



MOM'S HOUSE HOME STUDY COURSE

CHAPTER TWELVE

Full Certification Program Available

APPLICATION LINK

Chapter Twelve

So guys, you bought this course, right? T

o find better leads, find the best leads, right? And these truly are the best leads in the industry.

So we talked a lot today about how to build trust and I want you to know that every single time that you're given an objection as to why they shouldn't work with you, that I've already been through it. I already know what to say next, because I've lived this. I've been in real estate for 21 years, but I've been doing senior living since 2011. And so right now this next chapter is super valuable, super important.

It's how to overcome objections that you're going to face and you are going to face them because on the surface they're like, "Oh, you buy houses from old people." Well, that can be looked at many different ways. And so, we know that we're looking for houses that we can add value to.

We know that we're paying, not a retail price for a house because we buy them as is, we take on all the inherent risk, and we create our value when we rehab it. And so today we're going to talk about objections that you're going to get and how to overcome them.

So please have your pen out.

These are super valuable.

Let's make some money together.

We already work with a realtor.

Great, good. At first you may think to yourself, "Ah shit, they don't want to talk to me. They already work with a realtor." No, it does not mean that at all. It means that they acknowledge that they have the problem of needing to sell the house before they can move mom into their community. So really they've actually helped you because they've said, "Yes, we realize we have this issue." And you can explain to them very quickly that the realtor does not buy the house.

They merely put it out to the market to see what the market might bear for a fee. So with us, there are no commissions that need to be added on to it that take away from their net. So that helps us to come directly to the consumer, to instead of having to pay the agent, to pay that person directly.

So what I've found is that senior agents or real estate agents that have the SRES designation still call me and they still say, "Hey Phil, what are you going to pay for this?" But if I make \$100,000 offer, now the family only gets 95,000 because that agent was in the middle of it. And so don't position yourself as a realtor.

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Did I mention, don't position yourself as a realtor?

The reason why is because realtors have been around and that's the old way of doing it. Remember the analogy of the eight month from January the first to August before that family could touch their cash? Don't be the old way. You are the person that can show up and close on this house very quickly. And really the answer is you can close whenever the family wants you to. You're the easy button solution for their problem.

How you position yourself to them is always what's in it for them.

All those different stakeholders have a different problem.

It always leads back to you being the one that can solve that issue with buying the house.

So whenever you **answer their question about what you do**, always present them with,

"Have you ever had a situation where?"

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And if you say the right sentence to them next, it will unlock their brain to be like, "Yes, that happens to me all the time. And oh, by the way, you're the guy that can help me with that. Let me give you the name of a person that I'm working with right now."

In fact, when I go meet someone for the first time, and I say, "Have you ever had a situation where they want to move mom in, but maybe they have no intentions of ever getting the house retail ready for the market? Do you ever have that situation where they have trouble selling the house?" They always say yes. And immediately I say, "Do you think it would be okay if I give them a call?" I always ask for the sale immediately. I want them to know that I am there to buy the house. I want them to use me. And the quicker you get an at bat, you know what, my baseball reference again.

But the quicker you can go out and prove to that person that you do what you say in the senior living, and this person's a trusted person, and they get good feedback from the family that you were there, you were professional, you had your pants pulled up, your teeth brushed, you smiled, your booklet, all of these things. You're like, "Well that Phil, he's a good guy. And let me give him more leads." And so, the idea is to go in there with the intention of knowing.

You ask loaded questions because you know the answer.

When I say, "Do you ever have a situation where?" The answer is because I already know the answer is yes, that they do.

And if they are still putting up objections, it's because they don't trust you yet.

And what we're talking about today is ways that you can make them see you differently.

And in our certification course, we spend a day on this. This is the most important part of all this, is how they perceive who you are. You're dealing with seniors, you're dealing with multimillion dollar corporations, and you. And so, how you come across to them is super important and we teach you the ways to build that trust level to where they can refer to you ongoing for years to come. If you think you're going to just walk in unannounced to these communities. Here on the surface, you're like, "Oh, it's senior living. I'll just walk in."

In 2011, I thought, "I'll just walk in." Right? It's what I thought I was supposed to do. The answer is absolutely not. You're going to get *blacklisted*. They're going to ask you to leave because it's not the right way to reach them. And so, in our certification course, we go very deep into the right way to do that. And how to say, who to say it to, and what to say. One of the questions I get a lot of times is, "*Do you just low ball?*" And if you're offended by that question, then it's going to come across as that is what you do. If you get offended by the fact that they would ask that. Really what they're saying to you is, "*Are you taking advantage of someone?*"

And if you've been in real estate long enough, you should know how to talk about how you landed on your offer.

- There's no commissions to be paid
- There's no inspection items
- You pay cash.

There are all these reasons why what the family was going to net anyway, versus what your offer is usually not too far apart based on what their retail sale would be minus all of those other factors.

And so you should be able to have an intelligent conversation with them that I always liken it to if you had two '57 Chevy's and one had a blown engine and four flat tires and broken windows, versus a perfectly restored one, which one is more valuable, right? It's obvious. It's no different with a house is that my offers are literally based on every single thing that that house needs or has already had done to it. What I mean by that is if they just put a brand new roof on it, cool. I don't have to subtract that off of my offer now.

My offer is truly based on what I see when I get there that day.

And I spend a lot of time being very transparent with the family on not only what my rehab number is going to be, but what I think the ARV or the after repair value is going to be. I talk about the comparables in the neighborhood. I want them to want to sell me the house.

There's absolutely no pressure.

And I think when you show them exactly how you got to your number, it helps them have good ammunition when they go back to their siblings and their mom, who's moving into senior living and say, "Based on all of these factors, these are our options."

Right?

You want to be a puzzle piece for this family that you want to fit in very nicely. And if you don't, that's okay. You're not going to buy every house, but the goal is to have plenty of at bats with really good leads. And that's what these senior living leads are. Any person in senior living, we talked about the marketing director early, any person in senior living that you could take on a field trip to a house that you might buy is really important because when you bring them through a house and they get to see what you do, the condition of the house that you buy, and you ask them, "How much do you think the rehab is going to be here?"

It almost always goes in your favor, meaning that they don't know the cost of things and they see the condition of these houses. And they're overwhelmed of how much work it takes to get these houses retail ready. And so, I really suggest if you can, bring them. By the way, if you take them on a field trip, they now get to see how you interact with a family. They can see if you're a butthead. They can see if you're kind. They can see if you smile. They can see if the people like you, right?

People work with who they like.

If you can show your value to that family and that person's on a field trip with you while you're doing that, you just know you're being interviewed right then with that person that they will now say, "That Phil guy, he's trustworthy." Right? And you are on stage at that moment to build trust with that person that you're on the field trip with.

It's one of the best ways that I found to build trust with the stakeholders in senior living. When you compare your offer to the competitor, you look at the world right now with the way a retail sale happens. What I mean by that is the inspections, the people coming through the house, what do we do with the dog while the showings are happening? The inspection items, who's going to pay for that? Even if they choose to go the retail route, there's a lot of pain points involved with doing the retail side.

One of the things about us as investors is that we have the flexibility to close when it's good for them. And so sometimes it doesn't come down to the money. It really comes down to the logistics of helping mom get moved the easiest way, whether that's sometimes I'll close April 4th and let them have until the 7th to get the rest of their stuff out because mom's moving over that weekend into the community and they need a little bit more time. Those kinds of things that really cost me very, very little are big to the family because it takes the pressure of the gun against them and says, "Hey, you got to be out of here." And all this stuff. It takes away that pressure from that family to be more flexible.

Now on a retail sale, they're never going to get that.

And so, if you can give them a way to be an advantage over the thought of going retail, these are great ways to prove your value to them. There's no question of who's more flexible, whether it's an investor or a retail buyer. Keep in mind that a retail buyer also has a house that they need to sell. They're tied to that timeframe and all these weird dominoes have to fall. And it's never the best way for the senior, or at least a lot of times it's not. So with an investor, you can position your timing to be exactly what the seller needs, not necessarily what the buyer needs, because we're more flexible.

We've talked about it a lot today is the amount of stuff that these families have. I'm in the house business. I'm not in the stuff business, but in my 21 years, you better believe I've built up a whole arsenal of people that I trust from guys that buy silver, guns, LP records, cars. I've got people from treasures down to trash and they're all people that I trust and people I worked with for almost 20 years now. And me giving that list of those vendors to the people, even if I don't buy the house, I want to be there to provide value for that family.

And so, I don't make a dollar from the stuff. I'm really looking at it from the house perspective, but the more I help them turn that stuff into cash and they get that stuff out of the house, they're really, it's helping me with my end goal, which is to have a cleaned out house so I can rehab it to sell it.

And so, get very good at getting to know the downsizing experts, the estate sales, the auction houses, because they can be great lead sources. And they also... They help with the big problem with the stuff. They're actually tackling the stuff problem. What I want to do is be able to help them, the family with the stuff without you having to touch it.

I don't suggest you're the one that's there every week and helping to clean out because that would be a lot of work. And so, I like to do things easy. The heirs are never easy to please in these situations. When you talk about stuff and the heirs, I've heard so many things like, "Dad paid \$1,800 for that. There's no way we can give it away for less than 1,000." And we're talking about something that's old and no value.

And people overvalue their stuff when they go to sell it, and they have more sentimental value than it does actually intrinsic value to the market. And so, what I always suggest is to try to give it away to family first. That's the most important thing to do, but that's even really hard to do today.

I read an article the other day that this is the first generation that's saying no to their mother about the passing down of grandma's china. And the reason why is today's people, let's say under the age of 30, they're getting their first house. They don't want grandma's china because first of all, they don't have a hutch, they have their friends over, they use paper plates, they throw it away. They can't throw the china in the dishwasher, and it just doesn't have the value that the older generations had.

And so there's actually some animosity that these kids, these kids don't... They don't want this heirloom.

It's things change all the time about the trends of what's important to people. And so right now grandma's china is out.

Things like crystal has gone way down in value. There's so much crystal made that there's very little. Even Waterford Crystal is not Waterford Crystal anymore.

The things I've found about this business are interesting.

Like a Pyrex bowl might sell for \$30 because the person that had a Pyrex bowl in the past knows how long they last and how valuable they are. So I'd rather have a bunch of Pyrex bowls, than I would have an old crystal, where you might look at it under the surface and think it's the exact opposite.

And so, I say all this because I'm not in the stuff business, but when you're around houses long enough, you start to see the same things over and over again. People always ask me, "What is this piano worth?" And I always say, "Well, if you go on Craigslist right now, there's 40 pianos on there for free. So you tell me how much this piano's worth." Sometimes a piano or a pool table or something big is less than zero value because it actually costs you to get rid of it.

And so, be really good with helping the people with their stuff makes you a better house buyer.

And I hope you believe that in your heart because it's the truth.

So next we're going to talk about managing the clean-out.