savvy investors.

The third reason is **condition**. It's a common misconception among homeowners that if their property is in poor condition or is significantly outdated, that it simply won't sell. This means that many properties that owners are interested in selling have not yet been listed on the MLS due to their less-than-impressive condition. This scenario provides the perfect opportunity for an investor to find one of these owners and offer to purchase the property as-is (and at a lower price) so that they can take care of the renovations.

Part 3 - How To Find Off-Market Properties

So far we've covered the ***what*** and the ***why*** behind off-market properties, now it's time to learn ***how*** to find these hidden gems.

There are a wide variety of ways to locate off-market properties that range from very low-effort to fairly involved, and choosing the best options for you really depends on the amount of time and effort that you are willing to put in. Here's a list of our top 4 picks for finding off-market investment properties ranging from easiest to hardest:

1 The absolute easiest way to find off-market deals that are for sale, as-is, and ready to be rehabbed is to use an online wholesale deals platform like **marketprocashbuyers.com**. The sole purpose of this service is to provide investors with properties that are for off-market, for sale, and vetted by a team of experts to ensure that every property is actually worth investing in. It doesn't get any easier than that.

2 Another easy way to find off-market deals is to network. If you are actively presenting yourself as a cash buyer of investment properties, you can utilize meetups and social media to connect with realtors and wholesalers that can help you find the perfect off-market property to invest in. It's true what they say - your network is your net worth.

3 "For sale by owner" lists can be a great way to find an off-market deal. While you may end up spending a fair amount of time scrolling past properties that are in decent condition, it's not uncommon to find a handful that are pretty distressed. The idea is that some of these properties may be inherited or fell into the owners lap without the current owner wanting to spend time, effort, or money to offload the property. A simple for sale by owner listing can be an easy way for owners to liquidate an unwanted property, which means it can be an excellent resource for investors.

4 Another tried and true method is direct marketing. This can be in the form of cold calling or mailers, but either way the idea is to build a large list of owners of potential investment properties, and reach out to let them know you are interested in buying their property as-is. This strategy truly is a numbers game, so don't get discouraged if you don't get many leads at first. The more you reach out, the closer you'll be to finding your next deal.

Still looking for additional ways to find the perfect off-market property? Here's a comprehensive list of resources and ways to market for deals off the MLS.

Absentee Owners
Asset Managers
Auction.com
Bail Bondsmen
Bandit Signs
Banners
BiggerPockets.com
Billboards
Bird Dogs
Blogs
Brochures
Bulletin Boards
Business Cards
Calling for Rent Ads
Car Door Magnets
Code Compliance List
Cold Calling
Contractors
Coupon Books
Courthouse Steps
Craigslist
Dead leads from buyers
Deal Meetups
Delinquent Taxes
Direct Mail
Divorces
Door Hangers
Driving for Dollars
Email Signature – Links
Estate Sales
Eviction Court
Expired MLS listings
Facebook
Fire Damaged Properties
Flyers
For Rent Ads
For Sale By Owner Signs
For Sale by Owner Websites
Free House advertising sites
Greatdcdeals.com
Hard Money Lenders
HOA's (delinquent dues)
Home Depot/Lowes
Housing Inspectors
HUBZU.com
Hudsonandmarshall.com
Instagram
Large Local Newspaper Ad
Lead List Purchasing
Local REI Associations
Mail Carriers
MarketPro Homebuyers
Message Forums/Boards
MLS Fixer Uppers
MLS REO's
MLS Withdrawn Listings
Money Drop Cards
Mortgage Brokers
Moving companies
Pawn Shops
Permitting Office
Postcards
Pre-Foreclosure List
Probate Attorneys
Probates
Professional Referrals
Property Managers
Public Transit Ads
Radio Commercials
Real Estate Investor sites
Realtor Referrals
Referrals by Family/Friends
Rental Inspectors
REO Realtors
Small Local Banks
Social Networking
Sponsorship
Tax Sales
Tenant Placement Companies
Trash Haulers
Twitter
"We buy Houses" apparel
Webinars
Wholesaler/Deals Meetups
Xome.com
Yellow Pages
Zillow.com

Part 4 - Get Out There & Find A Deal

We've covered ***what*** an off-market property is, ***why*** investors actively seek out these deals, and ***how*** to find these investment opportunities. The final part is simply doing it. It sounds easy enough, but it truly takes commitment to keep trying new strategies until you find one that works. The key is to see it as a numbers game - the more channels you have set up to find your next off-market property, the more deals you will see. When you have a high number of deals coming across your lap, you can afford to be picky and only choose the right projects for you. Finding off-market properties is not rocket science, it simply takes knowledge and effort. We hope we've provided you with enough knowledge to get started, now its up to you. So get out there, find a deal that works for you, commit to it, and start earning some money!

Need To Finance Your Project?

Once you've found the perfect off-market property, you may need capital to purchase the opportunity before another investor can jump on it. Finding the right financing is key to your success as an investor, so be sure to only work with a lender that can close fast, offers low rates, and provides excellent service throughout the full term of your loan. Washington Capital Partners has an outstanding track record for saving borrowers money while bringing clients to closing quickly and efficiently. If you need funding for your next project, be sure to contact our hard money lending team about what we can offer you.