

THE EXCELLENCE DISTRICT — REAL ESTATE WHOLESALING: GEORGIA STARTER GUIDE

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PURPOSE

Explain the basic wholesaling model, transaction structures, due diligence, and Georgia licensing boundaries without presenting wholesaling as a guaranteed-income strategy.

WHAT WHOLESALING GENERALLY MEANS

A wholesaler typically attempts to obtain a contractual interest in a property at an agreed price and then:

- assigns the purchase contract to another buyer, if the contract permits assignment; or
- completes one purchase and then resells the property in a second closing (“double close”).

The economics usually come from an assignment fee or resale spread.

THE LEGAL DISTINCTION THAT MATTERS

Georgia law defines a real-estate “broker” broadly when a person acts FOR ANOTHER and for compensation in negotiating, procuring prospects, referring prospects, consulting on negotiations, or advertising themselves as engaged in brokerage-type activity.

Reference: O.C.G.A. § 43-40-1.

A person performing brokerage acts for another may need a Georgia real-estate license. Georgia law also restricts recovery of compensation for unlicensed brokerage acts.

Practical takeaway:

- Acting as principal to your own contract interest is different from acting as an agent or broker for someone else.
- The actual conduct matters more than the label “wholesaler.”
- Advertising a property you do not own, negotiating on behalf of another owner, collecting referral fees, or presenting yourself as the owner can create licensing, contract, consumer-protection, or misrepresentation risk.
- A wholesaler should disclose the interest actually being offered—such as an assignable contractual interest—rather than implying ownership that does not exist.

Because contract language and conduct control, Georgia wholesalers should have a Georgia real-estate attorney or qualified closing professional review the operating model and forms before using them at scale.

COMMON STRUCTURES

1. ASSIGNMENT

Investor signs a purchase agreement as buyer, then assigns the contractual buyer interest to an end buyer when assignment is legally and contractually permitted.

Key questions:

- Is the contract assignable?
- Does seller consent apply?
- Is the assignment fee disclosed where required or advisable?
- Does the end buyer understand what is being purchased?
- Does the closing attorney / title company accept the structure?

2. DOUBLE CLOSE

Wholesaler closes on the purchase, then sells to the end buyer in a separate closing.

Key issues:

- Transactional funding / capital
- Closing costs twice
- Title and settlement timing
- Resale disclosure
- Funds flow
- Anti-fraud / source-of-funds controls

3. NOVATION / OTHER RESTRUCTURING

More complex structures should be attorney-drafted and reviewed. Do not use social-media templates without understanding their effect.

DEAL ANALYSIS

Property:

Address:

Owner:

Occupancy:

Estimated after-repair value:

Estimated repairs:

Taxes / liens:

Closing costs:

Holding costs:

Target investor margin:

Maximum purchase price:

Assignment / resale target:

Exit strategy:

Backup exit:

Title issues:

Contract deadline:

Inspection / diligence period:

COMMON DUE DILIGENCE

- ☐ Ownership verified
- ☐ Property taxes checked
- ☐ Liens / title concerns identified
- ☐ Probate / estate issues identified
- ☐ HOA / condo issues identified
- ☐ Occupancy verified
- ☐ Condition inspected or reasonably assessed
- ☐ Repair estimate supported
- ☐ Comparable sales reviewed
- ☐ Zoning / use checked when relevant
- ☐ Utilities / environmental issues considered
- ☐ Contract assignability reviewed
- ☐ Earnest money terms understood
- ☐ Inspection / termination deadlines calendared
- ☐ Closing professional identified
- ☐ End-buyer criteria documented

MARKETING RULES

Safer practice is to market the contractual/equitable interest you actually hold, accurately describe your role, and avoid advertising as though you own or list the seller's real property when you do not.

Do not:

- Fabricate ownership
- Misrepresent comparable sales
- Falsify proof of funds
- Promise a seller an outcome you cannot control
- Hide material contract terms
- Market for another person in exchange for compensation without reviewing licensing requirements

SBA FUNDING WARNING

SBA's Lender Match guidance currently states that SBA-approved loan proceeds cannot be used to flip a house. Do not assume SBA financing can fund a wholesale or flip transaction.

BUILD A BUYER LIST LEGITIMATELY

Track:

Buyer / Company

Target counties

Property type

Price range

Rehab tolerance

Cash / financing type
Proof-of-funds date
Preferred closing timeline
Contact permission
Past performance
Notes

EXIT DISCIPLINE

Do not sign a purchase contract solely because an estimated spread looks attractive. Before signing, know:

- Your inspection / termination rights
- Assignment rights
- Earnest-money exposure
- Closing deadline
- Required disclosures
- Expected closing costs
- Realistic buyer demand
- Backup plan if assignment fails

This guide is general educational information, not legal advice or a determination that a specific wholesale structure is lawful. Georgia licensing and contract questions should be reviewed using current law and qualified Georgia counsel or closing professionals.