



MOM'S HOUSE HOME STUDY COURSE

CHAPTER THIRTEEN

Full Certification Program Available

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Chapter Thirteen

So we've talked about this stuff, right? And managing the clean-out is a big deal.

Sometimes the reason why they don't want to sign the contract we use to sell the house is because they don't have their head wrapped around managing the clean-out yet. So the better you get at...

Remember we talked about earlier, there's three things that they care about.

1. Mom's best care
2. How they're going to pay for it, which means selling the house
3. What to do with the stuff.

And so in the managing of the clean-out, I think at least what I've seen is the heirlooms, anything of value, guns, and gold money, all that stuff left the house minute one, right? I didn't see any of that stuff, because that stuff finds an easy home. Then there's maybe some stuff that has value. But then after that, it's just like old furniture and just crap, just a lot of stuff. And so they get overwhelmed with the books and the toy.

I had one the other day, it was a baby stroller from the 1960s and the mom never threw it away. She kept it. And while it's sentimental, you're not going to take the baby stroller to the senior living community, right? There's no room in that 12 by 12 room to have a metal baby stroller in the corner. And so managing the clean-out, the logistics of that are sometimes a stumbling block for a family to not sell you the house very quickly. And so, unless you're really great at follow up, if you can get better at overcoming the managing of that, it's going to help you.

I mean, it's clear why getting rid of stuff is so hard.

It's obvious.

That's their life story.

I find people interesting. So I like their life story. I like to see their knick-knacks. I can tell if somebody had a sense of humor based on their art. I can tell what their interests were. I can sometimes tell if they're a nice person or not a nice person just by the stuff that they have. And so getting rid of stuff is so hard because first of all, it's not worth what you think it's worth.

Second of all, the younger generation doesn't want it. The logistics of it, just the physical side of it. If I'm dealing with a 70 year old helping their 89 year old mother, the 70 year old shouldn't be doing a physical move either. And so there's better solutions out there to help them to make this easy. And so people love it when they find out that I will take the rest of what's left because hopefully by the time I've gotten to them, there may be a weekend or two in to the clean-out where they've already taken the valuables away. And they realize the rest of the stuff is just merely that, it's stuff. And it's more of a pain than it does have a value.

Can you be the better solution for the family?

I think the answer is without a question is yes, you can be.

You have to meet them at their level. Some people want to get very involved and some people don't want to even come back. They even want to see the stuff anymore. It's out of sight. They want to be done with it. And I notice this especially when it's a... I deal with a man who's dealing with his mother-in-law's house. Do you think he wants to go in the basement of his mother-in-law's house and bring dumpster load after dumpster load of stuff out of the basement? Hell no. He doesn't want anything to do with any of that stuff.

And so if you hear that's who you're helping, just know that your solution for the stuff can be the differentiating factor between you buying the house or not. And so this is super important. I've been in a million houses and I've seen crazy things.

My favorite one that I've ever seen was a guy who had over a million baseball cards. They were in every nook and cranny of the house. He kept him in good shape. He had hundreds of thousands of dollars of sports memorabilia. I'm a sports fan. So I enjoyed that, but I've also seen that down to, we talked about the creepy doll collection.

I had a lady that had probably 10,000 dolls and all the heads were just in every room you'd walk in. There were just eyeballs staring back at you. And I found it really creepy. Because some of the old dolls are actually very scary looking. She tried to tell me a lot of them were valuable and maybe they are to somebody, just not to me.

One thing I try to do to build trust with these families is I use a contract that's made by the Board of Realtors. So, even though it's not a commission being paid, I still use a contract made by the State of Missouri and I will sell against my competition because a lot of times they use a contract that they've written in their own basement or their own... Just a one page contract where mine is written by the Board of Realtors.

So to build that trust, I try to take away anything that might make them question the validity of my offer. One thing I have in my book that I give them is a proof of funds letter. If you don't have one, you need to get one. It lets them rest assured that you actually have the money. Some of your competition, some of the yellow sign guys that are out there, they don't have a proof of funds. The reason why is they have no intention of actually closing on their product or their house. And so those are the things that help you sell against your competition. Showing them how you're going to fund the project makes them have more trust in you that you actually will do what you're going to say. Actually fulfill the contract.

One of the tools I use that works really well is something called the Cost Versus Value Guide. This can be its own chapter in itself, but the Cost Versus Value guide has made me a better buyer. And the reason why is it goes over the cost of a deck. If you spent \$10,000 on the deck, what would the value be added to the house? And so recently at one of our Mom's House Certification classes, we had 15 different people, experts in real estate.

It was interesting.

I'm talking about real estate investors right now that gave us their opinion. We listed out how many things, three or four things, and it was the cost versus the value added to the house. And so we told them the cost and we had these experts write down the value. And what was crazy to see was there was probably \$120,000 difference between the lowest value to the highest.

So people in the industry on these 10 items had \$120,000 in difference of what they thought the cost versus the value was. And these were all people that were in the industry. So what does that tell you about the people you're buying from? Well, if the experts don't know, well then the lay person really doesn't know their cost versus value. And so that guide is not written by you. It's written by a company called the Cost Versus Value Guide.

You can share that with your potential sellers, because if they're weighing the options of rehabbing the house and I'll cut to the chase of the cost versus value. The Cost Versus Value Guide shows you that for every 10 grand you spend on a deck, you get like \$6,800 in value. For every \$20,000 kitchen put in, you get \$12,000 in value. So the point of it and why I show it to the future sellers is that you don't get the value back out of it, what you spent on it.

So you might ask yourself, why would I ever rehab? And the simple answer is that's what you want them to do is not to rehab because they're not an expert in the rehabbing business.

And so the Cost Versus Value Guide is a great tool to help you win out on buying a house.

There's actually only one item that is worth more than what it costs to put in. Does anyone want to guess? Any guesses out there? The answer is landscaping, up to \$1,500. So if you spent \$1,500 on landscaping, you'd get like a \$2,000 value added to the house. And so that's the only one. Everything else is less than.

You ask yourself, would a reasonable person ever rehab based on the Cost Versus Value Guide? The answer is no. They probably won't. Keep in mind too, if there's four or five kids and one of them's fronting the bill for it, that's a pretty big burden on somebody. And so they would much rather take your as-is offer, if it's reasonable versus spending their own cash to maybe make a couple extra dollars for mom.

Today, we've gone over a lot. Do you feel like that you can go over why your option might be better than a retail offer might be?

I really hope that you can.

Can you explain away things that won't be in your offer?

Things like commission, closing costs, average close time, the insurance cost, the repair cost, the inspection items, all those things that happen in a retail sale don't have to be included in your offer. And so it allows them to know... I think people in this world, they look for certainty, right? They're dealing with their mom in an uncertain time. And if you come to them with certainty, the last thing they want is more uncertainty, which is the rehab, the resale of that house in how many months down the road. The communities are going to look at it as simply, they want that house turned into cash.

The last thing a senior living community wants to do is put a lien against their house because that family... And I've seen it happen where they let mom move in at \$6,000 a month. And a year and a half later, they don't still have the house sold because the family who... What do you know, the family doesn't get along and they can't get it cleaned out and they can't get a rehab and they can't get it sold. And they thought it was worth something and then it wasn't.

Now, that community has to put a lien and try to take back that house.

That is the last thing the senior living communities want to do.

So what we're going to do next is we're going to sit down and discuss the next steps about how you can implement this in your own business.

And I look forward to sharing these items with you.