



MOM'S HOUSE HOME STUDY COURSE

CHAPTER THREE

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So assisted living communities, there are many different types.

You can get overwhelmed with how many there are. Today, that should not be your focus at all. Do you need to memorize all the different levels of care? The answer is not today, you don't. The one that's probably the most important for us, the real estate investor, is the one where it's that moment where they go from their house to the long term care, and normally that's the assisted living communities. It's all the towers being built, and the big, huge communities in your neighborhood, a majority of those will be assisted living rooms.

And so how many communities are in your market? Obviously, it depends on the population. I'm in the St. Louis Metro Market, which has about 1.4 million people in it on the St. Louis, Missouri side, and we have roughly 250 long term care communities in our town. So, quite a few opportunities.

You're asking yourself right now, "Okay, do I have to go out and meet 250 people in this to make my phone ring, to build enough meaningful relationships to have enough business?"

The simple answer is no, because of how many opportunities there are.

I like to use the term at-bats. I'm a baseball guy. So the amount of at-bats you get will be based on how many relationships you have, but know this, if you have 20 relationships in this industry, 20 is plenty. Easily, each one could give you one to two closable deals per year, and if you have 20 relationships, that's 40 deals a year.

How many deals are you doing today? Are you doing 20, 30, 40? How much more profit would you make if you were doing an extra 40 deals per year? Maybe you're at five deals per year. Maybe you're at none. Maybe you're just getting into this business. What does 40 deals a year look like to your bottom line?

20 is plenty.

So we're going to spend a lot of time talking about the different types of assisted living communities. It can be overwhelming sometimes, but I want you to know this, that just a few of the right relationships will be enough for you to have the right amount of business.

Now, you say to yourself, "I'm going to get into this senior living thing." At least for me, I have never met a stranger, but I remember back in 2011, when I first went to my networking meetings, how I had these jitters that these people are in a whole other industry that I know nothing about, and will I be able to get my message conveyed to them in a way that makes them know that I'm not there to take advantage of anyone? They're a very insulated community, and I think that's why you've taken this home study course today is because you're trying to find ways to unlock and get behind that curtain of trust.

And so anytime there's new jitters that you might have while getting into this, I want you to know this, think about the last dinner party that you were at. Was anyone there talking about real estate?

I, of course, live in real estate every day. What I've noticed about people is either somebody is moving, somebody just is getting ready to move, they're putting their house on the market, they're selling, they're rehabbing. Someone is talking about real estate, whether it's an investment property, or just their own personal property, or it's a TV show where they did a flip. People love Chip and Joanna Gaines. They love those types of shows. And so people love to talk about real estate.

So the advantage that you have, when you get to the senior living networking meetings, is that some people sell sanitary napkins, or adult diapers. Some people sell ramps. Some people sell transportation with vans that have the setup for handicap people. Some people sell lifts that bring people out of the bed and move them over. And so they're very niche items that they sell, but you are in the real estate business.

And everyone likes to talk about real estate.

So, it really unlocks doors.

What I really want to stress to you is how you position yourself, not as a realtor.

If they look at you as a realtor, their brain shuts off, everybody knows a realtor. Everybody knows what a realtor is, the function of a realtor. If you position yourself as a realtor, you're not going to have the success that you want. The assisted living communities are there. They have people that need your service, and so if you position yourself the right way, you will have a lot of success in getting them to refer to you.

So when you get into this new industry, you're not going to have one blanket conversation that is going to be the right thing for everyone that you meet. When you talk to a proprietor, it's completely different than how you talk to a social worker. We had kind of referenced that earlier about the who you're going to meet in this industry, and so right now, we're going to talk about how you position yourself to be the thing that each one of these people need.

And let's just start with the proprietor. He is the guy that owns the community, that gets paid off of how many people live there. You are the person that's going to help that family unlock their equity. The quicker that he helps them unlock that equity, the quicker they have money to pay him. So the proprietor is the one that you could actually have a numbers conversation with about how it works in your business, how his business works. The proprietor is the one that's most like you, the real estate agent.

You want him to think of you as the guy that unlocks equity, not a realtor. Now, the Director of Operations, keep in mind that all of these people, they're a closed community. The senior living world does a lot of networking. It's kind of like the real estate industry, we do a lot of networking, the senior living industry does a ton of networking together, and the reason why is they look at each person as a puzzle piece. They're trying to, "Oh, he needs this service. And she needs this service," and, "Oh, call Fred." And they're always referring to each other.

So if you can get in with the Director of Operations and unlock that trust factor, when next time that she hears that, "Oh, there's somebody that's having really a lot of trouble unlocking the equity out of their house, or they can't get their household," that person is going to refer to you as a trusted person to come through and make an offer.

And so the Director of Operations, sometimes they'll put a roadblock up and they'll say, "Oh, we already work with a realtor." At first, when you hear that, you might think to yourself, "Oh, she doesn't like me. This is not going to work. She already works with a realtor." What she really means by that is, first of all, she doesn't trust you yet, which is fine, she just met you. This is you getting to know her. What you want to quickly do is explain to her or him that you are not a realtor. A realtor doesn't actually buy the house. The realtor is the one that comes in and says, "Clean up this 30, 40 years of stuff out of the house. Do this list of repairs. Then I'll bring my camera guy out and take pictures. Then I'll put my precious face next to it on a listing. And then I'll put it in the market."

That could easily take six months of hassle.

You are not that person.

You are the person that can show up tomorrow, make an offer, and close in 10 days. And you can tell them, "Hey, take your heirlooms. And anything else that you guys want to leave behind, you can." You are the one that is valuable to the families, and so the Director of Operations knows. And we've said it before, and I'll just tell you this...

I mean guys, if you don't have your pens out, please get them out right now. This is one of those sentences that's worth a million bucks, and it's simply ***do you ever have a situation where they want to move Mom in, but they can't until they get the household?***

And they always laugh because they're like, "Yeah Phil, I got a whole drawer of them right over here." And I'm always like, "Well, can you give me that drawer?" And they always laugh because they know they can't do that, but the point made is that they know that there's a problem between the day they walk Mom in to the time Mom moves in to get that equity unlocked could easily be six months long. And you are the person that's there to shorten that hassle factor down to basically nothing, to get that family's cash unlocked so they can pay for Mom's care, which is their most important thing.

And so you have to do everything in your power for them to not think of you as a real estate agent.

Even if you have your license, you are wearing your real estate investor hat that day, you are not a realtor because as soon as they think that you're a realtor, you're going to go in the back of the line with anybody else that they've ever talked to. You want to be the person that unlocks that problem of getting the equity out of the house the easiest way, which helps them move in quicker.

So the finance director, how do you talk to him?

He's usually more of a nuts and bolts guy, it is what it is. He understands the money. He's great because the family already trusts the finance director. It's almost like they're working together to solve this problem of how to pay for care, because once you get to the finance director, you've probably almost already decided this is where I'd like mom to live. Now, how do we just find a way to pay for it? So the finance director can position you as, "Hey, give Phil a call. He'll come out and make you an offer." It gives you that at-bat to try to solve their need. And so when the warm referral comes from a finance director, it's like saying that, "Hey, this person's here to help us. Let's see if this guy can't get to what our goal is, which is to unlock the equity to pay for the care."

The marketing director, they're a little bit different. We had talked earlier, and we expanded upon it a little bit... taking them on a field trip. It's not always the easiest thing to do. What you want to make them understand is that you're not just low balling Grandma. Simply put, you're not there just to take advantage of anyone. Real estate investors, what kind of houses are we looking for? Almost always, we're looking for houses that we can add value to, houses that are dated, houses that need updating. That's where we provide our value. And so, with a marketing director, I found they're usually a younger person, so they haven't already had the pains and experiences of rehabbing a house, or keeping up a house, and so taking them on a field trip is a really great way for them to get a feel of what we do.

I think sometimes they sit in their office, and they see this nice community they work at, but they don't see the front line of where they're moving from and into their community.

So let's talk about some other industry stakeholders that you need to know.