

Special Report

The 7 biggest problems with Real Estate Investors and Agents

A Path of self-discovery exploding the myths while building massive wealth and income

I learned early on in my real estate investing career that virtually all real estate agents were only educated for and interested in helping you and I buy and sell our own homes. They really didn't know or understand the investing side of real estate. As a result, within my first year of investing I decided to get my own real estate license to make my investing life a little easier. Consequently, I learned some valuable lessons about the rules of engagement for real estate investors and agents! More about that later, but first I want to share with you the biggest problems I saw and myths that I busted. For example:

Investors think they are saving money by not using and even avoiding real estate agents as much as possible.

This is such a limiting belief and is easily busted. When we step back and look at our investing activities and they are focused solely on FSBO's (For Sale By Owner), owner financing, expired listings (they didn't sell using a real estate agent), people going through pre-foreclosure, divorce, bankruptcy, etc., we don't use one of the greatest information tools available—the MLS (Multi Listing Service). It's available through real estate agents, and we are missing the majority of the investing opportunities that are out there. So, on the acquisition side of the business, we are leaving a tremendous number of potential opportunities untapped. Furthermore, any commission due is customarily paid by the seller.

On the selling side of an investment, by not using a real estate agent, who provides the MLS, we are not marketing to the majority of consumers who are using real estate agents to find properties for them to buy. The truth of the matter is that when you sell your investment property through a real estate agent, that agent is actually marketing to the thousands of other agents who are then providing the information to their buying clients. So instead of you trying to do it all yourself and maybe tapping into 1% of the potential buying marketplace, you can now have not one but potentially thousands of real estate agents working to sell your property! Furthermore, who do you think would be inclined to pay more for your property? People looking to buy For Sale By Owner homes or people who use a real estate agent? Statistics conclusively show that on

average, properties sell for closer to list price and in less time using a real estate agent than without. In fact, it's not even close!

Real estate agents believe that real estate investors are cheap.

While there are many investment transactions that are small in price, there is no law that says an agent has to take a relatively small commission. Actually, a good agent, an agent who really knows the investing rules of engagement and how to work with investors, is worth their weight in gold and, as such, should ask for and receive a minimum commission. The wise investor agent asks for and receives minimum commissions based on an assumed 3% of the medium sales price for the area. I did this when representing other investors. But, this pales in comparison to the true value of building long term relationships with investors.

The real beauty of this investor agent relationship is that many investors, including mine, evolve and grow their portfolios to include bigger and better properties with bigger and better list prices and therefore bigger and better commissions for you. **When you read my investor agent**, you can see that I have made some pretty substantial commissions, in the tens-of-thousands, on a lot of these transactions.

Investors think they don't need agents because now everything is online through systems like Zillow, Trulia, Realtor.com, etc.

First of all, these systems (Zillow, Trulia, Realtor.com, etc.) are all leech systems. In other words, they get the bulk of their data from the one true source, the MLS! What's even worse is that their data isn't complete, and they don't have adequate systems in place to keep the data current. For example, have you ever seen Zillow attempt to display a multi-unit property correctly? They can't get it right because their systems are designed to focus on single family homes! And, when a property gets sold it looks like it still active for sometimes months! Ridiculous.

What's most important, though, is that when you use an agent and data from the MLS, you make available to yourself an abundance of tools and information that just can't be gotten anywhere else and can broaden your investing activities and achievements. One of the best developments recently is that a lot of MLS systems are now integrated with the local tax records. How do you like them apples?!

Agents think investors only buy run-down pieces of junk.

Actually, good investors, the kind you will work with, look for the best property at the best price and needing the least amount of work relative to perceived value after repairs are made. In other words, while there are investors who focus on war zone properties because they think that's all they can afford, the better investors focus on moderate

income areas for rentals, particularly multi units, and middle class homes. In some areas, they focus on upper-middle class and even luxury neighborhoods for flips.

I personally have made a ton of money working with flippers because I earn a commission when they first buy the property. Then, I earn a commission when they sell it for profit. And, I can even earn a third commission if I bring the buyer! How about that—one client, one property, three commissions!

Investors believe they can do much better investing without agents.

The bottom line is this: you can make good money investing in real estate. You can make incredible money with a team of rock-stars working on your behalf. You spend time to build relationships for financing, title work, insurance, remodeling, inspectors and appraisers. Add one more, a real estate agent, more specifically an investor agent, and watch your wealth and income go from linear growth to growing exponentially!

Agents think investors are crooked and/or are breaking all the rules.

This is simply a case of lack of education and information. As agents, we are trained by our brokers and other providers to focus virtually all our energy on owner occupants, who 99.9% of the time use traditional contracts, negotiating strategies and deal structuring. As a result, they are never exposed to the whole wide world of techniques and strategies available in real estate. While real estate is the only body of contract law that is required to be in writing in order to be supported in the court of law, there can be an infinite number of variations in how sales agreements and negotiations are structured. Plain language laws do come into play now, so I have a solution for investors and agents.

Use the pre-approved real estate agreements that are provided by your state's board. Then, add addendums to present the language that you require to make your deal work for you. Addendums override the agreement they are amending. I do this and it works every time. Agents, remember that when an investor wants something out of the ordinary, it isn't crooked, it's creative!

In conclusion, it's not an "OR" world, it's an "AND" world. Instead of operating in a world that is mutually exclusive, the worlds of investors and agents intersect in a way that can and should be immensely profitable for both. Investors should get their real estate license and serve other investors thereby opening up a very relevant and easy to implement line of business that compliments and leverages their already existing investing activities. Agents should further leverage the use of their real estate license to serve investors thereby leveraging what they are already doing, and as a result, they will learn how to invest themselves the right way and really expand and grow their wealth and income!

About the Author:

Gary Wilson is widely considered the leading authority on teaching Real Estate Investors and Agents alike how to leverage what they're already doing and create massive new wealth and income.

Gary has been investing in Real Estate for nearly 30 years building a rental portfolio worth millions of dollars, flipping other properties and even wholesaling. He has been a licensed Real Estate agent for more than a dozen years and Broker for more than half of that time, creating the fastest growing Real Estate brokerage company in Pennsylvania during the Great Recession, while others were shrinking by 50%. Gary also went on to create an Appraisal business, a Title Closing business and a Property Management business that grew from 40 units to nearly 500 in less than 3 years with virtually no marketing costs.

Gary has grown into a sought after speaker, writer, teach and coach to investors and agents across the world. Fortunes have been made by those who follow Gary and implement his systems of creating massive wealth and income by using their Real License as an income producing asset to serve the Real estate investment community

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Special Report

7 Reasons Real Estate Investors Should Get Their Real Estate License

By Gary Wilson

Getting my real estate license was probably the greatest single improvement I made in my real estate investing business. It not only made investing easier for me, it opened up doors for creating massive wealth and income that produced profits far exceeding what I was making on my investments alone. There are seven basic benefits that I gained by getting my real estate license. They are:

Direct access to information and properties.

It gives you direct access to real estate information related to the properties themselves. Zillow, Trulia, Realto.com, etc. are all leech systems. In other words, they get the bulk of their data from the one true source, the MLS! What's even worse is that their data isn't complete and they don't have adequate systems in place to keep the data current. For example, have you ever seen Zillow attempt to display a multi-unit property correctly? They can't get it right because their systems are designed to focus on single family homes! And, when a property gets sold it looks like it's still active for sometimes months! What's most important is that when you are an agent data from the MLS is available to you in abundance and much of it just can't be gotten anywhere else. This can broaden your investing activities and achievements. One of the best developments recently is that a lot of MLS systems are now integrated with the local tax records.

You also get a key pad that allows you to have direct access to properties that are for sale. You can make arrangements to see properties yourself without being dependent on another agent to gain access.

Access to a new world of tools.

Getting your real estate license makes it possible for you to participate in further education that you wouldn't get otherwise and providing you with even more tools of the trade like hundreds of contracts, disclosures, notices, addendums, spreadsheets,

calculators, checklists, marketing tools and techniques you can use to attract more sellers and buyers of your investment properties.

Grow your network

Getting your real estate license opens up a whole new world to you allowing you to develop a prosperous, vibrant and robust network of colleagues on a global scale. Every one of your new contacts could be a new source of properties, funding for your investments, sellers and buyers not just in your home town but literally anywhere!

Make and keep your own commissions.

Even if all you did was get your license for yourself, you can now earn and keep your own commissions; you could use those commissions to buy more properties. You could use those commissions to offset the sales price or expenses related to the purchase or sale of properties. It not only gives you a source of income it gives you another tool in your arsenal of negotiating strategies!

Quickly develop an additional six figure system that provides wealth and income in any economy anywhere.

The world of possibilities is almost limitless here! It all starts with you using your license to serve your fellow investors. For example:

Use your license to work with Flippers. You earn a commission when they buy the property. You earn a commission when they sell the property. And, you may even earn a commission if you find the buyer for their property. This essentially could give you three commissions from one client and one property! Let's say they bought the house for \$100,000. Then after they remodeled they sold it for \$200,000. Assuming 3% commission per side (listing side and selling side), you would earn \$3,000.00 ($\$100,000 \times 3\%$) on the first transaction as the selling agent, \$6,000 on the second transaction as the listing agent ($\$200,000 \times 3\%$) and possibly \$6,000 again on the second transaction if you are also the selling agent who brought the buyer. That's a possible \$15,000 in your pocket from one investor and one property. This is a very average deal. Can you use an extra \$15,000 right now?

Use your license to work with rental investors. Rental investors, like me, typically grow from buying small rentals to buying larger and larger buildings costing more and more money and, therefore, earning you larger and larger commissions! And, there's more.

When you work with rental investors, at some point they will require property management, and you're just the person to provide it! Assume they had ten units with an average rent of \$1,000 and you charged 10%. You could earn \$1,000 residual income per month for coordinating rent collection and maintenance calls—maybe 5-10 hours per

month. You could also earn a leasing fee equal to one month's rent every time you fill a vacancy. Assume that is one per month (turnover rates are actually higher). Now you're up to \$2,000 per month. That's only 10 units. Imagine if you had 100 units. Get the picture?

Working with wholesalers can also produce substantial income. There are some basic rules to follow if you are an agent who wholesales or who serves investors who do. I dive into that in little more detail in my book "Path to Profit, Investors vs. Agents." For now, suffice it to say that you can profit handsomely by doing this the right way where everybody wins.

You get far more referrals from investors to other investors and owner-occupants than you ever will form owner-occupants alone. Think about it. When an owner-occupant signs the settlement sheet, they only want to get the key to their new house, unload the truck and jump in the pool. You are now in their past. Now, imagine your investor after closing. Later that day that investor will be hanging around with his neighbors, co-workers and/or family members and proudly showcasing his latest exploit. They invariably will ask him how he is doing all of this and he will invariably say "Oh, I have this awesome investor-agent who knows how to help me get the best deals." Can you see now why I always got so many referrals from my investors—without me even asking?

As a result of working with investors, you will by default get their owner occupant business and that of their tenants who are looking to buy their own homes. If you don't want to be a traditional agent (and I didn't either), you can refer these deals to traditional agents and earn a 25% referral fee for doing so!

Before long, you will find yourself needing to build a team around yourself in order to keep growing and profiting. This will be expanded upon in the next two sections.

If all you did is what I just described in #5 above, you would be able to live life in the lap of luxury. But it doesn't end there. That is only the beginning. This is where things really get interesting.

Quickly build and grow your own brokerage business to a 7 figure income stream.

Assuming you have made the wise decision to implement what I did and is described above, you may now be ready to go from linear growth to exponential growth. It may now be time to create your own brokerage business. The details of this endeavor are well beyond the scope of this article. However, just imagine if you had five, ten or how about 50 agents doing what I described above, and you as the owner of this new brokerage company got a piece of every pie that came through your agents respective doors. I grew my brokerage company from eight agents at launch to 50 agents in less than three years. This all occurred during the great recession when all other brokerage companies were shrinking. My brokerage company, Win Realty Advisors, was the fastest growing

brokerage company in Western Pennsylvania during this time. I focused on investors while all others, who were focusing on owner-occupants, were going out of business. I actually grew a pretty profitable owner-occupant business as a result.

Follow the clear path to creating a property management business.

What will soon follow is the next logical step in your growing empire. Start your own property management business. Your investors will want it, and you can provide it. Start small and develop the skills and systems necessary to create and grow this rock solid profit producer. I started with my own units. When I had systems and people in place, I added about 40 of my clients' units. When I mastered the business of managing other people's properties at the level, I started to take referrals. In less than three years I grew to almost 700 units. I spent almost no money on advertising. It was virtually all done by word of mouth. This is a very stable business because your income comes off of the top of your clients' income. You can earn income from charging the vendors who you hire to serve your clients a fee. You get to keep late fees. You get to keep application fees. I haven't even described what happens when you start marketing. Suffice it to say that you can grow quite rapidly when you grow properly.

In conclusion, it's not an "OR" world, it's an "AND" world. Investors should get their real estate license and serve other investors, thereby, opening up a very relevant and easy to implement line of business that compliments and leverages their already existing investing activities. I was able to leverage my license as an income producing asset just like a rental property and run it like a business because I saw opportunity and I seized it. I walked the talk. I produced results because I am an investor, and I leverage not just my investing activities, but my knowledge and experience to serve other investors, and I have been amply rewarded for this. So can you.

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