

## Subject Line – Why Would I Sell at That Price – Are You Stupid?

The question “Why would I sell at that price?” is something you always want to hear from a prospect. I guess I expect it now so it is never shocking anymore and I don’t take it personally, especially the stupid part. After you make him an offer and he immediately says “O.K.”, you should rightfully have a sinking feeling that he probably would have taken less - and you are probably correct.

What I am going to reveal to you in this article will probably make you hundreds of thousands of dollars in your real estate investing career, but only if you have the guts to use it. The more you practice, the easier it gets and the bigger the rewards.

When I relate stories of what price I bought properties for I often get funny looks or gasps from the listener. I am sure it is because he probably doesn’t believe me but it’s in the public record for anyone to see. On a number of occasions I have had someone call me back and say they checked it out and I wasn’t lying! As always, thanks for your support.

So that we are on the same page, I hear of people offering 50% of asking price and pounding their chests when they buy a property. Fifty percent isn’t bad, right? It depends on the true after repaired value (“ARV”), or more accurately, what you can actually sell it for in the current market. Waiting two – three years doesn’t count, now is all that matters! If you want to buy and rent and re-sell in a couple of years, it may turn into a good investment, but I like sure things. I won’t say it could turn into a great investment because I don’t like tenants.

So let’s look at some of the recent purchases we made that were less than 50% of ARV -

Homeowner Was Asking:	We Bought it For:
\$100,000	\$15,000
\$295,000	\$127,000
\$49,900	\$15,000
\$90,000	\$34,500
\$59,000	\$18,000

I’m not getting into the REOs purchases because some realtors seem to have a problem believing REOs sell below listing price. The question is “How many price reductions” does it take to get to the final listing price that sold the REO? We have a number of REO brokers who occasionally call and plead with us to run their REOs on our mailing list because they haven’t sold and they are fearful they will lose their listings. Actually, it’s sort of sweet revenge, but we are good guys so we help them anyway.

At a recent club meeting I showed 10 real examples of REOs we, or our mentoring students, purchased at 10% to 20% of their original asking price. An

REO broker in the audience got really bent out of shape and said to a colleague "I have never seen price reductions like that – I don't believe it!"

The ironic part of this conversation was that the broker who had brought this REO broker to our meeting had done the research on the price histories of these properties! So the authority that gave me the sales history from the MLS® could have said "I gave him the Sales History" and burst his balloon, but that didn't happen.

So yet another broker continues to perpetuate the idea that they have multiple offers and they will only take your highest and best. I forgot that all these offers came in the last few hours since the agent told you what price to offer – just before you got excited about finally buying your first REO. What is truly amazing is when you counter \$500 higher than your previous ridiculous offer and you get it – what happened to the multiple offers. Did these guys hear you were countering and run for the hills, or maybe was it that they didn't really exist at all?

Enough about the state of the REO market, I'm moving on to how to make serious money. Let's talk about where the big dollars are that are not affected by real estate agents. Homeowners who are motivated sellers are the key to every long-term real estate investor's career. You can wholesale, rehab, or just buy and rent, but the big money in investing comes from presentations to homeowners.

Determining whether the seller/homeowner is motivated is the step that 98% of newbie investors overlook. After all, they finally have someone to talk to and the homeowner says he is motivated – he may have even said that in his Craig's List listing or newspaper ad – so you know he must be ready to sell, right?. No. You don't know until he is willing to answer one simple question, and answer it honestly.

So here is your money making question that will make you money for the rest of your career - "Why are you selling?" In 34 years of investing and thousands of offers, only once (that's ONE time) has a homeowner said "It's none of your business". Actually he was right, but I also didn't make him an offer because he wasn't motivated. I did buy the property about a year later at the foreclosure auction – ironic isn't it!

So I have given you the key to the treasury and it's pretty simple, right? But do you ask it every time? Do you get an answer every time? When I ask newbies and some pros "Why is the homeowner selling?" 95% of the time, I get "I didn't ask, does it matter?" Yes, it matters because you may be wasting your time making offers if the seller isn't ready to make a deal or you may realize that your idea of the offer was too high.

If you haven't gotten the enormity of this qualifying technique, remember me when you ask it next time.

To your limitless success,  
Dave Dinkel

## **This section is for licensed realtors ONLY –**

This may surprise you but I love realtors and have paid 25% commissions/fees on many occasions. Yes, 25%! I think you know I'm not crazy so I must have had a serious motive correct? Correct. The motive was making money on a deal, pure and simple and these realtors made what they were worth, not the measly 6% commissions they usually scrape and grub for.

In honor of these hardy souls who have to make a living doing what I couldn't – handholding squirrely customers and driving them a billion miles a year, I put together a special course on how each and every realtor can make commissions/fees in excess of 12% (really much more as you will see) at [www.12PercentPlus.com](http://www.12PercentPlus.com).

I guess the other reason I made this course material is because I was banned from speaking before a local realtor meeting because the broker's recruiter decided I would "convert" too many of his agents to investors. He is correct because realtors deserve more money than they are making in commission splits for what they have to endure with regulations and clients.

So, if you are a realtor and have an interest in legally making dramatically more money doing many of the same transactions you are already doing, go take a look at [www.12PercentPlus.com](http://www.12PercentPlus.com)

P.S. Just so you know, many of your fellow realtors are already using these techniques to do deals with us. **If you have friends that are realtors forward this email so they can make their own mind up about what they want from life.**