



Sanford System & Strategies E-NEWSLETTER June 2017

Thank you for subscribing to our newsletter. 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 ten updated systems and books on checklists, pro-active lead generation, listing presentations, buyer systems, and much more which can be found throughout his website. If you would like to contact Walter or have him speak at your event, please email: walter@waltersanford.com

At Some Point, You Have to Be a Great Manager of Real Property

If you want to be financially independent as a real estate agent, someday, you are going to have to invest in it! Not flip it, but manage it for the long term, maybe even for multiple generations.

This article is not about the debate of holding versus flipping. Flippers almost always end up losing everything. They buy with the short-term in mind using a long-term investment. There is always “one more deal to do” going into a bear market. On the

other hand, a hold strategy will decapitate your investment future unless you are strong with solid rules.

I have invested short-term and made millions. I thought the real estate market would last forever, but I ended up losing everything and always a little more. I have also bought for the long-term and could not hang on.

It took many years to decide to only buy long-term investment real estate in good to better areas with excellent tenants with the rules in place to hang on for the long term. Along the way, I have made up many rules that go a long way to curing challenges that real estate investors and managers often experience.

Keep these rules in mind as you buy and manage; your challenges will be mitigated.

1. **Buy in average to better areas** where decent schools are available.
2. **Buy a property that will eventually break even** after you have restored it, repaired it, or changed it. Give yourself a year before income must support all expenses.
3. Always look at **return on investment based on total cash invested**. Disregard income tax benefits and even appreciation to a certain extent.
4. Make all **repairs and upgrades with a long-term hold** in mind. No “Band-Aids,” if possible.
5. As it is available, **financing should be fixed and fully amortized**. If you are a good REALTOR® who has followed our other systems, you should allow negative cash flow if all that negative is going to principal pay down for faster amortization.
6. The goal should be to have the **tenant pay off the mortgage with you, the owner, using your net commissions to help**. You can live off your commission income and have a good life. It is hard to have big spendable cash flows on your rental property when you start. If you combine the two using your commission income and small net rental income to pay off your mortgages, you will get rich.
7. **Teach your children to run your rental property**. Teach them to buy more and be as smart as you. You have just started a multi-generational legacy that can do great things after you are done, providing you have a good trust attorney.
8. Tenants need to have at least a **650 FICO score**. I have never seen a pet who has improved a property. Candles and smoking means you will be painting every two years. If you have not seen where your new tenant used to live, you have given up your chance to see the future.
9. Choose a **minimum of two year leases**. It attracts a different kind of tenant and cuts your largest cost in half - turnover.
10. **Raise rents**, at least by the amount of expense increase and or the inflation rate **every two years**.
11. **Fix faster than the tenant expects**; do more than the tenant expects. Overwhelm them with stellar service.
12. **If they don’t mow the yard, have it done** and charge them for it with a penalty, per the lease agreement. Be brutal with the rules.
13. **Rent is due on the first**. Late at 5PM on the fifth with a large late charge. It goes to eviction attorney on the tenth. No exceptions.
14. You can **always be compassionate about tenant problems**, but your real or imaginary investors are not.
15. **There will be a new problem every day**. Change your lease agreement to prevent it in the future.

I liked real estate brokerage and I did very well in it. I have written numerous books with the forms and systems that made my operation famous. However, the most satisfaction has been from finally figuring out the income property game and setting up a legacy for future generations.

My product is **INSIDER INVESTING FOR REAL ESTATE AGENTS**. It contains 9 audio CDs along with a book that includes all of my purchasing, negotiating, and managing forms paired with the data CD for easy implementation.

Call our office at 800.792.5837 **THIS MONTH** and **get this system for \$50**, instead of the \$390 cover price.

Newsletter Special

INSIDER TRADING FOR REAL ESTATE AGENTS

Learn how Walter personally invests in real estate. 30 years of secrets in an easy-to-use format (data CD). Included are management forms, checklists, and lists and even negotiation strategies. Audio CDs for your investor clients and for yourself as an investor are included as well.

Call [800.792.5837](tel:800.792.5837) and ask for the NEWSLETTER SPECIAL – just \$30 plus shipping.

Our Coaching Program

The very best business leaders all have someone in their corner whom they can go to for advice, leadership, and teaching. Unfortunately, the average person has no coach and too often allows himself to be influenced by those who have never achieved high levels of success.

With nearly thirty years of real estate experience including record levels of high real estate production and creative business systems, Walter Sanford offers personal coaching to a select group of clients each year.

Why not make this year the one when you start enjoying your career, your family, and your life? We have a few spaces left in Walter’s personal coaching program.

Please call our office at **1.800.792.5837** to arrange a free phone consultation with Walter for you to see if this may be the year that you take your business to the next level.



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