

SANFORD

SYSTEMS & STRATEGIES

Newsletter

Industry News for the High Achieving Real Estate Professional



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There are some great trainers out there who have made a lot of money in real estate. Some of those trainers are showing your agents how to do the same for themselves. Some of these systems are transferable and do create net profit.

Learning about social networking and search engine optimization is important, but there are agents who are spending hours on Facebook rather than calling or Emailing their past clients.

The "have-to-have a personal website now" salesperson, uh, speaker is also spending a lot of unnecessary time. If you have a listing, it is already transferred into over 20 popular websites, therefore why do many "trainers" want you to purchase buyer friendly websites? Listings are what bring the buyers so every agent's website needs to have value propositions for sellers.

There are more activities taught in these seminars like staging an overpriced home or journaling without goals. These are not priorities in this market.

When the real estate trainer who has never sold *real estate* in volume is trying to sell a niche or has more jokes than content, you can have poor results for the money spent on the seminar.

Spend your time and money wisely. Have your attendees sign up for Walter's blog and this newsletter. They can also submit their most pressing questions directly to Walter prior to the seminar so the seminar is customized to their needs!

Take advantage of our competitive seminar pricing! Call our office at 800.792.5837 with any questions on how to begin planning your seminar today.

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WALTER'S BLOG

Click [here](#) to sign up for your FREE daily dose of Walter Sanford! Complete the quick sign up to receive a direct link to each day's new thoughts directly from Walter's blog.

PRODUCT OF THE MONTH



TEAMING UP:

Lenders, affiliates, and Realtors® working together for profit and client satisfaction can increase your bottom line profits, take care

of your clients and prospects, and like doing it! Updated with more than 20 new letters. The only manual on how to build a profitable team!.

Click Here to Buy Now!

ASK WALLY



Q. Good morning, Walter. I just read your article in Realty Times. I am an agent on my fourth year in the business. I did Tom Ferry coaching in my second year and learned how to do a business plan and some time blocking, which is my weak area. I need to work on that.

I brought my listing inventory up by 3 times the amount and had over 3 additional contracts a month. In this market, I have not been able to continue the coaching. I have lost my stride somewhere and trying to get it back. Is it really a matter of just going after it?

I am in Northern Cal where we have 2nd homes and land that sold to Bay area people. Now with them backing away, we have very low income in the area and not many sales. I primarily dealt with our "high end" homes, new construction (which is rare), and land sales. Those are all of the things that came to a halt.

I am a (almost) divorced mom of two who wakes up everyday loving what I do, but need to make the money for the family. I was the excited listing agent that dominated but a lot of these are now the bank owned properties. Should I go after every

was the expired agent that dominated but a lot of those are now the bank owed properties. Should I go after every expired? I was the newer agent that basically took over from one of the highest producers, and I liked that. I love challenge. So I should be thrilled right now..lol.

I have a listing presentation and if I go to a listing presentation, I averaged 99% of them even in multiple agent interviews. I know my personal issues have clouded my energy but ready to put that aside and move forward. How do I get back on the horse and win the race?!!!

Thank you for your time. Have a wonderful day!

Christi

A. Hi, Christi. All business problems can be cured with a larger listing inventory that is saleable.

There will be other challenges with a large listing inventory, but your focus right now is being on a listing presentation every day. Therefore, you need leads. About six from the following list should be up and running by years' end.

1. Database management
2. Expireds, old expireds, first and last day expireds, and first of year expireds
3. FSBOs and old FSBOs
4. Out-of-state owners
5. Obituaries run with a just sold card program
6. Mature people in large homes system
7. Short sale solicitation with a post system to gain access to the REO manager
8. Host/parasite systems with companies like moving companies
9. Event open houses
10. Divorce attorney program.

These are 10 of about 60 seller lead generation systems that are working in this economy, especially in a second home market. Only go with those who are motivated. Work the REOs and only do short sales that have a high probability of closing. You will find your activity level going through the roof again!

ARTICLE OF THE MONTH

A Great Real Estate Agent Buys Real Estate

Investing in real estate is one of my favorite subjects and the one item in my career that has been my largest estate builder. Using the three main leverage points of real estate has always been my goal. Let me explain.

1. Sellers (listings) produce buyers.
2. As you search unlisted inventories for your buyers, it produces seller leads.
3. However, the third and best leverage point of real estate is that as an agent you get paid by your clients to examine and find real estate inventory everyday. Sometimes that inventory is the correct investment to add to your personal retirement plan.

There is never a better time to buy than when prices are soft. I do not want you to assume that I base my investment decisions on buying low, because that would assume that I sell high. I can buy during all market types. My investment philosophy is not to sell but instead let the tenant pay the mortgage off. You might think this takes a long time, but if you buy a breakeven or cash flow property and manage it well for rental increases, you can pay it off much sooner than the standard amortization periods. If you take any positive cash flow from a real estate investment and apply it to the underlying loan every month, you can amortize a 15-year loan in 7-10 years. Almost any real estate that produces an income will qualify. Houses, condos, multi-family, and commercial properties are all candidates for purchase.

As an agent, you have access to the MLS so it is easy to check the "hot sheet" each morning for new listings. Then you can apply my six rules for purchase.

1. Can I own it forever?
2. Is it break-even or positive cash flow after the first 6 months?
3. No balloon payments.
4. No variable or adjustable interest rate loans.
5. Do not choose horrible areas where pride of ownership is not practiced, and good school districts help, too.
6. Buy within a two-hour drive time from my home.

After implementing the six steps, my investment goal is to increase my net worth and create income as the loans fully amortize. I use that income to accelerate the other amortizations, creating a snowball effect of paid off properties for retirement.

The analysis is fairly simple. Imagine what you can get the income to in about 6 months. Use a 35% expense factor. This expense factor is high compared to most investors, but I have found it to be more realistic. Subtract this expense factor from the proposed income to find what is left over to pay principal and interest. Next, work backwards to see how much of the loan this payment will pay off with the current interest rate. Take the loan amount and divide it by the inverse percentage of the down payment you are going to use. This gives you the sales price. Using a digital offer form with a nice cover letter, E-mail the offer to the listing agent.

This plan works in any market; however, you find more properties that qualify in a slow market than you do in a crazy market. It is important that you try to buy for the long term. It gives you holding power if you get the market direction wrong. I never buy to sell, but sometimes I sell if I discover that I do not like the property. Investors who buy for appreciation usually lose more than their original investments because they keep buying bigger properties. Finally when the market changes, they lose everything because they cannot hold on.

It is important with this program to get a fixed loan, because I believe we have no where to go but up in interest rates. It is harder to get fixed loans on commercial and multi-family, so private money or carry backs on free and clear properties would be options.

Managing while you are doing great in real estate brokerage can be a horrible time drain. I teach that sellers are easier

to handle rather than buyers, but almost anything is easier to handle than bunch of tenants! You can mitigate the time drain by using my management secrets.

1. Rent a good property at a fair rent. Be the best option available.
2. Get a great tenant. This requires a full background check by confirming every detail. Run reports for credit, sex offenders, job history, previous landlords' history, and police reports.
3. Get a large security deposit. If they have to pay it over time, fine.
4. Get long-term leases. Your greatest cost is turnover.
5. Have their current place of residence checked out. It is a drain to watch your cute little rental destroyed! REALTOR® referral directories for other cities are helpful in this regard. Other REALTORS® are usually glad to help if your new tenants are from out of town. Have them drive by the residence to give you a report then send them a nice present. Starbuck's gift cards are always a welcomed treat!

As a great real estate agent, you owe a fiduciary responsibility to your clients and everyone else to deal with them fairly and ethically. Even though I have bought my own listings, I don't recommend it. I would give the seller the option to get out of the transaction any time they wanted, and I would disclose what the property might be worth if it were properly marketed. If I had negotiated a great deal for a buyer who stepped out of the deal, then I would step in.

Being in this business offers agents the greatest leverage! Other people pay you everyday to look over the investments for *your* family and future.

Walter Sanford was one of the top real estate agents in North America for nearly thirty years, and now, he is one of the most requested speakers, trainers, and coaches. He has authored twelve systems and books on checklists, pro-active lead generation, affiliate lead generation, plus others mentioned in this article. You can hire Walter or buy his products by visiting his website for more details at www.waltersanford.com, by calling 815-929-9258, or emailing Walter at walter@waltersanford.com.