



WEST FLORIDA REIA NEWS

Nov. 11, 2014
Volume 1 Issue 7

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

Welcome Back Snowbirds!

By Barbara Grasse

Oh, it's snowbird season once again. That time of year when traffic grinds to a halt, you can't get a seat at your favorite restaurant and home-sellers once again grow hopeful that they will offload their property.

We love to gripe about our northern visitors, but they are a vital part of our economy and they help drive our real estate market.

3 Reasons to Love Snowbirds

1. They temporarily drive up the price of properties. This is great if you have a retail home ready to go. Some investors **complain** that the snowbirds drive up the price of houses. If you're in the pretty house business, then yes, it's a pain to contend with. During season, you have more competition for the pretty houses. Owners are less motivated to make a creative deal, thinking (and sometimes rightly so) that a snowbird will scoop up their property.

For the most part, very few snowbirds are buying fixer-upper properties. So if
Please see *Snowbirds* on page 2

Committing to Your Business

Make no mistake about it: real estate investing is a business. We may call ourselves investors, but until we reach the point where we just have money working for us and bringing in passive income, we are really entrepreneurs.

Sunday afternoon, while a large part of the country was watching football, some friends and I were discussing scaling up our individual businesses. We discussed capital outlay, hiring people, training, outsourcing, financing, setting up new systems and processes and myriad other issues that come into play when you build something bigger than a one-man operation.

We talked about what makes a business successful. It's not only having the right idea and enough capital. It's not just hard work. You also need to have contacts, the right contacts in the right places. And it never hurts to have a little stroke of luck.

Scaling up is a daunting task. In fact, just talking about it put us on overwhelm. Every component of a business is made up of dozens of processes. Running

Please see *Commit* on page 3

INSIDE THIS ISSUE

- 1 Welcome Back Snowbirds!
- 1 Committing to Your Business
- 2 Five Little Words
- 3 Gamification
- 4 West Florida REIA Information

Every component of a business is made up of dozens of processes.

Five Little Words

So many new investors are nervous about talking to sellers. “I don’t know what to say!” These five little words are usually enough to get the conversational ball rolling:

“Tell me about your house.”

“You don’t really care about the owner’s description of the house.”

The truth is you don’t really care all that much about the owner’s description of the house. What you are doing is getting the owner talking. As the owner is describing his property, you can be filling in the blanks on your property information form - number of bedrooms and baths, square footage, etc. If the owner stops talking, you have a bunch of blanks to fill in that can help you come up with the next question.

It can be anything. “How old is the roof?” “How soon do you plan on moving?” “Do the washer and dryer stay with the property?”

Please see *Words* on page 4

Snowbirds from page 1

you are a wholesaler, rehabber or even a buy and hold landlord, you will probably not be competing head to head with a snowbird for a property. Adjust your buying habits. Switch to properties that need some work or properties that aren’t in areas where snowbirds like to buy such as neighborhoods with families with small children.

2. Snowbirds put big bucks into our local economies. Unemployment goes down during season. Locals make more money and you’re more likely to get your rents paid on time. Statewide, tourism is Florida’s largest industry, accounting for one in every seven jobs. Don’t dismiss northern dollars as “just a seasonal lift.” Tourism brings in approximately \$70 billion (with a B) dollars a year. That buys a lot more than pina coladas.

Add to that the fact that those people who own second homes down here pay property taxes whether they are here or not. They don’t have kids in the school system. They’re not using utilities, roads, emergency services, etc. for six months a year. But their taxes are the same as if they were here year round.

3. Snowbirds pay outrageous money for a seasonal rental. If you have a pretty house that you haven’t been able to rent, furnish it and do a seasonal rental. You don’t have to spend a fortune on the furnishings. Savvy shoppers can hit resale shops and online classified ad sites such as Craigslist and can furnish a house more than adequately on a small budget. Catch a lease option deal right and you may be able to rent out the property for the season and then find a lease option buyer when the snowbird heads north.

BONUS: At the end of season, all the properties that have not sold will go down in price again. The owners are a bit more weary, a bit more battle-scarred. They know that they have 4-6 months of carrying costs in front of them. Disappointed sellers are great prospects for creative deals.

There are so many things to love about snowbirds. Now if we could just get them to turn that left blinker off...



Gamification

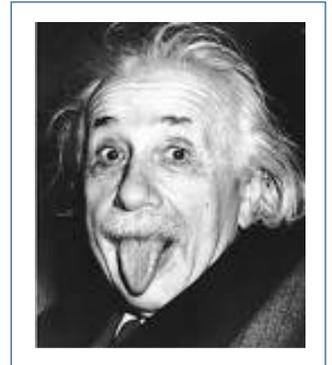
By Barbara Grasse

“You have to learn the rules of the game. And then you have to play better than anyone else.” --Albert Einstein

Einstein said this before “gamification” became popular. When you look at people who do well at something and seem to take pleasure in what they do, they will often say, “It’s a game to me. It’s fun.”

Most people like games when they are winning, not so much when they are losing. So in order to win at any game, you have to understand how it is played, what the rules are. Once you have that foundation, you can add in tactics and strategies and, as Einstein says, “play better than anyone else.”

Fortunately in real estate investing, there is enough room for many people to do well. So now we get to play that game with friends. As in sports, the smarter and better your competition, the better you end up playing. Sometimes our friends have some pretty awesome strategies. Sometimes we do. We make each other better. And, if we all play well together, we can’t help but win.



Commit from page 1

underneath the discussion of practical steps was the real issue: commitment. Building a business is a commitment of time, energy, and money. It is a long-term commitment. We estimated a window of five years before we would have our businesses to the level where we wanted them.

80% - 90% of small businesses fail within the first five years, most because they are undercapitalized. But I also think many people find that running their own business is damn hard work - harder than they expected.

As you go about your business and you wonder why it “isn’t working” or isn’t working as fast as you thought it would, realize that it is a building process and that process takes time. It may not take a full five years. It may take fewer. It may take more. But before you set out on any large endeavor, allow five years. Tell yourself going in not to expect to have everything the way you envision it for at least five years. Think of it as enlisting in the army for five years. You can’t get out of it so you better do your best to make it work.

If you allow yourself the option of “quitting if this real estate thing doesn’t work out” then you have already defeated yourself. You’re already on to the next bright, shiny object. You might be going through the motions of real estate, but your mind is already elsewhere. Make your expectations for your progress realistic. Understand that there will be setbacks.

I know it’s frustrating to hear that some 15 year old whiz kid just got paid \$300 million for some app that suits no useful purpose. I know that investors have to hear a lot more No’s before they hear their Yes. But if you commit to a five year time-span, you are more likely to view frustrations and setbacks as bumps in the road rather than stopping points. And you may be surprised to find you have reached your destination earlier than you expected.

“80%-90% of small businesses fail within the first five years.”

Words from page 2

Once you have enough general information on the property, you can move onto more personal questions that will help you build rapport. “How long have you lived here?” “What do you like about the neighborhood?” And one of the most important questions you can ask: “Why are you selling?”

Once you have built rapport and the seller has reached a comfort level with you, you can start asking the financial questions. “Is there a mortgage on the property?” “Do

you know the approximate balance remaining on the mortgage?”

If you find yourself hesitating when it comes to actually (gulp!) talking to owners, practice on owners who have houses you don’t want. The more you talk to owners, the sooner you will realize that people are just people. Most are nice. And almost every owner has a reason why they are selling. Your job is to discover that reason and create an offer that takes that into account.

Now go chat someone up.

Next Meeting:

TUESDAY, December 9th, 2014

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

First Time Attendees: Free

***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 and first time attendees.

West Florida REIA, Inc.

P.O. Box 510762
Punta Gorda, FL 33952



Phone:
941-254-1592

E-mail:
Info@WestFloridaREIA.com
Follow us on Facebook

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