

PHILADELPHIA
**BUSINESS
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Small Business

There's no place like home
when you got it dirt cheap

DJA Properties buys low, fixes up and re-sells at a profit

GROWTH STRATEGIES



David Ahlzadeh of DJA Properties at the hardware store he converted into his offices in Westville, N.J. CURT HUDSON

WESTVILLE, N.J. -- The housing market is in foul shape, so why is David Ahlzadeh smiling? After all, here's a guy who buys and sells houses for a living.

"You always want to buy low," Ahlzadeh said. "Now prices are dropping, and people are willing to sell low." How could that be bad?

Rather, the housing slump looks like one more positive turn in the business Ahlzadeh founded in 2000, when he put house painting behind him in search of something more lucrative. His Gloucester County business, DJA Properties, has been paying steadily almost from the start.

Ahlzadeh specializes in buying the house you are most anxious to get rid of. He'll come in, clean it up, gut it if necessary, then turn it around and sell it again.

I get people who have had a death in the family and they just don't want to be bothered. Or I get people who are having finance problems," he said.

"The big one is repairs. The house needs so much work and they don't want to be bothered with it. I love those houses. Cat pee is like perfume for me."

It's no easy thing to turn a profit on homes like these. Estimating values, ball-parking the cost of repairs, all can sour a deal. Even with a background in

construction Ahlzadeh had to find his way.

"The painting business taught me a lot about rehab management, what needed to get done, what it would cost to



1-800-CashOffer



get it done. But it was still a slow learning process. You have to learn to evaluate deals, to find the ones that would make money," he said.

In 2003 he gave up painting entirely to ride the wave of excitement around the housing market. There was money to be made, if only he could find houses to buy. **That's the biggest challenge in this industry, just hooking up with people who want to sell.**

"I got leads from real estate agents, I got some leads just sending letters out to houses that look abandoned. But that was really my big headache, finding good viable leads," he recalled.

Fortunately, Ahlzadeh is not easily deterred. "He's got a very get-it-done type of attitude. He is pretty dogged about finding a solution to whatever problem comes along," said Jeremy Brandt.

Brandt should know, since in this case he was the one able to provide that solution.

As president of the national home sales repository 1-800-CashOffer, Brandt manages marketing and generates leads on behalf of local operators. **Ahlzadeh said his business doubled from 2006 to 2007, based largely on his new-formed ties to Brandt's company.**

The developer pays \$3,000 a month for the right to have all Philadelphia-area calls to 1-800-CashOffer ring through to his office. He also pays a marketing fee of his choosing, often as high as \$5,000 a month, to bring 1-800-CashOffer advertising into the area.

"They have all the TV commercials done, they have all the Web sites, all the vanity numbers and the phone system is set up," he explained.

The investment pays off, **delivering up to 200 calls a month**, Ahlzadeh said.

Now Ahlzadeh is looking to parlay that business boost by

UP CLOSE

COMPANY: DJA Properties

LOCATION: 217 Broadway, Westville, NJ

OWNERS: David Ahlzadeh

TYPE OF COMPANY: Real estate investment

Number of employees: 4

2005 revenue: \$350,000

2006 revenue: \$550,000

2007 revenue: \$1.1 million

LESSONS LEARNED: David Ahlzadeh pays high for business leads, but he has learned to make those leads pay off.

getting himself and his handful of employees out of their homes and into a formal work space. Recently he bought an old hardware store in Westville and turned it into 3,000 square feet of office.

With everyone working from home, "it was hard to collectively see what everybody was doing. It was hard [to] bounce ideas off each other," he said. "Now we are much more productive."

To keep the wheels turning the developer wages a constant war against the inconsistencies of titling. It can take four months to clean up the title on grandma's house, where multiple lien-holders have been sitting on the books since 1973. It has happened that way.

While he is busy dealing with that, Ahlzadeh also is talking to other investors throughout the region, all of whom trade off leads that may be out of their geographic area or of little interest for financial reasons. He may pass them names, "or we may do a joint venture together," he said. "So you need to keep up those relationships."

None of it matters so long as the money is right. "As long as I

get it cheap enough, I know I have options," he said.

So Mr. Successful Developer, how do I buy a house on the cheap?

"This is everybody's number one problem: They won't make an offer. I can't figure it out for the life of me. Maybe they are embarrassed. I have good

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1-800-CashOffer and how it can help
grow your investing business?***

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negotiating skills, of course, but basically you have to make an offer."

Ahlzadeh has made that offer repeatedly, and he is getting used to the sweet sound of "yes."