



MOM'S HOUSE HOME STUDY COURSE

# INDUSTRY INTERVIEW

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# JAY PHILLIPS - DOWNSIZING EXPERT

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Phillip Vincent:

So guys, we're sitting here today with Jay Phillips. We've known each other probably... I would think since my 2011 days when I started doing this. So Jay is unique, is that he is what I would consider a downsizing expert. So there's estate sale people. There's buyout experts. There's auctioneers. There's many different ways to get rid of stuff in the house, and Jay, I think you do all those things, right? There's not really one thing you don't do.

Jay Phillips:

No auctions.

Phillip Vincent:

It's your mic.

Jay Phillips:

I'm sorry. No auctions, but we do estate sales, buyouts, clean outs, and everything in between there.

Phillip Vincent:

Yeah. So when you meet with a family, how do you know what stuff is worth? Do you just know what every Hummel doll is worth?

Jay Phillips:

I got it all in my head.

Phillip Vincent:

Is that your knowledge?

Jay Phillips:

Not at all.

Phillip Vincent:

So what are you looking for when you get into a house?

Jay Phillips:

All right, so with the house, I mean, stuff is stuff. The market is flooded. My biggest thing is half the time I'm talking with the seniors. The other half, I'm talking with their kids. Usually their kids are more realistic. It just kind of depends on how much money they're wanting to try to get out of the house and the stuff, but a lot of times I tell them anywhere between 30 and 50 estate sales are happening. [crosstalk 00:01:07] Oh, for God's sake. Sorry. Thank you.

Phillip Vincent:

Green for go.

Jay Phillips:

Yeah, exactly. Thank you. There's anywhere between 30 and 50 estate sales every weekend, so it's just flooded. I guarantee in 15 years, there will be no more estate sales, because millennials want nothing at all. They just want the cash. Anyway, so a lot of it's having that conversation with grandma that, "Hey, your Hummels, yeah, the corporation told you 20 years ago they're worth \$300 a piece."

Phillip Vincent:

And they paid \$300 a piece.

Jay Phillips:

They're worth \$15, and that kind of stuff or \$10. So we just try and go through the realistic side of that, and a table is a table, unless you've got... it's made from the Mayflower after it came across the ocean.

Phillip Vincent:

With documentation.

Jay Phillips:

With exact documentation, yes. But I work with appraisers. I work with all sorts of people. I'm more of a coordinator, where my seniors love working with me because I'm one person to deal with everything. So my one gal we're working with coming up here in Ballwin, she's never going to meet you. She's good with that. She's 82. She just wants to cash out.

Phillip Vincent:

Yup. That was a situation where her son had passed away, so not quite moving into senior living, but it was one of those things where she wanted nothing to do with it. Didn't she live out of town?

Jay Phillips:

Yeah. She's in Rolla. She was about to let the house go back to the bank, which is funny.

Phillip Vincent:

She was going to let the house go back to the bank, and it had equity.

Jay Phillips:

Yeah, a lot.

Phillip Vincent:

Oh dang, that's right. She wanted it out of her hair so much that she was just going to say, "Forget the equity"? I mean, I'd like to see her bank account, that that mattered to her. That house was unique. There was a... What was the problem in the basement? What happened?

Jay Phillips: Oh, about six feet of mold. The entire perimeter of the basement is totally soaking wet carpet since I think December, November.

Phillip Vincent:

Yeah. We're going to rehab that one, by the way. I just bought one this week from... How do you find your clients? What's the best way you find them?

Jay Phillips:

Well, I'm a real estate broker. I've had my license since 2002, and I started getting referred more and more seniors through networking with attorneys. The majority of my business is word of mouth and-

Phillip Vincent:

And senior living.

Jay Phillips:

Yeah. I look at the lowest or the easiest avenue for things, and an attorney might send me 10 clients a year, where one of my friends, family might send me one every year or every other year. So I network a lot. And from there, then it's just a matter of, I got tired of estate sale companies telling me they're six months out or it's too much of a problem or it's not enough stuff. The average person in St. Louis has \$5,000 worth of stuff, and the big, really great estate sale companies, if you don't have \$50,000 worth of stuff, they're not going to even meet with you. They won't leave their house. So it was a big need, and at the end of the day, it feeds my real estate business, and-

Phillip Vincent:

Feeds me.

Jay Phillips:

It's a value add to the attorneys. So I got my business basically retail, my estates that I consider as-is retail. They can hit the market, and then not so much retail as-is.

Phillip Vincent:

Did you notice what he said about the attorneys? That one attorney, you guys have your hot 100 list. Some of the people in there is attorneys. If one attorney gave you 10 deals this year, how many attorneys would you go find? Just let's just say four. If you guys did 40 extra deals this year, what is that worth to you in your markets? Some of these guys, they make like \$80,000 a deal. I got to move. We make like \$15,000 on a whole sale, and I'm good with it, because we do a couple hundred a year, but still, guys, [Yuv 00:04:30] is in San Francisco, right? \$2 million for a tear down sometimes. It's crazy. So when you go to a house, what are you excited to see? What products fly off the shelves?

Jay Phillips:

Mid-century. Antiques aren't anything at this point. So a lot of people call me. "I've got antiques." Brown furniture is out, unless it's mid-century, 1950s, a lot of clear lines. If you see it on the show Mad Men, people want it.

Phillip Vincent:

Yeah. I like that stuff. I live in a mid-century house, and I like that stuff, so I get that. That's selling. How about fabric furniture?

Jay Phillips:

If it's floral, yes, but otherwise no. Fabric furniture, it'll go, but our biggest thing is we'll coordinate the sale. There's always stuff leftover, usually a lot of stuff, sleeper sofas, stuff that nobody wants.

Phillip Vincent:

Yeah, heavy stuff that nobody wants.

Jay Phillips:

And we make it disappear at the end, usually for free, sometimes for a charge depending on how much it is. But small stuff, people like housewares, kitchenwares, that kind of stuff because it's... But they're looking for a deal. If they can get it at Walmart or the furniture, if they can get it at Ikea or at Weekends Only cheaper, they don't care that what the senior has is solid wood and has lasted 50 years.

Phillip Vincent:

They don't want it.

Jay Phillips:

No. They'd rather pay \$200 for a-

Phillip Vincent:

Ikea. [crosstalk 00:05:39]

Jay Phillips:

... sectional or something else versus \$500 for something old.

Phillip Vincent:

So what I hear a lot, and he can attest to this, is that that adult child that's trying to help the other brothers and sisters, and now their kids who are in their 20s to get that... "Oh, she just moved into an apartment. She needs this." They don't want it, and then there's this resentment from them saying, "Well, she's too good for..." You know what I mean? There's all this animosity. You guys ever have any families that fight with each other? And you think the stuff matters. I mean, he said about the Hummel dolls, one of those kids is wound up that Mom paid \$300 per Hummel doll and she's got 48 of them in the... They're worthless. Something I've found interesting with what he's saying is that a lot of older ladies had crystal in their hutch. A lot of the guys tell me most of it is used for target practice. It's that useless and that invaluable.

Jay Phillips:

Waterford is made in China now. It used to be...

Phillip Vincent:

The good name is now bastardized.

Jay Phillips:

Yeah. It's outsourced. For sure.

Phillip Vincent:

But things like a Pyrex bowl, do you guys know what the Pyrex? The '70s...

Jay Phillips:

Corning Ware.

Phillip Vincent:

Corning Ware can sell \$20, \$30 because the people who had it knew it was so good. You also specialize in guns and things, the tools.

Jay Phillips:

Yeah. Tools again, it just depends on... It's got to be super old or really usable. Otherwise again it's hit or miss. We've got one we're clearing out, the one in Bridgetown we met at, and it's got lots of big power tools, Craftsman, things like that, but they're also 35 years old, so it's almost as much to have a guy haul it out because of the weight, the awkwardness of it out of a basement versus the value.

Phillip Vincent:

Yeah. What are those saws where they... I've seen those big table.

Jay Phillips:

Oh my gosh, yeah. The bandsaws, table saws.

Phillip Vincent:

Are they worth anything?

Jay Phillips:

A little bit, but again, it's just a lot of labor to get rid of it, take it out and move it and store it and eventually sell it.

Phillip Vincent:

So I was at a house the other day with Jay, and it was the dad and the son. We were talking about it, had all the fun weapons. So I got this set of brass knuckles out of there. He let me have it.

Jay Phillips:

It was one of several.

Phillip Vincent:

Yeah, one of several weapons that they had. And so tell me about what was happening in there, because there was other guys. What was their role for you? How did they help you?

Jay Phillips:

So those are part of my team at the front end. We'll go through. We'll assess what's there. We'll parcel it out to other buyers that they know, I know. That's a buyout or a brokerage sale, so we're not going to have... An estate sale on a great weekend will have 1,200 people through, a Saturday and a Sunday. A house that doesn't have a lot of great stuff or a busy weekend with other sales will have 500 people through.

Phillip Vincent:

Wow. That's a lot of people though.

Jay Phillips:

That house...

Phillip Vincent:

What was the problem with that?

Jay Phillips:

You smelled it from the driveway. I mean, four cats and two guys that didn't clean up after themselves-

Phillip Vincent:

Ever.

Jay Phillips:

... let alone the cats. So people wouldn't even come in that house for the sale, and their biggest thing were electronics, speakers that are as big as me.

Phillip Vincent:

Yeah. They had old Klipsch speakers, Polk speakers. They were guys. This was like a frat house. It was all weapons and things that guys like. The smell of cat pee was so intense that he even said bring your allergy gear in. So in the back of my car, I didn't wear it this day, but I keep a mask for things like mold and going into these houses, because you have the houses that you go in and you leave. You want to go take a shower or change your shoes at least.

Jay Phillips:

Yeah. I'm surprised that one doesn't have fleas, actually.

Phillip Vincent:

Yeah. Not yet.

Speaker 4:

Jay, what would you recommend to everybody as far as how they find people to do what you do? What are the different search terms and names of companies? If you go Google downsizing companies, you may not find-

Speaker 5:

Yeah, how do they find you?

Jay Phillips:

So again, I've kind of fallen backwards into it. Started just helping clients that didn't have anybody else that would help them, but then it's morphed over the years into more. But liquidators... Again, estate sale companies are great, but honestly, the labor involved in an estate sale, I make more money with a buyout and a clean out or a liquidation than I do with an estate sale, because I've got exorbitant labor just getting it prepped out and ready to go. Yeah.

I even think a liquidator would be good, because those folks are... You see them at least in St. Louis more and more signs pop up for honest junk removal. I mean, those guys and gals are getting in these houses way before a lot of other people, and so that's where I'm getting the call many times before the attorney finds out, or the attorneys are calling me as well, because I can assure you, if they look or see a house that smells of cat pee from the outside or has mold, they're not going to go in it in their \$800 shoes.

Speaker 6:

I was going to say, the people that are certified as senior downsizers, do you find them to be more emotionally connected, or they realize that this is just, we're downsizing a home?

Jay Phillips:

As far as professionals, or the-

Speaker 6:

I've found that a lot of the professionals, because I've found there's a lot of them, and they're women, and women are highly emotional, and so I don't know. There's some people that can recognize the difference between business and then the emotion of [inaudible 00:10:25]. I'm just asking your opinion.

Jay Phillips:

It depends. Yeah, no, it just depends. I mean, again, I'm an SRES, and I've got a couple of other designations.

Phillip Vincent:

What does that mean? Tell them what an SRES means.

Jay Phillips:

Senior real estate specialist, which means I paid \$99 to get my designation.

Phillip Vincent:

Four letters. See, you guys, letters matter.



Jay Phillips:

It talks about, attorneys won't work with a Realtor if you don't have it. I guess you have to be a Realtor to get it. It talks about the different generational things between 70 year olds are different than 80 year olds, different than 90 year olds, and I've dealt with a couple of 99 year olds and 100 year olds myself. Different mindset. And then there's certified senior housing specialist. There's two or three different things that are big, but SRES is the number one.

But the emotional side definitely can be there. The whole thing though is, when you hire somebody like me or somebody like that, the whole goal is to strip the emotion out of it. Be emotional and understanding and sensitive, but if I'm as emotional as they are, nothing gets done. We would sit there and lament over photo albums. I had one gal, she paid \$3,000 to have... I coordinated to have a mover take her 50 boxes of photo albums and her used washer and dryer to Austin, Texas from St. Louis. It was crazy.

Phillip Vincent:

Jamie's town.

Jay Phillips:

Yeah. It's craziness. I told them, I was like, "You're basically negative a grand with what stuff is worth versus what you're paying," but she's 96 and-

Phillip Vincent:

But what was important to her, it's meet them at whatever their level is. Yes, sir?

Speaker 7:

What kind of attorneys are referring people?

Jay Phillips:

Estate planning, elder law. More and more people say they're elder law, but there's a very specific schooling they have to get for it. I will say it's taken me, my one elder law attorney I get from St. Charles, I mean, he's 70 himself, and it has taken me probably a decade. He's ex-military. He's a tough nut. It's taken me a long time to get where he trusts me enough to send me a lot of things, so he works with me quite a bit. I've got two or three other ones that I've been cultivating relationships since, I don't know, mid-2000s to now.

Phillip Vincent:

Since you started, right?

Jay Phillips:

Yeah.

Phillip Vincent:

But once you build these relationships, they continue to call you over-

Jay Phillips:

Yup.

Phillip Vincent:

Because you're helping them close their files, get done. The family is never going to do it on their own.

Jay Phillips:

I'm a trust administrator. Paralegals are great to know at these places, because they have all the files dumped on them, because the attorneys want to bill \$300 an hour, then have her do the work for \$50, or him, or trust administrators. Never assume. And the front desk gal. Never assume she doesn't know what's going on, because she knows about everything that's going on. It's kind of, you've got to hobnob with all of them, have relationships with them and be around enough to where they don't forget you're out there. It's pretty amazing where I've got to be in front of them all the time, even though I've worked with them for over a decade.

Phillip Vincent:

We do that through networking?

Jay Phillips:

Yup.

Phillip Vincent:

That's what we were talking about with the network. Go to where they are. He's not showing up every day bringing them donuts necessarily. You can go out and network with everybody in this industry at the networking events. I think to answer your question too, you were talking about the emotional side. Every group charges differently. Some of these companies, that woman might spend a lot of time because she's charging by the hour. So if they want to sit there and talk about the photo album for three hours, she's cool with it. She's meeting them at their level, the emotional level, where some people just want it over.

I'm going to tell a lot of stories in the next two days. I remember I had two sisters, and they had a brother. It was a three bedroom house. He lived in the master. He had a prayer room and a porn room. The sisters walked in and they go, "Oh." They met me in the front yard. They said, "You go in. Tell us what you'll pay. We're not going back in there," because of that. And so I met... Did it bother me? No. You know what I mean? No. It's just stuff, but you meet the person at their... and every person is different.

Son-in-law is always better for the emotional side. That's the other thing. We were talking about families that don't get along. I see a lot when the mom puts the son-in-law in charge because she knows that her kids can't get along. That poor bastard, he's got to deal with everyone else and make them happy too.

Jay Phillips:

That's a good point. You'll have one person. You can be 10 kids, 20 kids, two kids. One is doing all the work. The other is watching and criticizing them, basically.

Phillip Vincent:

The whole time.

Jay Phillips:

So when you find out who that one person is for the estate or the trust, whether the mom and dad is alive or passed away, I mean, you really need to do anything you can to make their lives simpler, because they're so overwhelmed. Most of the people tell me, "I've never done this before. I have no idea where to start and where to stop," so when we get involved, they love it. I've had a gal from California mail me the keys. She never even met me in person, other than talking on the phone, and then we took care of it, cleared out the house, sold the house, mailed her a check, that kind of stuff.

Phillip Vincent:

That's an American thing right there, what she just said. We're a throwaway society. I'm not going back there. I'm just going to mail this guy the key and make my problem go away.

Jay Phillips:

She said, "It's too expensive to fly from California to see the \$100,000 house and the \$20,000 worth of stuff," or whatever it was.

Phillip Vincent:

Good for her.

Jay Phillips:

Yeah. Good for me.

Phillip Vincent:

We were starting to talk to these people about networking in their areas. I told them about Breakthrough Coalition, SRTs. Those aren't SRTs in Portland, right? They're different things. What would be, other than Google searches, how did you find where the best networking is? If they were in whatever city they're in, how would you go about finding those people?

Jay Phillips:

I mean, again, talk with people at senior communities, the marketing people, because they go to network. They get paid to go to networking events all the time, and you really have to pilfer through a lot. Quite frankly, they're good people to start with, but if then that same community has somebody that does all the administration for intake, that person you better treat like a king or princess or queen or whatever, because they got the keys to the kingdom.

Same thing social workers, although they're exceptionally sensitive to everything, which that's what they're supposed to do, but networking with them. They hear from families, and they start coordinating everything from the beginning many times, and then hospital discharge people, although they're hard to get with. They're very, very busy, but literally they'll call people up. "Hey, you got two days to get your mom out of here. We're discharging her in 48 hours. Good luck. She can't go home, by the way." It gets kind of crazy.

That's the important thing. I let people focus on Mom and Dad, where they are going to take them, and the stuff is the stuff. It's going to be worth what it's worth to somebody. More times than not, we make it disappear, and that's what they want.

Phillip Vincent:

In that equation, we're the middle. We're the house, and he deals with the stuff, and then the placement. Those three things are married together at the same time. You just want to put yourself in there. You want those at-bats. You're not going to buy every house, just like he doesn't get every estate sale. Jean picked up on something right away. In these networking events, I'm going to go to Breakthrough on Tuesday. We're going to have 200 people there probably, and there's going to be a guy there that sells incontinence products, a person that sells ramps, transportation. Go through some of the things that we see.

Jay Phillips:

There will be two or three estate attorneys. There will be a lot of senior living communities. A lot of placement people. I can't even think of all of them right now. The big one is, what? A Place for Mom or whatever.

Phillip Vincent:

Yeah, Oasis, Sharon's.

Jay Phillips:

Yeah. There's a bunch of those.

Phillip Vincent:

And there's a lot of independents too.

Jay Phillips:

There will be that.

Phillip Vincent:

That's magic. Those are the people.

Jay Phillips:

Reverse mortgages.

Phillip Vincent:

Yeah. We don't like those guys.

Jay Phillips:

Yeah. A bunch of stuff. Yeah.

Speaker 8:

What do you each say when you go to these networking communities, I guess I'm curious. What do you say that you are? Do you say, "I'm a real estate investor"?

Phillip Vincent:

We were talking about this with Danny. I help you make more money with the clients that are already walking through your door. Well, what does that mean? Do you ever have a situation where they want to move Mom in?

Speaker 8:

You don't actually say what you call yourself. Phillip Vincent:

No, because if I call myself a Realtor, their brain turns off. They already know Betty that has, no offense, SRES.

Jay Phillips:

Very offended.

Phillip Vincent:

Yeah, I know. She's not the solution. She could help them get to the solution. We're trying to position ourselves as the solution. If you call yourself an investor, that wall got bigger, not less. We know we're in it to make money, but that's not why you're there. When you network with them, you're meeting her at her level. Remember her with... I was talking to a lady in South County. I was helping a lady pick out her 27 canes, and which ones she could bring. She was just haggard. It was a hot, sweaty day. She had on a skirt and... I didn't realize her job description was also a mover. She was the lady that runs the place.

What I'm hoping that you guys get out of all of this is each person has their own way to reach them at their level, and there's things that you can say to them for them to think, "Man, that person is going to help me with my problem." What's in it for them? That's all they care about. That's what they truly care about, and can you do it with trust and integrity?

Jay Phillips:

That's the big thing. I mean, if you can get your foot in the door with any folks that deal with a lot of seniors, it's them putting themselves out there for the first time, but with some of the senior communities, it comes down to they're in desperation mode, and they can't leave the community to help these folks out. So you get one of those. You help them out, and you knock it out of the park, then you're in. It's just a matter of continuing to maintain that level of care and service. Like I said, it's going to be for right now, half the time you'll be dealing with seniors and/or people directly involved with them or their kids. Either way, they're overwhelmed.

Phillip Vincent:

Yup. And what I find when I ask that question, the loaded question, because I know the answer, that they do have that problem. The holy grail is when they say, "I'm working with Judy right now. I was just at her house. There's no way that thing is going to be retail-ready." Guess what? Game on. It's time. You are on stage. I always tell Jay, even if I don't buy that house, I'm going to go above and beyond to give that family and her all the feedback I can on all of their options, good, bad or... Even if I don't buy the house, it's that relationship then that I'm building that, hey, that Phillip guy, he helped her.

I help him in so many ways. I've bought houses before because the lady had a hunch that she wanted to bring to senior living and she had no one to help her bring it there, and so I said... Byron, my guy that does my clean outs, brought it for her. I said, "I'll get rid of that problem." And so I think the money is going to come from what we do in real estate. It's inherent in what we do in the flip business or keeping them, but what we're really trying to stress is these people in senior living have problems that they deal with every day. Their goal is to get them the best care and get them moved in as quickly as possible. Guys like Jay and I help them with that problem at the right time. How are we doing on time, Mr. Ben?

Ben Rao:  
Good.

Phillip Vincent:  
I'm trying to think of what else.

Jay Phillips:  
Also, it's kind of like, what was it? Miracle on 34th Street. Oh, we don't have to go to Gimbels or Macy's or whatever. I go on there with, like you said, options. I might be able to bring all the options. Other times, I might say, "Hey, this isn't a fit," and the seniors appreciate it, and then it gets back to the attorneys and/or whoever has referred them, and it comes back tenfold in those situations. As I continue to build my network, I can usually take care of anything, but you've looked at a lot of houses and people, like, "Well, it's going to cost me a few grand to get it occupiable. I'd rather go that route, because I'll make more money," which is true, but it's just how much effort do they want to put into it. Most people don't want to sit on a house for two months getting it ready. They want it gone.

Phillip Vincent:  
That. They don't want to deal with that. That's overwhelming, even before they get to the rehab side.

Jay Phillips:  
Yeah, because who knows what's under that?

Phillip Vincent:  
Cat pee normally.

Jay Phillips:  
Or dog. Or a dog that's been missing for a while.

Phillip Vincent: What was the question I had? It escapes me right now. Oh, I know what it was. You said in St. Louis, people have \$50,000 worth of stuff a few percentages of the time, but almost always it's worth \$5,000 or less. Us as real estate investors, when you do your rehab estimator, your budgets, how many line items do we have that are over \$5,000? A ton, right? I mean, kitchens, baths, all that stuff is going to be over \$5,000. You just have to look at the clean out as another line item in our lives. The reason why you're doing that is... I'm not saying you should get in his business. He spends a lot of time and effort. His is a leader to get into the house side of it, but we want to be a solution for those people. Just absorb that \$5,000 into your number. If you can't absorb \$5,000 into the number, it wasn't going to be a deal anyway, and so it's all relative.

Jay Phillips:

Some people on your end look at it where, hey, I can pay guys X amount per hour, get two dumpsters and be done with it, but if you network with liquidation companies, I mean, inherently, the people that work with me and for me, they want to dig. One of the guys you saw the other day, that guy, if that house would have been piled literally to the ceiling in every room, he would have been in heaven, and he would have been there for five weeks without going to eat or drink or whatever.

Phillip Vincent:

Because he was looking for the treasure?

Jay Phillips:

Yeah. Those folks, if you network with them, bring them in and say, "Hey, I got a place. Before I clear it out, do you want to come pick it?" You'll get a guy or a gal that will call you when they have something. "Hey, I'm going through and clearing out a nightmare house. Do you want to talk to the family about buying it?" They don't want to deal with the house. I don't know how you guys do potential referral fees for non-Realtors, but that might be something to consider, but scratch their back-

Phillip Vincent:

For those clean out guys? Yeah, the clean out guys. The clean out junk people, that's one I haven't really dove into very much, but it's true. They're getting to those lower end deals quicker than maybe some of the estate sale people. A lot of people just have stuff. Most people that we deal with don't have anything valuable.

Jay Phillips:

The people that say, "I've got great treasures," don't. I know that going in. The people that say that it's full of junk, I know there's going to be something worth a couple of grand minimum in the house, period. We find guns everywhere, ammo. One gal was 90 years old. In her bedroom under the bed was a Smith and Wesson, and the bullets were literally corroded into it. She hadn't touched it or used it, but that's something where the daughter didn't want to touch it at that point because it could have gone off. So those types of things as well as gold, money, silver. All sorts of crazy stuff.

Phillip Vincent:

What's the best... In this room, we like money and profits. What was the best deal you ever did?

Jay Phillips:

Gosh. As far as from the liquidation side?

Phillip Vincent:

Yeah, the stuff side.

Jay Phillips:

I mean, sometimes we'll get in. We always parcel off whatever is left, but we've had a couple of deals actually. One, the family is like... It's the big fish story. So four daughters. One is the black sheep. Three like each other, and a brother that took care of Mom and Dad, but has a lot of issues. They've got a vase in the front foyer they say is worth... Mom thought it was \$250,000. I was like, yeah. It's sitting on a pedestal by the front door, not protected. Sure. So we appraised it, and \$2,500, which actually is not bad for a vase.

Phillip Vincent:

Just missed the zero.

Jay Phillips:

It was from Italy. That's funny, because oddly enough the house was broken into three days later and that was the only thing taken. We never saw the brother again. The attorney loved it, because we had already appraised it and they got to claim it against their insurance, but in that same house, when we do liquidations, especially for specific trusts where they want a detailed list, I tell people, you're going to spend thousands of dollars paying my company to detail everything. We're happy to do it. We're happy to do it. It's a pain in the butt, but we'll do it.

On that situation, certain things were in the trust. Certain things were in a will. The whole thing was a cluster, because they would be like, "Oh, Bob, my son, gets everything in the dining room." Well, if I was Bob, I'm dragging everything I can get my hands on into the dining room. It was not clear at all, but they did have safety deposit boxes, which we have to also check into.

Phillip Vincent:

Oh, fun.

Jay Phillips:

And the one daughter is like, "No, it's just got quarters they collected from when we were born," which they're 92% silver, based on the ages of the kids. We went up there and we found gold bullion, at \$80,000 worth of it. That was a biggie.

Phillip Vincent:

Yeah. Any baseball cards or sports memorabilia?

Jay Phillips:

We do come across quite a bit. Memorabilia has taken a bit of a hit on the baseball side, comic book side. Used to be really good. It's not so much anymore.

Phillip Vincent:

Because there's no buyers for it anymore, right? At my age, I liked it when I was a kid. I'm not buying baseball cards anymore.

Jay Phillips:

It's got to be really specific. You can get autographs for a whole lot less than you used to. Old stuff. We met with a 99 year old in U City two weeks ago. He used to play for the St. Louis Browns.



Phillip Vincent:

Oh, wow, so pre-1944, because they moved to-

Jay Phillips:

His uniform is worth a few bucks, so that's something we're negotiating right now with him.

Phillip Vincent:

That's cool. How big was he? They were always littler back then.

Jay Phillips:

He's a bigger dude.

Phillip Vincent:

Was he?

Jay Phillips:

Yeah.

Phillip Vincent:

How about guns? What was the most guns you've ever seen?

Jay Phillips:

A Colt. I can't remember what year it was. I know enough to be dangerous for guns, but it was a very old Colt revolver. It was worth about \$10,000. Usually they're anywhere from \$50 to \$1,000, give or take.

Phillip Vincent:

What I find is that stuff is gone by the time I'm there. Remember? I'm in week three when it's just that stuff left, and he's already helped them with the valuable stuff. Very quickly, especially if they're a son-in-law, and in St. Louis, I don't know, these mid-century houses. They have these tiny stairs and everything is in the basement. By the time they've spent that second weekend of taking boxes up to the dumpster, they are so done with stuff that when I show up and make my offer and I tell them, "You don't have to come back here ever again, and I'll start mowing your grass right away even before we close," that's a good one, by the way. Write that one down.

If you offer to mow their grass, they don't live there. They're thinking about who the hell is going to mow the grass. Somebody is chirping, that they're going to pay that guy \$40 or \$50. Get in your payroll, because as soon as you close on it, you're going to start mowing it anyway. Take away their pain, and it's going to be really successful for you guys. Any questions?

Speaker 9:

Yeah, so what's the value proposition if you want to approach the downsizing companies with establishing a relationship? Is it, hey, once you sell off whatever you sell off, the rest we'll wipe out for you?

Phillip Vincent:

Yes, sir. Did you guys hear that? [crosstalk 00:27:50] Could you say that again, sir?

Speaker 9:

Yeah. I said, what's the value proposition that you want to approach the downsizing companies with? Is it, hey, once you get all the valuable items out of the house, then we'll clear out the rest so you don't have to deal with it?

Jay Phillips:

Yeah, that's huge from the standpoint of at that point, once we get the value skimmed off the top, which might take us a week or two, whatever is left is pure cost to us. So if we don't have to clear it out, that just makes us have more money in our bank account.

Phillip Vincent:

And I love telling people and saying, "This is all your stuff. I'm not in the stuff business. Everything you take and your family takes just helps me that much more." I always say, "If I buy your house with everything that I've seen in here today, that's okay, but the more you take, I'm cool with it." So I want to let them know that they own their stuff. I don't want their stuff. Please take as much as you can, but what's leftover, leave.

Speaker 9:

Should we offer some kind of additional incentive starting out, just to expedite the process?

Phillip Vincent:

Give me an example.

Speaker 9:

Like, hey, I'll send you a referral fee for the house or something.

Phillip Vincent:

You should negotiate every relationship. I think what he said is if he has to spend \$1,500 on the back end to clean out the rest of the stuff to fulfill it, I just paid him \$1,500 dollars, plus the hassle factor. He wants to move on and get to the next set of cool stuff, you know what I mean? Stuff is overwhelming.

Jay Phillips:

The liquidators send the investors also, because we take what we want and leave the rest, which is more of a pain in the butt for us. We have guys that love to do that and get paid for it.

Phillip Vincent:

Yeah, and for me with Byron, if he's already there taking the carpets out, the kitchens out, he can take that old couch out too, so it almost doesn't cost me much more that would have already been in my rehab number anyway for the tear out cost. We can easily absorb and help him with his... Meet him at his level. Help him with his problem.

Speaker 10:

So walk us through the way that networking works. Byron is getting referred by the attorney or something?

Phillip Vincent:

Byron is my guy. I'm sorry. He's my clean out guy once I'm under contract.

Jay Phillips:

Yeah. I'm networking. I have an attorney call me up, like again, case in point, the one we'll be doing in a couple of weeks or so. I've been trying to get with this paralegal for literally... I've had 10, 15 years with this one company. They got rid of the gal that I had a great relationship with. They brought in a young guy. That worked out good. I ended up helping him buy a house, and we networked well and got together on things. Then he went to another firm, so I got to recreate myself every time.

So the new gal and I, I couldn't get five seconds of her time, because she's having literally everything dumped on her, and she doesn't have five minutes to talk and definitely doesn't want to meet. But thank God on that one especially, she's like, "All right, I got a problem. You said you'll do about anything." She's like, "I got this one. It's a nightmare. Pipe burst, full of mold. Can't get this lady even to talk to us. It's set for foreclosure in a week."

Phillip Vincent:

[inaudible 00:30:33].

Jay Phillips:

Yup.

Phillip Vincent:

[inaudible 00:30:35].

Jay Phillips:

Basically once I looked at it, I said, "There's plenty of equity there." And again, the mom is thinking, number one, emotionally distraught. She shouldn't outlive her son, that kind of thing. He's got \$300,000 in the bank account that she's trying to get her hands on. That's got more money than the house does.

Phillip Vincent:

Yeah, this is a little villa, and he's got \$300,000 in the bank, and they were going to let it go, which didn't make any sense.

Jay Phillips:

That's where I just said, the house, you can double what's pre-owed on it at least, give or take. It's about that, but the gal wouldn't call back. So I was able to get a hold of a grandson who talked to Grandma, finally got her to take my phone call, and she did what she was supposed to do that the attorney has been telling her for a month and a half.

Phillip Vincent:

To stop the foreclosure.

Jay Phillips:

Yeah. She finally came up to St. Louis and was spending way too much time in that moldy villa condo, but I met with her, did paperwork, got the heck out, and then I'll be driving down to Rolla on Monday to get the paperwork signed, because she's 82. She's not going to do anything electronically and she doesn't want to deal with anybody else. It took me that long to get in front of her. So the attorney is loving life, because number one, I delivered paperwork that she needed, the lady needed, to open her trust account, because she can't sell the house, can't move the cash from the bank without it. So now the paralegal is ecstatic because she didn't have to leave her office. She didn't have to pay somebody to do it. I'm doing it for her, and now I'm driving down there. So the big problem they had, they get paid for every asset, every penny of every asset that gets sold, so they want the house to go as well, so it works out well for everybody.

Speaker 10:

So how do you bring Phillip into that?

Jay Phillips:

So in that case, I-

Speaker 10:

It's just a- [crosstalk 00:32:05]

Phillip Vincent:

It's not a retail-ready house.

Jay Phillips:

Yeah. And again, something with mold is a lot easier to bring in Phillip or any trust investor from a wholesale or a cash perspective, just from the standpoint of other people... I watch Home and Garden TV. They think everything is worth \$20,000, \$40,000, \$50,000 more than it is. They think it's easy to do the rehab, which once they get in-

Phillip Vincent:

It's only a half hour show.

Jay Phillips:

Then they call me, and they want out of the rehab business. But I tell them, you've got wholesale, which sometimes happens. You have as-is, which is to Phillip, who's going to rehab it. You've got as-is retail. You make it occupiable, but do nothing else, and then you got full-on retail. I've had probably... In the last five years, I've probably helped coordinate four times where people actually took out a kitchen, put in a new kitchen, brought in plumbers, that kind of stuff. I value-add it from the standpoint of they don't have to mess with it. I'll coordinate it, but that's a small percentage.

Speaker 10:

So really, primarily your referrals as this point is you wearing your hat as the senior housing specialist Realtor that's going to help them sell, and you also offer these other services.

Jay Phillips:

Yeah. And the investor, when I met with her, is like, "Yeah, it's going to have to go investor." I got a bid for the mold remediation just to show her, hey, that's not profit. You're not making a new kitchen and making it pretty to make more money. You're just doing that so somebody doesn't die and sue you for having mold in your lungs. So she didn't want to mess with it, so that made it easier. And then I bring in multiple investors, because at that point, I owe fiduciary to the family, and so I basically can then say, "Here, out of the three or four people I talked to, here's what we have," and go from there. And then they listen to me as far as what I recommend on who to work with and things like that. Sometimes it's not dollar-specific, but the attorney doesn't want to be involved in that. They just want to know they got a fair shake on the family's side, so they don't have any liability on the back end for referring me and vice versa.

Speaker 10:

You as a Realtor, are you still getting a one party listing? You're getting paid?

Jay Phillips:

Well, for some of them it will be... Some situations, I'm a transaction broker, where I don't owe anybody fiduciary. My attorneys typically don't like that, because they want me to have some skin in the game. In her case, I listed it MLS exempt. I told her this will never see the light of day on the market. [crosstalk 00:34:16] I said, "After it sells, I'm not going to put it on the market. I'm not going to post it like a lot of Realtors do." They want to show their activity. I don't care. It's not anybody's-

Phillip Vincent:

Plus, these pictures would have been unique. He collected 1980s VHS adult material everywhere.

Jay Phillips:

That was pretty much the only thing the family didn't take. I don't know why.

Phillip Vincent:

It was very unique. It was everywhere.

Jay Phillips:

We won't be cleaning that out. We'll let Phillip enjoy that.

Phillip Vincent:

I like what you said about this attorney. You had the relationship and then the turnover there, and so you had to re-get back with her, and so you kept working with her, and that moment she needed help, then you were always there. You stayed constantly in contact with her through various ways, and now you solved her problem, so how much easier is going to be the next deal? She's going to go back to Jay.

Jay Phillips:

I also do research. This attorney's office has 700, 800 people in their trust side. They're educating them multiple times a month if they want it. They're on retainer for them. It's a whole different process than one attorney who handles 25 clients. It's a big firm. Again, their new trust administrator just passed the bar, so a new I'm going to hobnob a little bit more with. Real nice guy, but he's going to be buried in 10 seconds.

Speaker 11:

So when we're dealing with an agent who is a fiduciary, and let's say we're not the only investor. Like you're saying, we have to have some competition to do your job. What do we need to bring to the game that is going to make you look good, feel good, but also help us get the house more often than not? Is it price? Is it terms? Is it this brochure that we show up with? What really makes a difference?

Jay Phillips:

It's not always price. I almost always say it's got to be terms in general, but just talk to the agent. I didn't share anything different with him than I shared with the other couple of people. Out of the three, one didn't even go. Two did. Two put in offers. They were similar but not identical, and terms won.

Phillip Vincent:

I always want- [crosstalk 00:36:20]

Jay Phillips:

Here's the thing. If you can make it simple, so in this case, it's a condo. There's a condo association and the other investor who, I don't think they do as many as they say they do, because they put in their clause they have to review the indentures. Well, we're not going to wait even a day for them to review that. If they can't take the risk on that because they're getting a good price on the place, then...

Phillip Vincent:

And I buy as-is, no contingencies. We've known that about each other. That's what he likes about me, that we're going to close when I put the contract on it.

Jay Phillips:

That's the thing I do tell my seniors. I only work with people that I know have the cash on hand, and they will definitely... I've not had a problem with closing. Phillip, I mean, 20 minutes after walking through the place, he'll call me with an offer. It's not a, oh, I'm going to re-inspect it in a day. No senior wants that.

Speaker 12:

How often are you solicited by other investors trying to get in your pocket?

Jay Phillips:

Usually if I meet them at Breakthrough Coalition or other networking events, they'll chat some, but I'm pretty specific. If they can't show me they've got X amount of money in the bank and they can get things don't, I don't want to waste a minute of time, because if I work with somebody that maybe is not proven to me yet and it falls apart, then all of a sudden, the attorney is looking at me cross-eyed because now I've got an 82 year old angry at everybody, because it didn't go through and we wasted a week and a half.

Phillip Vincent:

And not every estate salesperson or downsizing person is an SRES agent. He's just unique in that case, so a lot of the downsizing people won't be Realtors as well, and they won't have a fiduciary duty at all. Right, and he's just unique.

Jay Phillips:

But if you can help them get to some of the stuff they want to get their hands on, then you can basically just say, "This is great. I'll call you in on these things, but call me when you're meeting with these people, and it's like, wow, this house is a bit of a train wreck," because that relationship is going to get you deals way before... I mean, the insurance agents don't know ahead of time. Sometimes the financial advisors do. Sometimes the attorneys don't, because it's a crisis. So I have always looked at it, well, who's first in line?

It used to be the attorneys, which they're still pretty close in the front. A few financial advisors are pretty hardcore planners, but not all of them are with their seniors specifically, and I just saw in the estate sale, they were slowing me down, and there's no regulation whatsoever in that business, which is nuts to me. Most of them in St. Louis didn't have insurance when I incorporated my business.

Phillip Vincent:

Guys with a trailer. That's who they were, and an ad in a local paper. It's where the competition is on the low end. There was a company called Everything but the House that started out in Cincinnati. Have you guys heard of them? They went out of business because they only wanted to deal with people with \$15,000 and above.

Jay Phillips:

Yeah. Their sweet spot was \$20,000, is what they wanted jobs for, and in St. Louis-

Phillip Vincent:

There was none.

Jay Phillips:

The guy that did it was super nice, but I was like, "You're fighting a losing battle. I mean, it's just not going to happen." And I think the company is still around. It does online auctions, but same thing for at least Midwest. I mean, their thing was, oh, you have \$20,000 worth of stuff. We're going to come in. We're going to write down what it is. We're going to throw it in a pot and ship it to Cincinnati. It'll be in a week auction, and whether you have a car, a piano, a diamond ring, it's going to start a dollar, and it goes where it goes. I think that's semi-genius, but an 80 year old lady doesn't like that her piano she thinks is worth \$8,000 is going to start at a dollar. It may actually be worth a dollar.

Phillip Vincent:

And the logistics of moving the piano to.... That was their problem, was taking the stuff and the manpower. It's so expensive and the shipping, and he already said everything is St. Louis is only worth \$5,000 on average. You can't be shipping and man hours and deal with \$5,000 lines. If the stuff was worth \$50,000 plus, then yes, but that's a rarity in St. Louis, and then they call, what? Selkirk and these... Right?

Jay Phillips:

Yeah, and again, which is a whole other... Auction house is the same thing. I'm going to take your stuff out of your house to our place, and good luck getting it back if it doesn't sell.

Phillip Vincent:

Yeah. That's for people who have artwork that's actually worth something. That's not normally my customer.

Jay Phillips:

Yeah. Onsite estate sales are the best from your guys' standpoint, and most folks like, because nothing is leaving the house unless I got money in my hand for it.

Phillip Vincent:

Jay, thank you for being here today. There's people like Jay in every city, and you got to network with them.

Jay Phillips:

I don't think there is.

Phillip Vincent:

Well, no. I mean, what he does, how he helps them.

Jay Phillips:

Old white guys. Every city.

Phillip Vincent:

Old white guys. Bald. With nice haircuts like me and you. If you can help him at the end of his sale where you can take that \$1,500 off of his plate, he loves that. He's helping out with the SRES as well. That's not as common. A lot of people are just a truck and a trailer, or a [inaudible 00:40:42]. So they come in all shapes and sizes, but we're helping them in the same... The timing is perfect for what our goal is as well.

Jay Phillips:

And if in your town, you're driving around and you see an estate sale sign that actually was printed off and looks professional, Google them. Check them out. Those companies are going to be doing more business. It's amazing how many people still write on pencil that they're having an estate sale, and that's a company, they're not going to be doing a whole lot of deals.



Phillip Vincent:

But they might be good to network with.

Jay Phillips:

Potentially, yeah.

Phillip Vincent:

Yeah. There's always at-bats and opportunities. You have Pennies in your Pocket. What else? There's a bunch of them.

Jay Phillips:

Literally, I think when I got in, there was maybe 20 in St. Louis. I think there's like 120, because it takes nothing to become an estate sale company.

Phillip Vincent:

That's a good question. We have something called the Hot 100, and 20 of the people I want them to network with are downsizing, so do you think it's better to be the little guys or the big guys?

Jay Phillips:

It depends. If you're looking at-

Phillip Vincent:

For what we do.

Jay Phillips:

I would say attorneys that have a big book of business, start there and work your way back, and estate sale companies, start big, but the little ones are getting some... I mean, there's one couple in town that I don't know how they've been getting work for the next 25 years, because they smell like pot every time you meet them, and they're very nice people.

Phillip Vincent:

No, that's why. [crosstalk 00:41:52]

Jay Phillips:

But it's crazy. People hire them, and they hire them in hot West County areas with \$50,000, \$60,000 worth of stuff. They hire them all over the place, so you never assume, but networking with all of them. I just start with my best chance and work my way backwards.

Phillip Vincent:

Thank you, Jay.

Jay Phillips:

All right. Thank you.

Phillip Vincent:

Thank you, guys.