

I am Mad as Heck and I am NOT Going to Take IT!

I am driven to find out why certain students aren't doing deals while others excel to unimaginable levels and all in the same amount of time. I tend to stay in the office to work first-hand as an accountability person to the students so I seldom take the time to go into the field to actually look at what a student is doing. I go to inspect properties and do closings so I am not a hermit, but generally I try to work remotely if possible. That is going to change in terms of looking at a student's daily work schedule.

Today I went out to see a student who has been in the system for months and months and closed no deals, had few counter offers and only a few contacts with us to ask questions. Frankly, I thought he was doing real estate investing part-time. I was wrong, he is a fulltime wannabe who rented an office and spends 8 – 10 hours a day trying to do deals. Hearing this for the first time, I said I would come to his office and see what he was doing that was not working.

I sat down with him and said, "Show me what you do from the time you walk in each day." He waved his hand at the computer and opened his email and started scanning for property listings that agents had sent him from the MLS®. He quickly found one that was actually a price reduction but usually he gets the new REO listings.

With this property to evaluate he started to try and determine a "Market Value" so he could decide what offer to make. After listening to him go on and on about "what if – too high or too low, etc." my stomach began to churn. I said to him to watch what I did and I showed him how to "accurately" determine an offering price in 10 seconds. Yes, ten seconds! How accurate was the offer, actually perfect and we did another example that he got a contract approval for and my offer was \$2,000 below his, but his was \$3,000 too high.

I spend a lot of time teaching students how to make offers that are "perfect" for the seller whether it is for a homeowner or an REO asset manager. There are two possibilities, either the offer is too low or it is too high – there is no actual value that is the correct value no matter how much evaluation you do. I know this butts heads with traditional thinking, but our results are much better and far less time consuming.

If the offer is accepted immediately, it was too high. If it is rejected as too low, I am elated, yes elated! Why because I now know what price the seller won't take and I can work up or pass on the deal. I explained to the student that he was trying to not fail and that he had to fail to win. Don't believe this? If you believe it, start looking for another career. Failure in this business is SUCCESS.

This student is in his infancy in terms of getting deals and doesn't understand that even when an offer is accepted, that doesn't mean you will pay that price at closing. The best investors have the guts to keep negotiating up to and at the closing table. Ask a Realtor® about this and he will say it can't be done – that's because he doesn't want you to do it. He simply wants you to close so he can go on to the next commission. We do it as a normal course of business – every day!

His contract writing ability was almost non-existent. He allowed the listing agent to use his contract and his terms for the offer. However, the agents would often send a blank contract that the student had to fill in by hand. Some contracts he showed me haven't been used by professional agents since 2004 – yet these agent are still using them because they greatly favor the agent.

I guess the next big revelation was that his follow-up was zero. After having said that the money in real estate investing, the really BIG money, is in the follow-up, he wasn't doing any at all. He also focused on REO properties only. In our market we are at the lowest number of listed REOs in possibly 7 years! He hadn't tried to find his own deals and was relying on agents to send him listed properties.

Some of you have heard me say this but I'll say it for the 600<sup>th</sup> time, "If the property is listed on the MLS® from more than five days, it isn't a deal except for someone who wants to overpay for it." If you don't believe this, keep trying to buy over-priced properties off the MLS® and let me know how that works for you over the long run. This method is not a career maker, it is a career killer.

He had trouble with understanding how to use an LOC for getting offers accepted and generally just was doing nearly everything wrong. I am shocked and awed that he ever got a counter offer – must have been the agent had nothing else to do that day.

As I asked where he got the guidelines he was using, he told me what agents had been telling him. Some of this propaganda was –

"You can't do that..."

"You have to do it my way or the highway..."

"It's illegal to do that..." and on and on until I said "STOP!" It is not his fault and I will make sure he gets what info he needs to start doing deals. He is already doing the work so he is very close to making it happen!

I couldn't have planned it any better if I had tried – at BREIA's Wednesday night meeting I will be giving two Educational Hours. The first will cover how to cope with Realtor® resistance to your making offers and how to control them! The second

Educational Hour will deal legally overcoming “Pesky” deed restrictions. This is likely the most anticipated one-hour event ever. I expect a dozen attorneys will be attending to learn how to start their own specialized closing. **I hope everyone reading this will attend; it will be a blockbuster meeting!**

As I was writing this special Insight, I got a call from another student who has completed one deal to date and come very close to a few others. I had talked to him about the \$100,000/Month Club and he promised he would make it. We discussed the options and one really intrigued him. I explained what was needed and he went off to get the info. He was immediately stonewalled by the authorities in county government. We talked again and I said go back until they get a restraining order for you.

He was calling me to say that it was done and what did I think. What I thought was he could be the next **\$100,000/Month** in 3 – 4 months. He took the initiative to keep going until he solved the problem that has stumped thousands of investors before him.

He took the initiative when he was being told by “authority” figures that it couldn’t be done, instead of listening to agents who want you to believe it can’t be done. Where would you rather be in this equation – listening to negative input or just doing what needs to be done to change your life forever?

To your limitless success,

Dave Dinkel

**Hope to see you at BREIA tomorrow (Wednesday, February 1 at 5:45pm) or even better at the “No More Excuses” Seminar on Saturday, February 11 and Sunday, February 12<sup>th</sup>.**

For more info on the Seminar go to <http://www.breia.com/NoMoreExcuses.html>

The Second Day of this event is when I will cover how a few students have reached the pinnacle of this industry, a **\$100,000/Month** income.