

Street Smart Buyer Session #1

First things First- Congratulations for being here!!! You are taking your first step to becoming a street smart buyer.

Before we get started, I want to make sure you have or get a few things ready.. First all the information I will be sharing tonight will be emailed to you in PDF form for you to download and Print. I recommend you open a File on your desktop and simply label it “StreetSmart Buyer”. Then print off the information we send you. It will have page numbers. Just print them out, punch holes in them and put them in a 3 2” Three Ring Binder.. That way, by the end of class, you will have a complete workbook to reference at any time. So you need 3 things:

1. Printer
2. 3 hole punch
3. 3 Ring Binder

Alright so let’s review.... I have provided you with a worksheet with Scripts for Bringing up Real Estate – when we start class... I will do a section on this. But it is something that is free to do, anyone can do it. And it will help you get your name out there. Ok so here’s what happens in our daily lives for those of us that go out into the world to work, take kids to school or daycare, go to the gym, go to the coffee house. And what do we usually do when we see someone that we know? We say, “Hey, how’s it going!” and they say, great how are are you!? Or we say “What’s up? What’s going on?” . Greetings. WE are being friendly, we are being polite. Or maybe we meet someone for the first time and the ask “So what do you do for a living”. No matter what people ask you, you can Always... Always Bring up Real Estate. I actually learned this from the guy who first introduced real estate to my Husband back in 2001. That’s how we got started in RE. He came home and said “Honey! I’ve got a great idea!”. He had just been to a real estate seminar with a buddy named Jeff..... Jeff had been invited by a

former co-worker named Arlan. Arlan Dahlin is a legend in Real Estate Investment circles. He's done probably twice as much or triple as much as I have... And he was very influential in helping us get Started. Well, the Way Arlan got started was he went to work one day and the doors were locked. The business that he worked for had gone bankrupt and so he no longer had a job. He was looking in the paper a couple days later and he saw an add for a Real Estate Investment Seminar.... And the rest is history.... Anyway, Arlan was a master at getting Joint Venture Partners.... I remember asking him one day when I ran into him at the Ritchie Mill Law office. So here we are in this law office... Tim Johnson is sitting on the couch in the waiting room with a sweatshirt with a big picture of Pluto- you know the mickey Mouse dog? And there is Arlan coming out of a meeting with Barry. And my husband asked him "Arlan! How did you get so many properties?!?" And he looked back at us and said "JV money, baby!". Now at the time, I was very green... I hadn't even bought my first property. I remember thinking- JV? Like, as in Junior Varsity? I don't get it! But I didn't say anything.. I just nodded my head like I knew what he was talking about. Anyway, Arlan Always said... "make sure Real Estate comes up in Every conversation". Please refer to Bringing "Up Real Estate the Street Smart Way"

Short Term Goals:

Write down your short term goal for real estate. Even just one goal! And place these goals (in your Handwriting) in at least 5 places in the house just write one out by hand and photocopy the rest. Now, there is something important of the upper right hand corner of the Fridge... So put one there. I find it helpful to put one on my bathroom mirror... I like one next to my bed. And I put one in the hallway, next to doors I go through frequently.. You want a frequent reminder of your goal... This will get engrained in your subconscious. Your subconscious is a very powerful force. It will help attract what you want in your life. Even just starting with One goal.. To find one Property in the next 90 days or the next 6 months..... That is a start!

This is my vision board. I have some outdated goals on here, but you know what, they are still in front of me.. still important to me. And I am “looking” at them as I give this lecture because they are right behind my computer. I know that is having an impact on my future! Get started now! So it’s great to have a goal, but a goal without a plan is just a wish. And believe me, writing your goals down and putting them around the house is part of a well- calculated plan! Now, here’s the thing.. you might be self- conscious about your goals. And if you are, fair enough. If you want to take them down for when you have company over, go ahead.. just make sure and put them back up! Now on the other hand.. if you decide to keep them up, it’s a great way to Bring Up Real Estate!! I’m just saying! There are opportunities everywhere.

We’ve had many people socially do very well working with us on real estate, and some of them just doing it on their own, simply because we like to talk about it!

Alright... So this is your homework for this week..... keep track of how many times you brought up the business because I’m going to ask at our class next week. In fact, go ahead and type in the chat box right now how many times you want to bring up real estate.. So if it’s 1 time a day, then it will be 7 times between now and then... 2 times a day 14, and so on and so forth...

Next homework- figure out 1-5 short term goals for yourself... And I recommend if you are not used to setting goals and writing them down, to just start with one..... Get them put up around your house!

And practice practice practice... because Your coach- that’s me! Is going to be asking next week and I want to hear that you are ready.

Looking at Properties:

I want you to also practice looking at properties and knowing what to look for. Now when I started out 14 years ago...I had it pretty rough... I had to walk through ankle deep snow up hill Both Ways!!! Well, no not really... but when it came to looking at properties, this is what I had to do... I would get a newspaper- that's right a Newspaper and go to the Real Estate Classified section and I would go down from house to house, phone the owner or the realtor and ask all these questions. I didn't get in touch with over half of them, so I would have to keep calling. Then when I got in touch with someone and got all the questions answered, I would still have to see the property if it sounded like a good deal, get in my car, drive an hour most times, and physically view the property! Can you imagine! It was like living with cavemen!..... It was areal chore. As you know, now with Technology- you can look at as many properties as you want The Motivated Seller Questionnaire is in a separate Attachment. The nice thing about the questionnaire is you can save it over an over again depending on the property. This will not only get you familiar with the questionnaire and WHAT to look for in a property, it will also help keep you organized.

Things to Look/ Look out for in a property:

- **Square footage:** Property should be over 1000 square feet unless it is a one bedroom condo- even then you don't want anything that is less than 700 square feet. Quick story.. At one time I refinanced 100 condos on my own without the help of mortgage broker... it was a crazy time in my life. There were 5 properties that I was never able to get financing on because they were 300 square feet and none of the banks would touch them. (Shoe Box)
- **Bathrooms-** Again if it is a one bedroom condo, it will likely only have one bath.... I own a one bedroom condo right now- it's a great little property. Anything bigger- you need more than one bath. And more

and more people these days expect an ensuite off the master. We have this wonderful little wartime bungalow in Edmonton... She's not much to look at, but she cash flows like crazy... One thing we had trouble with when we were trying to sell it as a rent to own.. Was that it didn't have a bathroom off the master. It was big.. Lesson learned. It still has 2 4 piece baths... so no worries. But it is something to think about. Also, I recently looked at a property and wondered why it was so affordable? I quickly learned that it had 2 floors.. a main floor and an upstairs and the bathroom was upstairs. That's completely goofy. I lived in a house in university where the bathroom was between both bedrooms... again. Goofy. It means people have to walk through someones bedroom to use the washroom.

- **Bedrooms** Houses with only 2 bedrooms won't rent quickly and they won't sell quickly. A condo will, but not a house.
- **Suites-** Its so great to have a basement suite.. But you need to understand the access. Once I bought a house with a basement suite. But the entrance to it was through the middle of the house. So it really limited who was going to buy it. It had to be someone very familiar with the people living upstairs. And this is happening more and more with In- laws, but it limits you as far as being able to get maximum cash flow from the property
- **Age-** I mentioned before we have war time bungalow in Edmonton.. So it's built in the 50's where there was a huge demand for housing. One thing that we made sure of before we bought it was that the pipes and the electrical were upgraded. This is a major issue with some older homes and it can be very expensive. You want to make sure pipes are plastic and that the electrical is upgraded to 100 amp.
- **Oddities-** I am a big Low to no money down buyer... But I learned the hard way that no money down doesn't mean it won't cost money.... I bought a house for "No money down" one time with a

Bulging Basement. I couldn't believe I actually did this thinking back... No one wanted to rent it so I had it painted.... And then I showed it some more after it had been painted... I remember showing it to these one tenants... I had a pen in case they wanted to fill out a rental agreement-(which they didn't) and the pen rolled across the floor.. because the house was tilted! Because of the bulging basement. So this house sat vacant for many months, ended up costing me over \$7,000 between utilities and mortgage fees, plus the cost to paint. Luckily I was able to give it back to the guy who sold it to me.

The next really goofy thing I bought was a house with a lightpole in the driveway. It was no money down, the people just wanted to be rid of it... So I took it over (Again) for no money down and guess what? It sat vacant for a couple of months... Finally I got it rented, but not for very long. Again, I was lucky to get rid of it.. But it was NOT a now money down deal. It cost me Thousands. It's good for a funny story though.

- **Power Lines-** I remember going to another low money down house, I was driving through the neighbourhood thinking.. Wow, these houses are really nice! And they were. Had just been built. So this nice young couple walked me through the house. For a smaller looking house it just seemed to go on and on.. And then they showed me the backyard... And there were HUGE power lines 30 feet from the house. Finally I had learned my lesson- if I wouldn't live there, no one else would want to.. I said not thanks and off I went into the sunset, patting myself on the back.
- **Parking/ garage-** Some neighbourhoods have been built with such high density.. there is hardly any parking, and some condo complexes only have a certain amount of parking. If you live in a cold city or you are investing there...It will be hard on people if they cannot park close to the house. And most people again in colder parts of the

country- will want a garage. You don't think about it as much when it is spring summer, fall... But it is very important when it comes to a colder climate

- **Functional Obsolescence-** We once owned a house that had a kitchen but No dining area. That's not a big deal for a small condo or apartment. But for a 3 bedroom house, it's huge.
- **Bad Neighbourhood.....** This can be really challenging.. You should go and drive around different neighbourhoods during the day AND at night.. Things can really change when the sun goes down. People don't want to live places when they think their car is going to get broken into or stolen. People want to feel safe. Especially good people. And you want your tenants to be good people.
- **Proximity to Amenities-** We live in an are where there is a neighbourhood where the closest place to get milk or cereal is a little tiny convenience store... otherwise it is a good 15 minute drive to a grocery store.. Which is a haul. People are spoiled, they want convenience. And you might have a good tenant leave because the house is not in a convenient location.
- **Close to Airport-** I come from Alberta and there is a little town called Leduc and it's actually pretty big now.. But here's the thing.. its VERY close to the City airport. You hear planes A LOT. And although it's really growing.. Airport noise has always been a problem for the city.

You need to look for little things along the way.. Things that will set off alarm bells. And if those bells are going off... It's ok to walk away.. There will be another bus along any time.

Here is a reminder of your home work:

- Practice Bringing Up Real Estate- Create a reward system for yourself. Keep track of how many times you brought up Real estate because I'll be asking!

- Write down your short term goals- At least one! For the next 3-6 months for real estate and put them around the house.
- Find 10 properties in the next week on the MLS and print out the feature sheet and use the Street Smart Motivated Seller Worksheet to get familiar with property.. What to look for.