



# WEST FLORIDA REIA NEWS

April 14, 2015  
Volume 2 Issue 4

West Florida REIA, Inc., PO Box 510762, Punta Gorda, FL 33952  
www.WestFloridaREIA.com Info@WestFloridaREIA.com

## Start with Massive Action

By Barbara Grasse

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Developing and maintaining momentum in any business is a key component of success. Many entrepreneurs start on a shoestring budget which is exactly why so many small businesses fail within the first few years. Real estate investing is no different from any other business in that regard, yet thanks to late night TV gurus, people enter this industry with unrealistic expectations and empty pockets. Quite frankly, without money to market and even a few dollars to put into deals, it's going to take you 3-5 times as long to get to profit mode, if you reach it at all.

So, if your budget is tight, what can you do to increase your odds of success?

You've got to take massive action right up front, moving quickly so you can get your first few deals under your belt and start bringing money in.

**Massive Action Step 1: Look at 50 houses minimum in your first 30 days.**

Please see *Massive Action* on page 2

## On Flooring

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*"Different price ranges mean different flooring options. Do you know what your buyers expect?"*

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One of the reasons I recommend physically viewing 50 or more properties when you are learning a market is so you can familiarize yourself with what grade materials are being used in the various price ranges of properties in your area. Knowing what's on offer will help you gain an understanding of your end users' expectations.

Flooring, for example. I viewed a very nicely rehabbed home on the market for \$215k. The owner had opted for a "wood-look" vinyl floor in the dining room-kitchen area. At first glance, it looked like wood or at least laminate. Once you walked on it you knew it was vinyl. It's a disappointing realization which creates a negative feeling in the buyer. Another house I viewed in a lower price range

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The first step is to learn your marketplace - the demographics, neighborhoods, school systems, amenities, etc. The late, great Jack Miller taught that you need to look at 100 properties before you ever make an offer. Looking at that many properties is much like exercising a muscle. After the 50<sup>th</sup> house or so, you develop a feeling for a property before you ever go inside. You acquire a sense of what works and what doesn't with a house.

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*Set aside ALL the money you will need for a marketing campaign before you start.*

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### **Massive Action #2: Market BIG**

Once you understand your marketplace, you need to crank up your marketing. Marketing takes money. You can use little to no cost guerilla marketing methods, but you won't get massive results without massive action. The catch to marketing is that it generally takes 4-7 exposures before people take action on something they've seen. You could mail the same people once a week for two months or you could hit them using a combination of media to up your exposure level.

Start with a targeted list of homeowners. Non-owner occupieds, out of state owners, eviction lists, probate - all of these are good target markets. Do a postcard mailing first. It's less expensive and time consuming than a letter and it will clean dead addresses out of your list.

It is best to have the money for a full campaign set aside so you can be consistent with your marketing. Mail to a minimum of 100 people per week and 200 - 500 is better.

A cheaper alternative to mailings is to print up door hangers and hire someone (scouts or a church group) to put them out in an area. You can hit 1,000 homes for under \$200. Again, check with your city or county for any ordinances that would prohibit this. If you're using bandit signs, put out 50, not five. Check sign ordinances in your community and expect to lose some signs to code enforcement, locals and, yes, other investors.

*Make so many offers that the process becomes routine.*

### **Massive Action #3: Make Multiple Offers**

In your second month, you want to write offers on just about everything. Not sure of the value? Lowball it and see what happens. Write at least one offer per day; two would be twice as good. Shoot for a minimum of 25 offers a month. This will get you over your fear of making offers, teach you how to write them so that making an offer is no longer "a big thing" and start the conversation with home sellers. The more home sellers you talk to, the sooner you will make your deal.

### **Massive Action #4: Network Continually**

From Day 1, you want to be building your network. Get to know rehabbers, wholesalers, Realtors, mortgage brokers, title agents, insurance agents, home inspectors - everyone in your area who has anything to do with real estate. When you've contracted a good deal, you need an end user of some sort, whether it's a rehabber or retail buyer. Knowing people who will take your deal gives you the confidence to make the deal.

*Flooring* from page 1

(around \$160k) went with a dark laminate. It looked nice but this is Florida. Think light and bright. Both of these owners would have been better off using tile, set on the diagonal. A third house, on the water, listed at over \$500,000, had marble floors which sounded quite luxurious in the Realtor's blurb. In reality... not so much. Over 1,500 square feet of black, 8 x8 marble tile that was probably put down in the 80s. Yes, the floor was in immaculate condition, but all that black tile was depressing.

Original terrazzo floors made a bit of a comeback during the boom, partially because Florida has so many cheaply built houses from the 50s and 60s. Fifty years later, there are few terrazzo floors left in mint condition. Flooring specialists can fill in the nail holes made by wall-to-wall carpeting tack strips. But over the years, most terrazzo floors have cracks due to settlement issues, large holes where something heavy has been dropped, or have actually stained. Unless you're doing a vintage house, terrazzo just says "dated." Put in new flooring.

Many people prefer carpeting in the bedrooms. Pay extra for the upgraded pad. It helps the carpet last longer and just feels better under foot. Unless you're doing an extremely low-end house, don't go with industrial grade carpet. Even *IF* you're doing a low-end house, don't use it. It's a total turnoff.

Real hardwood flooring is worth the money spent in houses over \$200,000. Again, stay away from darker woods in Florida. If the existing hardwood floors need refinishing, hire a professional. There's an art to sanding hardwood floors which many do-it-yourselfers don't discover until it's too late.

Flooring doesn't just cover a multitude of sins. It covers a large portion of the house. It creates continuity, establishes the personality of the house and has the practical value of insulating. Understand what type of flooring is expected in your price range and give your buyers what they want.



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*"Flooring doesn't just cover a multitude of sins."*

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## Upcoming Speakers

We're working to bring in speakers on topics you'd like to know about. Coming up in the next few months:

Seller Financing -- Larry Harbolt

Investing In Probate -- Sharon Vornholt

What real estate and business topics would you like to hear about? Let us know and we'll do our best to contact and bring in knowledgeable speakers.

Send us an email: [info@WestFloridaREIA.com](mailto:info@WestFloridaREIA.com) and tell us what you want to learn.

## Our Next Meeting:

TUESDAY, MAY 12<sup>th</sup>, 2015

SELLER FINANCING

Meeting Place and Time:

Sarasota Association of Realtors  
2320 Cattlemen Road  
Sarasota, FL  
Doors Open: 6:30 pm

*In the Port Charlotte/North Port/  
Englewood area?*

Our Port Charlotte Sub-Group meets every Thursday night at 6:30. Bring your deals, your questions, your experience. Pick up a new trick and talk shop with fellow investors.

Sub-Group Leader: Carol Pollard

**Luigi's Restaurant**

3883 Tamiami Trail

Port Charlotte, FL

West Florida REIA Members: FREE

Guests: \$20.00

\$5 per meeting

FREE to West Florida REIA members.

**West Florida REIA, Inc.**

P.O. Box 510762  
Punta Gorda, FL 33952



Phone:  
941-254-1592

E-mail:  
[Info@WestFloridaREIA.com](mailto:Info@WestFloridaREIA.com)

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### VOLUNTEERS NEEDED

We can always use a helping hand!

We're looking for people who can help check in members, assist with coffee set up and break down and putting together our newsletter.

If you'd like to help, please email us at [info@WestFloridaREIA.com](mailto:info@WestFloridaREIA.com)