

Weekly Insight - Two Dozen Reasons Why Being a Realtor® Sucks!

I guess I get tired of hearing complaints about a few realtors® never answering their phone or emails or returning calls, never emptying their voice mail boxes, making sarcastic comments to investors, not showing investors' offers to asset managers and bragging about this in their emails, trying to justify why even though the investor's offer was higher than the price the property sold for by using explanations from a Ouija Board and generally doing their very best not to do business.

No sour grapes here – it wouldn't matter. Life sucks at times but the successful people keep moving forward in any adversity and prosper for it. What is most interesting to me are the feelings that I hear on a daily basis about what being a realtor® is all about. Remember, I have always been the one saying realtors® are underpaid and way-over worked. Following are some unsolicited "testimonials" from active and non-active realtors® about what they think of being a realtor®.

Ironically, all I hear from realtors® is that their business sucks. This isn't the REO brokers and agents who have their deals handed to them after jumping through hoops for months to get the listings, only to have them taken away when they can't sell them at the ridiculous prices the asset managers want – based on the BPOs the agents gave them. Some BPO agents are real pros and some are real jerks – so I hear from the investing community.

Typical complaints are:

1. ***"I drive self-centered clients all over the country and they can't make their mind up."*** Investors (wholesalers) send buyers to their properties and have the buyers use a lock box – no pressure sales here.
2. ***"The few buyers who really want a property can't get financing."*** Wholesalers only do cash or hard money transactions – no conventional financing issues.
3. ***"I can't be assured that the deal will close because of changes in the lender's requirements."*** We close every deal with cash and the investor-buyers do not need money or credit to buy the properties in many cases and they have no risk if they structure the deal properly– they can even make money if their end-buyer doesn't close!
4. ***"Buyers won't listen and they finance furniture just before the closing and their new ratio won't allow them to close."*** Did I say "Cash is king?" – finance what you want anytime you want just bring the cash to closing is what happens in wholesaling.
5. ***"I work very hard, have tons of expenses and clients don't want to pay me a commission."*** Wholesalers don't make commissions and we tell sellers that when they say they will list the property – often they will net more with us than paying a commission and waiting months on end to sell when we can close in days. Motivated sellers are not concerned with price, they are concerned with your solving their "problem" and they would rather sell to an investor at a lower price than they could list it with a realtor® and pay a commission. Homeowners sometimes have bitter comments about realtors® based on their past personal experiences.
6. ***"Clients are in no way loyal, they will see a FSBO sign when you are driving them around and go back to look at that property without me and buy it without feeling they owe me anything for my time."*** That FSBO sign is likely a homeowner or investor who is wholesaling or retailing a rehabbed property and doesn't want to pay a commission for a service he doesn't believe he needs.
7. ***"Clients under a listing contract will tell buyers to come back in a week (month) when my contract expires."*** Once under contract with an investor, the seller has to come to closing or risk a "Breach of Contract" lawsuit – not for a simple listing fee as with realtors®.
8. ***"Clients want me to do an open house every weekend – even when I tell them it doesn't work and they see it for themselves."*** Open houses seldom work and realtors® has statistics to prove this – they have statistics to prove anything. Marketing the sale properly as something other than an "open house" can bring in sometimes a

hundred+ buyers. I am talking about today's market where an open house might yield 2 - 3 Looky Lous.

9. ***"Clients blame me for over-pricing their property – even when they picked the price for who knows what reason."*** In wholesaling, we are the buyers so we determine the price to the seller. The transaction is over in minutes for the contract and days for the sale – that's what a motivated seller wants. The other sellers want full market value and don't care how long it takes to get it. We had one guy last week that wanted "\$275,000 and not a dime less" in a neighborhood where the highest sale in the last year was \$62,500 – good luck!
10. ***"Because a friend told the client he should get 'x' dollars, he wants '2x' dollars because his house is nicer, but it is only worth '1/2 x' because of where it is located."*** I sold a beautiful Spanish-style home for \$85,000 that would have been worth \$300,000 if it could have been moved 1 mile away into a nicer neighborhood. No lots available in that neighborhood or I would have tried to move it!
11. ***"If I don't tell the client what he wants to hear he will list it with another agent who promises him that he, and he alone, can sell the property for well over market value to his 'pocket buyers'."*** Wholesalers are BUYERS – not listers. Seller want results not promises and if they have any common sense, don't want their property sold to a buddy of the realtor® as a pocket listing when the market could have brought more money. Asset managers for REOs are plain STUPID about relationships some agents have with their "inside" crew of wholesale buyers – enough said.
12. ***"The most successful agents only sell listings and seldom bother even showing the properties – allowing other agents to drag clients to their listings while these hard-working agents are only getting paid ½ commission which is also split with a broker."*** Sour grapes - get a life and start selling listings – if you have no conscience. Otherwise, you can get these same deals when the listings expire as investor deals and make more money than two or three full commissions.
13. ***"Seller won't close unless I reduce my commission to offset 'unexpected' closing costs that he would have had even if he sold it himself."*** Happens to wholesalers too but the solution is to say "No" – try it but don't lose the deal by being stubborn. .
14. ***"I have to pay for continuing education (most agents say it is a joke at best), a 'desk' charge, my access to the MLS® and any advertising I have to do – most of which doesn't get me any deals."*** Wholesalers have no continuing education but spend on average 20 to 50 times what a realtor® does on his education. Sometimes it is productive; often it is only a deductible expense if the investor doesn't use what he paid for! I have thirteen degrees and professional designations all of which are meaningless if I didn't do anything but collect degrees as some realtors® seem to do to impress clients.
15. ***"Last year I did seven closed sales and my brokers made more than I did. I earned \$25,000 for the year which I could have made at a menial job."*** Sounds like it was a menial job... This agent is very sharp and I interviewed him for the mentoring program. He worked very hard to do these deals, just got paid too little for so much effort. Seven wholesale deals could have been \$100,000 to him if he were wholesaling.
16. ***"Only 2% of agents do 90% of all transactions, but I don't understand why I can't make it."*** Life sucks, but actually 2% of all professions probably make 90% of all the money made. When you get why this happens, you will be on your way to financial freedom. These superstars aren't that much different than you are – except in how they think about themselves and how they take action to achieve their goals.
17. ***"Home values have dropped 50% so my commissions are ½ as much for twice the work."*** Wholesale and rehab spreads haven't dropped all that much.
18. ***"Investors all around me are making tons of money on the same properties I am selling and making peanuts on."*** Correct, why not you? Maybe I asked this question once too many times to realtor® conventions since I got banned by one of the large national franchise chains from speaking before their meetings – seems the head recruiter said I was a "negative" influence on his recruiting.. OK, I admit I did it! Try and help people and this is what happens...

19. ***“Investors all around me are making tons of money on the same properties I am selling and making peanuts on and they don’t have to be licensed.”*** Once again - Correct, why not you? P.S. It is legal.
20. ***“I have to disclose I am a realtor® to a prospective client. As an investor this makes the seller think I know something he doesn’t – after all I am a licensed professional.”*** It is all in the mind of the beholder and the way you present yourself to the seller. I never suggest you not tell the seller unless you don’t care about keeping your license. There I go recruiting realtors again – shame on me.
21. ***“I have to do rentals to make a living which is the armpit of being a realtor®.”*** We all have to make choices in life, how uncomfortable is it if you aren’t willing to change? Don’t complain if you are staying in the rut by choice. Just remember, wholesaling requires little or no money, no credit and you have no market risk if you do the deals properly. What was that excuse for doing rentals again?

And then I hear some of the uglier side of what agents have to say -

22. ***“There is no integrity in the business – the word scum and bag are often bantered around together.”*** Yeah, this type of persona exists in every profession in society, not just realtors®...
23. ***“Agents preying on expiring listings degrade the agent who is up for renewal – very unprofessional.”*** If you are an investor or agent trying to buy the property or get the expiring listing, a few simple words like ***“How did Joe do for you?”*** is enough to invoke all kinds of negative comments from sellers. What you do from there separates you from the non-pros.
24. ***“But I don’t know anything about investing and my broker says it is all illegal.”*** Sour grapes – he likely got stuck with deals he couldn’t sell because he believed his own rhetoric about how high the market was going. If he is knowledgeable in any way about real estate, he knows what investors do can be legal or illegal – just as what realtors® do can be legal or illegal. Think about it – he has invested tons of money (?) and time (?) in your career and he needs you to do the grunt work in return for him paying you the 90% commission, so he may be biased.... He is paying you 90% commission isn’t he?

The realtors® who know me will tell you I am their best friend and I understand their dilemma. For the ones who I do battle with sometimes on a daily basis, I am..... well, I won’t even say it. I have never been licensed as a realtor® despite one of the state’s largest Brokerages offering to train me in-house to get licensed. I never had an interest in selling real estate for a commission rate that is one of the lowest in the free world and that is despised by the seller whatever the amount.

Real estate investing solves problems for people, we are BUYERS of properties. We do not list and hope to sell, we take open market risks if we buy and close on properties and are appropriately rewarded for our effort. One state Senator once told me that “Real estate investors are the locomotive that drives the economy”. I hope he remembers that when he is voting for legislation that hurtfully impacts our industry for the sake of a few clients who believe otherwise. Take away the investor cash sales each month and you would have ½ of the current volume – what would that mean for realtors®?

I love realtors® XOXOXOX.

To your limitless success,

Dave Dinkel

P.S. If you are incensed about this article, why did you wait to get this far? Do you have nothing better to do than read this? Everyone is entitled to his/her opinion and so are you. I do not publish opposing views because I don’t agree with them – so save your taking the time to write

me nasty notes and go get another listing instead – be productive. Life sucks and then some people are just lucky – that sucks too!