



# WEST FLORIDA REIA NEWS

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## Wholesalers Need Volume Leads

By Barbara Grassey

In sales, there are some fairly standard ratios people use in order to hit their quotas. Make 100 cold calls, you'll actually connect with 30 people. Of those 30 people, you will eventually get an appointment with 10. From those 10 people, you should get 2 sales. On average.

In direct mail, a 1-2% response rate is average. If you send out 1,000 letters or postcards, you may get 10-20 people who contact you. Of these, you may make appointments with 3-6 people and, depending on how good you are, one or two properties. As you re-mail those same people on your list, your response rate will go up. In fact, 81% of your responses come after the fourth mailing. If your list is particularly well-targeted, your response rate can be much higher than 1-2% which increases your numbers throughout

Please see *Wholesalers* on page 2

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## Pieces of Paper

By Jay Turner

A lady came into my office to see me about selling me a note secured by a mortgage she held from the sale of an apartment building she had sold recently. Was I interested and could I help? Through our discussion I learned about her divorce and the need it had created for \$7,500.00 cash to off a pressing bill.

Her secured note was in the original amount of \$50,000 at 7% interest for 20 years with a monthly payment of \$387.65. Two years of payments had amortized the original balance down to \$47,535. Her initial thought was to sell me the note. If my investment yield was set at 18%, I could only pay \$24,800. That would have been a huge discount on the outstanding balance of her note. There had to be a better way to get her the needed \$7,500.

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*Tip: Determine your desired yield and work the deal backwards from there.*

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*Wholesalers* from page 1

the process. A 10% response rate would net you 100 contacts, about 34 appointments and you may get 6-7 properties.

Of course, the real world is never linear, and those numbers are averages. If you want to flip two properties a month, you have to have a marketing system in place that brings you 30 responses so you can get your 10 appointments and hopefully, your two properties. If you have a fairly good list and have a track record of a 5% response rate (which is high in direct mail), you need to mail out at least 600 pieces a month. Every month.

Most of the wholesalers I have dealt with have marketing systems in place to bring in a high volume of leads. If you intend to complete a minimum of two deals a month, you need to do more than scan Craigslist or drive for dollars. Yes, you can find leads that way, but not in the volume that you need to be a successful wholesaler and have a consistent, sustainable business.

Wholesaling is an active business. You have to be actively marketing for deals and relentlessly following up on leads. You can't do it (or any business) halfway and make a full time income. Even if you have a full time job and are wholesaling part time, you need to make the best use of that time. And that starts with your marketing. Put your efforts into bringing in a large number of leads so you have something to work with. It all starts with leads.

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*Wholesalers need to do more than scan Craigslist or drive for dollars.*

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# LendingHome

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*Paper from page 1*

I started buying “Paper” as an investment in 1972. At that time, the only paper I was interested in were notes secured by second mortgages on residential real estate. I had backed into the paper game quite by mistake - the purchase of a financial calculator. After messing around with all those wonderful buttons on that HP80 Financial Calculator, I was beginning to understand the power of Paper Math. There were lots of alternatives and the buttons were giving not only answers but creative ideas.

So, the \$7,500 problem confronting me was resolved quickly on my financial calculator. My button punching told me I could buy the next 23 monthly payments of \$387.65 on the note for \$7,500 cash paid to the lady/owner of the note and get my yield of 18%.

After I collected my 23 monthly payments of \$387.65 including my 18% yield, the note (which was escrowed in my lawyer’s office for those 23 months) was assigned back to the lady. She proceeded to collect the remaining 193 monthly payments of \$387.65 generated by the note.

Conclusion: There’s no need to sell the entire note when a “Piece of Paper” will do the job.

*Jay Turner has been investing in real estate and paper for 50 years. His advice and creative solving-problem has been sought out by everybody from Fortune 500 companies to farmers about to lose their land.*



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*Your financial calculator  
can generate creative  
ideas.*

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## Let Us Know

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:

**THURSDAY, March 10<sup>th</sup>, 2016**

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/*

**West Florida REIA, Inc.**

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## Members Only

We have a shared contact list for members only. If you want to be in touch with other members, to let them know about deals you may have or are looking for, or just to get together to talk deals, sign up at

<http://westfloridareia.com/member-emails/>

### *Charlotte County 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.

**Luigi's Restaurant**

3883 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](mailto:info@WestFloridaREIA.com)