

Choosing and Working With A Quality Realtor®



*How To Build
One of Your
Most Important
Relationships*

With Veteran Investor and
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CHOOSING & WORKING WITH A QUALITY REALTOR®

Having a quality realtor on your side is critical in the game called real estate. With this said it is important to note the word '**Quality**'. How do you define a quality realtor? How do you find one? How do you maximize that relationship? The answers are all held in this special report. In this report you will discover, in a very succinct fashion, the answers to the following questions:

- **Why You Need A Quality Realtor On Your Team**
- Why a Realtor Needs You - And How You Can Help Them
- **How To Find A Quality Realtor**
- How To Build A Good Relationship With Your Realtor

Once you understand these 4 critical pieces, you will give yourself an edge in the marketplace. No longer will you be perceived as a 'seminar grad', this is another step in becoming a **sophisticated investor**.

Why You Need A Realtor

Yes, you truly do need a realtor as a part of your investment team. You should consider realtors as just ONE of your sources of property. So, along with your own hard work and marketing plan of uncovering For Sale By Owners and motivated vendors, you should also be developing a long-term relationship with realtors who focus on your area of investment. The realtor can add to your overall marketing plan by providing you time leverage. If you have built a strong relationship, and you are a proven buyer, realtors will gladly do a LOT of leg-work for you... at no direct cost to your bottom line. However, the reverse is also true, if you are a known time-waster don't expect to get the good deals brought you first. Here are the main reasons why you need a realtor:

- **Realtors have access to the Multiple Listing Service (MLS), the largest source of homes for sale, before you can access them on-line.**
- They can give you comparables ("comps") and good advise on the market value of the properties you are looking at.
- They can give you 'inside' information and a feel for an area you may not be familiar with.
- **MOST IMPORTANTLY**, Realtors will save you a ton of time! In real estate, as in any other business, time is money. Realtors will find you great properties, present your offers, drive back and forth negotiating your offers, drop the signed contract off at your lawyer's office, and after it closes, bring you the keys to the property. This enables you to dedicate your time elsewhere - in the areas that pay. Such as buying more properties, finding more joint venture partners and negotiating deals!

Why A Realtor Needs You

In the business of being a realtor, the only way to get paid is by facilitating the purchase and sale of a property. So, as a proven buyer, you are a KEY to their income equation. A quality realtor will work closely with an investor as they too understand time leverage... meaning that it is easier to sell 10 properties to one person than 10 properties to 10 different people. So if a realtor shows no interest in you because you are an investor... MOVE ON, find one who is interested and understands this critical relationship! Don't take it personally, each realtor® must define their business the way they want. There are many who won't work with investors for whatever reason (often they had a bad experience with a poor investor who didn't do what they said they would do. But, if you think about that, then they'd stop working with home-buyers if one home-owner didn't do what they said they'd do.) So prejudices will come into play, just be aware of them. What you're looking for, as a proven buyer, is someone not stuck in a rut with blinders and prejudices already in place.

Here are the main reasons a realtor needs you:

- **You can literally double their income. My deals probably represent 75% of one realtor's income and nearly 50% of another. These are realtors who, quietly, make more money with MUCH less effort than 94% of realtors in the city!**

- They quickly start to run MANY properties through every month... not just from you but also because of the many referrals you bring them. As a proven buyer they know you'll buy as many good deals as they can bring.
- **As an investor, you also sell your properties when the time comes. These realtors know, if they have a strong relationship with you, they will have an excellent chance of getting the listing when you sell it - and listings are where the easiest money sits for a realtor**
- You are buying based on numbers, not emotion, so you can view properties with them in one quarter (or less) time than they spend with personal home buyers. Time is money for realtors also.

How To Find a Good Realtor

Because the relationship is key to your success with realtors, it is well worth the effort to work your way through many potentials to find that **"Quality Realtor"** Sometimes finding the perfect Real Estate Realtor® can take a bit of time, but when you find one, they will be worth their weight in gold.

The best way to find and choose a qualified, reputable Realtor is to conduct subtle but effective interviews in person.

All you have to do is simply find properties you may be interested in that are for sale in your local real estate newspaper, contact the listing Realtors by phone, and meet them at the property. Open houses are also an ideal place to meet Realtors.

Your conversation with the Realtor should be designed to find out how effective they might be when it comes to finding properties that fit your system. Is the realtor focused on a potential long term relationship or does it feel 'desperate' like they need to make this sale to eat this week? If the Realtor applies too much pressure during the conversation, you may be tempted to choose someone different because they haven't heard the word "relationship" no matter how many times you've said it. On the other end of the scale, if their behaviour is too-relaxed and complacent, you may also be tempted to choose someone else, remember they will be doing negotiating on your behalf so you do want some life to them. You don't want someone who will attempt to close on every possible deal (whether it fits your investment system or not), nor do you want an agent who is too lazy to seek out a creative way to get a deal done. Be patient, depending on your market, you may be talking with many of them before you find the ones who 'get it.'

Aggression is good when they are working for you to uncover as many opportunities as possible. You want enthusiasm, along with competence and consideration to form a long term relationship that is profitable for both parties. Expect an attempt from almost every Realtor to recruit you as a prospect. Remember, it is your job to sort and choose the best for you. Use your listening skills as you hear their 'pitches.' Sometimes you'll find a gem just by shutting up and listening.

I often get the question - should I focus on **rookie or veteran realtors?** Well, the bottom line answer is that it doesn't matter. Keep in mind that a rookie realtor can also be a good bet. If you find a well trained, enthusiastic, and determined individual, you just may receive first-class and highly effective service. And because they haven't been jaded by years in the business, they often will be great sources! There are, after all, many veteran Realtors who have twenty or more years experience but have never really succeeded beyond being average in their field... so time in a marketplace is not critical, **ability is**. Focus on someone who is willing to work with you and who understands long-term relationships.

I like to find Realtors® who know the market, are creative, are willing to learn and try new things, have an attractive personality, are enthusiastic & tactfully aggressive, do what they say they are going to do, follow up in a timely manner, and must be excited about working with an investor.

I see many new investors ask other investors they network with for the name of their best Realtor®. I find this a waste of time. If I was to give you the names of the key Realtors I use, they may call you on a deal, but only AFTER they presented it to me (meaning I rejected it). So if I walked away from it, do you really think it is something you should buy? Find your own Realtor, build your solid relationship. IT takes a little work, but soon becomes well worth it. And remember, it doesn't matter if you're investing in your back yard or in another city... the process is exactly the same. **If you are working with a realtor in your town, and you want to look at other cities, ask THEM for an introduction!**

YOU must take responsibility for the selection of your own Realtor. This will provide you with more control over the buying process. First, you've taken charge of the process right from the beginning. Second, since you "hired" the Realtor who will find you your next great investment property, you may also "fire" them if the job is not being

performed to your satisfaction.

Once you start working with a Realtor, specify (in your mind) a set amount of time you'll allow them to produce good leads. If they haven't produced the leads in the amount of time you allotted, do not waste any more time with them. This could be a sign that they don't have the time (they may be busy on many projects) or they may not have the creativity to 'mine' other sources of properties. For example, when the MLS system does not generate a list of properties that fit your requirements, does the Realtor look further? You would hope so! For example, does he sift through expired listings, does he check into exclusive listings from other Realtors or real estate offices, etc.

Once you find a Realtor you are excited to do business with, work hard to build the relationship, do what others aren't willing to do!

How To Build a Good Relationship With Your Realtor

Many investors think like the masses, this is a mistake! Real estate investing is a business and you need to treat it that way. It is easy to stand out from the 'masses,' if you step out of the box and start to look at the value this relationship brings you. Here are some thoughts that will give you an edge in the realtor marketplace:

- **Let them know very clearly what you are looking for.** For example, I tell my realtors that I am looking for any property with an assumable mortgage that requires less than a certain% of the value of the property in cash and the potential rent must cover principle, interest, tax, insurance, and property management. Many times you will have to educate the realtor over time on what different properties will rent for, what your management costs are (if any), etc. (Don't use my criteria, create your own that fit your investment system.)
- **If your Realtor finds a property that fits your criteria - BUY IT.** If he is going to provide you with first-class service, invest hours and hours of his time inspecting properties, then weeks showing his findings to you, he surely deserves the sale. If loyalty is to be earned, it must also be rewarded. If you are not ready to buy, tell him. Remember, this is how he makes a living and how he supports his family. Do not waste his time!
- **Always be fair, honest, and upfront.** For example, if you run out of cash to buy more properties - tell him; if you work with another Realtor(s) - tell him; do not misguide him with under-estimated rents or expenses just to get a better deal; etc. After all, you want them to be honest with you too.
- **Do not ask your Realtor to cut his commission on a deal.** I bet you would not like it if your boss asked you to cut your salary in half for a month. There have been times when my Realtors have cut their commission to put a deal together for me that otherwise would not have worked, **buy THEY chose to (I did not ask).** Plus they know I will buy many more. Remember, the more money you make your Realtor, the more loyalty you will earn, and the more motivated they will be to find you the next deal. Do not ruin a relationship over a few thousand dollars - that would be "stepping over dollars to get to dimes".
- **Show up on time.** Be on time for appointments and viewings, be respectful of your Realtor's time
- **Always say "please" and "thank you".** Thank them when they find and negotiate you a great deal. Continually thank them for their hard work. Say "please" and "thank you" when you ask for favours such as pulling comps for you. Reward them with any home buyer or potential listings you can provide them.
- **Have fun together.** Laugh, joke around, go out socially together from time to time, get to know each other's families, etc. You will most likely spend a lot of time with your Realtor, it might as well be enjoyable for both of you.

Speaking as a successful veteran investor, I can tell you that much of my success came from working hard at developing relationships that worked well for both parties. The majority of the properties I have purchased have been due to my relationships with realtors - relationships that have become so strong using the strategies I describe above that I now can put offers in over the phone sight-unseen. Meaning even more time leverage for me.

I highly recommend that you start on your hunt for a 'Quality' realtor or 2 that will fit your system and your personality. You may meet with MANY who will be discouraging before you find the gem... but believe me it is worth the wait!

Arlen Dahlin is a Edmonton based real estate investor who owns over 300 investment properties. For more information, visit his web site at www.springboardtowealth.com