



WEST FLORIDA REIA NEWS

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Where Are the Deals?

By Barbara Grasse

Inventories have been shrinking in our market and while you know that this has largely been a result of market manipulation by the big banks, it is still the landscape we are working in.

We are also “in season” -that time of year when sellers fill with hope that their property will sell (Finally!) at full retail price. They may be less motivated to accept a creative deal or a low-ball offer.

Does that mean investors are dead in the water for the next few months? Not at all.

All cash and a quick closing is music to sellers’ ears, even if the price is not quite what they wanted. If you don’t have deep pockets, remember that cash can come from a private or hard money lender, or you can bring in a money partner.

Please see *Deals* on page 2

Rehabbing: Adding Value to Properties

In today's market, there’s not a whole lot of appreciation going on. (Oh, how I missed the boom days with 20% or more appreciation each year!) That adage “Buy low and sell high” means we investors need to not only buy a property right but we often need to **add value** to the property. And we do that by rehabbing.

After putting a few major rehab projects under my belt, I cannot say I am a fan of rehabbing. On the other hand, there’s nothing quite like the satisfaction you get when you take the worst property on the street and make it into, if not a showplace, then at least a decent and pretty house for someone to live in.

Sarasota and Charlotte Counties have more than their fair share of winter homes and many of the buyers we see, especially in the winter months,

Please see *Rehabbing* on page 3

INSIDE THIS ISSUE

- 1 Where Are the Deals?
- 1 Rehabbing: Adding Value to Properties
- 2 Making Resolutions Stick
- 3 Recommended Reads
- 4 West Florida REIA Information

When appreciation slows, it's time to start adding value to a property.

Making Resolutions Stick

“Remember, a real decision is measured by the fact that you’ve taken new action. If there’s no action, you haven’t truly decided.” - Tony Robbins

“Stop making resolutions that sound good to other people.”

There’s nothing like the New Year for turning over a new leaf. We’re going to exercise and eat right, finally clean out the boxes in the attic, bring our business to six figures. Resolutions abound in January, most fall off somewhere in February and are swept under the rug by March.

So how do you make your New Year’s resolutions stick?

Play for Real. First of all, stop making resolutions that sound good to other people. Losing 10 pounds is a fine goal if you really think you need to lose 10 pounds. But if you pass the mirror and say, “Yeah, I could lose a few pounds but I’m okay” then you’re not going to lose those pounds. It would be nice, but it’s not a life and death issue.

Please see *Resolutions* on page 4

Deals from page 1

For those going the more creative route, there are still plenty of deals to be found, or more accurately, created.

As investors, we make our money when we buy. That means we need to pick up a property either at a low price or on soft terms or both. We can add value by rehabbing or remodeling, and sometimes with terms going out the other side.

The thing to remember is this: Deals are not found; they are created.

A large part of our job as investors is to create the deals that work. They have to be “win/win” for both sides of the deal otherwise one or both parties won’t go for it and there is no deal. Win/win is not just a feel-good phrase; it’s an integral part of the deal structure.

So where are the deals? They’re in plain sight, disguised as problems. All creative deals are the result of solving a homeowner’s problem. Common problems are foreclosure, bankruptcy, divorce, death. These homeowners are easy to find. You’ve also got tired landlords, people making payments on two houses, job loss or relocation, downsizing empty nesters, upsizing growing families, people who can’t maintain their properties, and so on.

Every one of these people has a problem and a unique situation. Your job as an investor is to find these people and solve their problem. That doesn’t mean you make their problem your problem. But just as one man’s trash is another man’s treasure, one man’s problem is another man’s opportunity.

“Win/Win is not just a feel-good phrase; it’s an integral part of the deal structure.”

Recommended Reads

Some of you may be familiar with Sharon Vornholt (<http://louisvillegalsrealestateblog.com/> and yes I am working on getting her here to speak).

She is an avid reader and planner and these are the books she has recommended to me in recent weeks. They are on my shopping list and if you're looking for help getting organized, they may be helpful to you, too.

1. The Pumpkin Plan by Mike Machalowicz
2. The 12 Week Year by Brian Moran and Michael Lennington
3. The One Thing by Gary Keller and Jay Papasan

I'll add one more book that was recommended to me: The Miracle Morning by Hal Elrod. It may just be the single best way to get a jump on your competition!



Rehabbing from page 1

are looking for move-in ready houses. That gives us two opportunities: retail buyers to sell our rehabbed homes to and first dibs on properties that need fix up.

If you've never done a rehab project before, start small. Just about anyone can do a "fluff and buff" - paint, new carpet and maybe some landscaping for curb appeal. From there you just start adding in skills and/or learn to hire for the job.

A successful rehab investor usually is not the person doing all the work. As an investor, you can make more money finding and negotiating deals than doing the actual fix-up work. But you do need to know what you want done in a property and how it should be done, how to hire and talk to contractors, and what improvements will give you the most bang for the buck.

Rehabbing has a learning curve, but it's a fun, gratifying, and **profitable** business. Once you've got your first rehab property under your belt, it's just a matter of creating a cookie cutter business. Find, fix and flip. And, as the shampoo bottle says, "Rinse. Repeat."

"Investors can make more money finding and negotiating deals than doing the actual fix-up."

Resolutions from page 2

Choose One. Trying to change more than one habit at a time can lead to failure. So if you have several resolutions that you are sincere about, work on one at a time.

Block Out the Time NOW. All of it. Do more than set a deadline. You need to make appointments with yourself, written down, on your calendar, and schedule in the activity. People are usually good about resolutions the first few days and sometimes the first few weeks. But if you don't schedule out the time beyond the first week or month, you will fall off.

Get a *Responsible* Accountability Partner. If you can talk your buddy into going for drinks instead of hitting the gym, he's not a good accountability partner. If you don't have a friend or colleague with will power, then hire one. Commit to somebody outside yourself and your immediate circle of friends.

Celebrate Your Wins. Reward yourself for sticking to your new habits. It's no fun doing the work day in and day out if there are no prizes along the way. Sometimes just patting your own back will get you there.

Our Next Meeting:

TUESDAY, February 10th, 2015

Meeting Place and Time:

Sarasota Association of Realtors
2320 Cattlemen Road
Sarasota, FL

Doors Open: 6:30 pm

West Florida REIA Members: FREE

Guests: \$20.00

*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

Perkins Restaurant

1700 Tamiami Trail

Port Charlotte, FL

\$5 per meeting

FREE to West Florida REIA members.

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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