

# THE BLACK & WHITE OF GRAY

BUILDING A REAL ESTATE INVESTMENT  
BUSINESS BY HELPING FAMILIES



By Phillip Vincent

# Prologue

## The Perfect Timing

Like most things in life, having perfect timing is a hard thing to grasp. Are you looking to build a business? Maybe you enjoy helping others? Maybe you just want to do something meaningful and connect?

Do you enjoy helping families? And aren't we all looking for a life where we can be satisfied going to work every day? You want a successful life at home and in business, right?

Opportunity is right in front of you every day. Are you taking full advantage of every opportunity? No way you can, right? So now, how do you decide which way to spend your time, your most valuable asset in this short life? Risk vs. Reward? How can I measure risk?

Do you want to build a multi-million dollar business? You probably can, but it may take 10-20 years to develop. And the possibility of failure and cost is high as you trade work for other important things, one which is likely family time. Would you take that chance? Most can't afford to take that risk. Can you? You shouldn't. You should be spending your time designing a life that gives you what you want, freedom to live life YOUR way. The Black and White of Gray is written to give you a first-hand look at the journey of building a real estate investment business that will provide you the freedom to have a life that you want while doing something meaningful: Moving Mom into a senior community to help people that have a heart for family and taking care of seniors.

Yes, we are talking about that time in a person's life that you will at some point, likely place your parents into a Senior Care community. The Black and White of Gray will weave you through that journey from the eye of compassion and show you how you can build a business in real estate investment and help hundreds of families.

# CHAPTER 1

## MAKE THE LEAD DREAM YOUR REALITY

What if you could receive free, recession proof leads consistently regardless of the economic climate or market status? How would an additional 20-30 deals per year impact your real estate investment business? This ebook shows you how to position yourself to receive a continuous flow of free, qualified leads who not only want to sell, but they need to sell quickly.

There are opportunities around you every day, all day. The challenge is knowing which opportunities to spend your time on and when, right? While it might sound incredible to take advantage of every single opportunity in front of you, the truth is that it would be exhausting. So, how can you maximize your effort and pursue the best opportunities at the right time?

For me, it's a balance of weighing the time I risk wasting versus the potential benefit of the opportunity for me. For example, I have a friend who is working on a drug delivery system that could change the way all humans take and receive medicine. It has a good chance of being a multi-billion dollar company, will take at least 10-20 years to develop, and, as with all medical research, the probability of failure is high. Would you take that risk?

For me, 10-20 years with a high chance of failure is too great to risk, even for a billion dollars. I'd rather spend that time investing in senior transition real estate. It might not be a multi-billion dollar investment, but it's definitely worth millions with a high probability rate of success and requires way less of my time.

I don't know about you, but I like those odds much better!

The fact that you are reading this most likely means that you are already in real estate or plan to be soon. If you're like most people entering real estate investing, you've probably been listening to every podcast and talking to everyone you know who has ever invested in real estate, right? It takes a lot of energy to figure out all

the right and wrong ways to get into real estate.

What are the very best ways to spend your hard earned money on marketing?

What's your CPA?

What's your ROI?

What's Your KPI?

What's your CAP?

What's your ARV?

O...M...G!! That's A LOT!

Am I Right?

I know! That's why I am really excited to tell you that after seeing and spending hundreds of thousands of dollars on marketing and branding in the name of finding the best real estate deals on the planet, that my very best leads now find me. Yes, they find me...and they are free!

FREE, ZERO, that's \$0.00 for those keeping track at home.

Before you spend \$1,000 on yellow letter Direct Mail pieces or even \$1 on online marketing, you NEED to hear this information.

Are you thinking, "Yes, Phillip! Tell me more!"?

Good, let's keep going.

In real estate, we send countless letters and "touches" to our prospective client list monthly in hopes that this will be the month they actually pick up the phone and are ready to sell their property to us, right? Wouldn't it be great to only get a call from sellers at the EXACT RIGHT MOMENT THEY NOT ONLY WANT TO, BUT HAVE TO SELL? "Well, duh! Yes, Phillip," you say.

Perfect timing in real estate is the holy grail.

Think about it.

When do you, the real estate investor, have the best opportunity to provide value to the family while also having a pipeline of deals coming to you?

It happens when the motivation to sell and the need to sell peaks at the same time and the owner isn't concerned with the steps that are very much needed to get top retail dollar. Right?

In the senior living transition segment of real estate, this is the ONLY type of lead we see because the family's number one concern is getting Mom (or Dad) the best care possible and finding a way to pay for it - Fast.

In short, my very best leads are from Senior Living Communities. You see, Senior Living Communities are full of people who, up until recently, have been living their lives in their forever home. Then suddenly, things change badly for them.

The story, more often than not, goes like this:

"Dad died 8 years ago and Mom has tried her best to keep up with the house maintenance and then she just fell, again, so now we are worried that she can't live alone."

Or how about this crazy stat:

50% of people who are over the age of 60 who have a hip replacement NEVER go back home!

Shocking, right?

So, imagine you are a senior who's been living your life in the same house for the past 20-60 years and then one day the doctor says, "You can't go home or live on your own anymore."

What do you do?

Well, for the adult children of these seniors, this is a “jump in the deep end” situation.

There is no pre-training for this. Mom, who has been your rock for your whole life is now in need of serious care, like now, right now, and there is one question that matters:

If you had to put your mom or dad into a senior living community TODAY which one would you pick?

The one closest to your house?

The one with the best Yelp reviews?

The one the hospital owns?

It's a loaded question, no doubt.

So what happens within these families?

They have to bring the adult children together to make a quick decision based on three things.

Where do we place Mom for the best 24/7 care?

What do we do with the house?

What do we do with the stuff?

I am a solution for the latter two of these questions. I want the house, but I do not want the stuff inside (others do, so don't worry).

If you can become a solution to their current burning issues, your value goes through the roof.

Why is your value, as a real estate investor, highest at this moment? Two reasons:

1. You can do what no one else can do for these families (including their family friend and real estate agent).

2. Most Americans are woefully unprepared for this life event when it happens to their parents.

In the best scenarios, Dad had a pension and Mom might have social security coming in as her sources of income. It has been enough because they bought that house in 1973 for \$28,000. But now, the senior living community that the kids believe can give mom the best care is \$8,700 per month. So when the community asks how mom will be paying for her care, invariably the answer is with the sale of the house.

Mom and Dad's house.

The place where you had all the memories, good and bad.

Now it has to be sold to help mom.

Just this thought alone is going to bring up a bunch of emotion for the adult children (not to mention Mom). Add that to Mom's new health needs and you have a situation that can be completely overwhelming for the family.

This is where you come in.

Remember, you're the solution to two of their three critical issues:

What do they do with the house?

What do they do with the stuff?

The one good thing working in the family's favor is the place where Mom raised them has gone way up in value over the years.

Now Mom's house is worth a lot more than the \$28,000 they paid for it. Probably, closer to \_\_\_\_\_ (insert the median home price in your area).

What does this mean? There's equity in Mom's house and unlocking that equity as quickly as possible is how they are going to pay for Mom's much needed care.

So, is cleaning out Mom's house, fixing it up, and finding a realtor to do showings with inspections in the family's best interest?

Definitely not, my friend.

Will the family immediately recognize that it's not in their best interest?

Definitely maybe, my friend.

And that's okay. I will teach you how to show the family exactly what their options are and why YOU are the best solution to their current dilemma. You will discover how to be that person who fixes two of the three glaring issues they have had thrust upon them. You will get hugs from these people. This is an emotionally charged time that could easily bring out the worst in people. And sometimes, it will. I will teach you how to deal with these situations. These people want to be treated fairly and with authority. When you achieve this balance, it's a win-win for everyone.

Things you need to keep in mind when assisting these families:

- 1. Wanting to sell and needing to sell are very different.** These families need to sell Mom's house in order to pay for the best care possible.
- 2. Listing their house, depending on condition, may not be a viable option.** Mom may have been an aggressive collector (read Hoarder) or simply unable to let go of things she attached to precious memories. As Mom got up in age, maintaining the house may have become a struggle as well.
- 3. Mom's house is a liability until turned into cash.** YOU, as a real estate investor, are the fastest, most direct route to that cash outcome. If Mom's house is vacant, is it insured? (30 days after moving out most policies lapse, even if you have had it for 30 years) They will want you to close ASAP. The family is depending on the equity in Mom's house to pay for her care so getting the cash as soon as possible is important to them.
- 4. They are concerned with Mom's health, not with rehabbing Mom's house.** Even with the best intentions, the rehab gets lost in the days to come while dealing with Mom's



transition. Did you know that the average adult child lives 400 miles away from their parents?

5. **Who would run the rehab?** Often the responsibility will fall on the same adult child who's plate is already full checking on Mom daily. (This is usually not the person who wants the rehab done.)
6. **Your presence gives the family much needed relief.** Financial stress on top of emotional stress can be the breaking point for many people. As the solution to their financial problems, you're timing couldn't be more perfect.
7. **Your positive impact is visible.** You will see their tension release once you reach your deal.
8. **You must KNOW your answers and not guess at them.** These families need and deserve an expert who can speak authoritatively and authentically to their needs and back it up.

The key in all of this is to always make yourself the solution to their problems. The best way to do this is to fully know and understand the entire process now facing the family, present it to them in realistic terms that clearly show what will be involved, and then show how you are prepared and equipped to resolve each of them - in approximately 30 days.

Imagine how powerful that is. Imagine how grateful these families will be for your assistance. They get to take Mom to the best community for her care needs and not be burdened with the stress of selling her home or dealing with the stuff inside.

It's what makes being a real estate investor in this market so rewarding. So, how do you know if senior living transitioning is a good fit for you?

You have to ask yourself a few questions. The first question you want to start with is: Exactly what are you looking for?

## CHAPTER 2

# EXACTLY WHAT ARE YOU LOOKING FOR?

For me, I have always looked for the easy button.

The work smarter not harder mantra has permeated my thoughts almost always. Now, that doesn't mean I'm lazy or afraid of working hard. It just means I don't believe in making things harder than they have to be. So, I take the simplest, most direct approach towards reaching my goals and I don't let the "what ifs" stop me.

One thing I've learned in over two decades of real estate investing is that nothing ever goes exactly as planned. So, you can't over think things. If you do, analysis paralysis can set in to the point where you never actually DO anything! That's the exact opposite of what you want.

Massive imperfect action should be your daily goal.

How do you take massive, imperfect action AND make the best use of your time?

You focus on building lifelong relationships with the people who can consistently bring you quality leads with the greatest potential to become deals.

Contrary to what you've been told, you do not need to spend thousands of dollars on advertising to make your phone ring in order to be successful in real estate investing. I mean, unless all you want is for your phone to ring. Listen, phone calls don't necessarily equate to closed deals. In fact, you'll hear a lot of, "I just wanted to see what you were willing to offer." and "I'm not looking to sell but might consider it for the right price."

Remember at the beginning of this where we talked about weighing the risk? Are these people worth risking your hard earned money? Are they worth your time?

Let's play it out and see:

Sellers have this uncanny ability to know exactly what their house will be worth retail minus the amount it will cost to fix it up.

Example:

Retail value of their home in market ready condition - \$100,000

Cost to fix up the house to achieve "market ready" condition- \$30,000

Nine times out of ten they will want exactly \$70,000 for the home. They know they won't get full retail. They just don't want to figure in those pesky commissions and hold costs, plus all the items from the 40 page inspection report, closing costs, and that big P word we are looking for...PROFIT.

Sellers never add what someone's time is worth for actually rehabbing all the things that they didn't update on their homes over the last 30 years into their figures.

So now what Phillip? Well, it's simple really.

Do these 5 things:

1. Become the solution where your competition doesn't even know there's a problem.
2. Build relationships with key stakeholders in your community who benefit from sending you qualified leads consistently.
3. Perfect your timing with sellers so they reach you at their maximum potential to close.
4. Find sellers that are concentrating on something besides getting every last dollar milked out of the property.
5. Find sellers that are very concerned with how quickly YOU can close.

What if you could do all of these things simultaneously?

Well, you can! Become the leading senior living transition expert in your local market and achieve each of these goals through senior living community relationships.

## **8 Reasons You Want Senior Living Community Leads:**

- 1. Senior Living Community leads have very little competition.** They usually talk to three people: You, a realtor, and a neighbor/relative. The neighbor says they'd like to buy it for their daughter, but can they get financing? (I very, very rarely lose to a neighbor or relative. They can never get the funding set up.) The realtor is saying they have the same retail value that you had discussed with them, but the realtor also gives them a list of items they will have to update, and of course, completely clean the house out BEFORE the rehabbing can begin. This gives your offer validity because you are telling them that they can do this themselves; that they have the option to do their own rehab and wait for a retail buyer. You are at your best when you make the seller see all of their options and if they choose your offer, it will be the EASY button. Guess which one most every human wants?
- 2. Senior Living Community leads have a huge sense of urgency.** Mom was fine until she wasn't. Now that old house is a liability. You solve this issue for them. A vacant house is way more susceptible to break-ins than an occupied house (\*according to insurance providers). Not to mention, most home insurance policies don't cover a vacant home. Only an occupied home is covered. The seller will say something like, "Mom has had State Farm for 40 years." and you're like, "That's great, but her policy was based on her living in the home and it not being vacant." When the seller calls the agent and finds out you were right and that Mom's new policy is more than double the old cost, your offer will have even more value.
- 3. Senior Living Community leads are ongoing lead generation.** People getting old and dying is not trendy. The senior living communities you see going up all around your town are full of people that, until recently, lived in homes locally. Each relationship built in this space will be worth \$100,000 dollars each over the life of that senior living person's career. You can meet hundreds of people in your town that can give you great

leads. Let's say that each one sends you one lead per year. Is buying 100 houses per year in your plans?

- 4. Senior Living Community leads give you the opportunity to actually help others in their time of need.** Unless you have already lived through this situation with your own relatives, you have no idea how stressful of a time this is for the adult children and for the senior themselves. I always like to point out to the adult child I am working with that this isn't just hard on them. They tell me that Mom is not happy about having to leave her home and give up her car keys. I look them dead in the face and say, "It sounds like Mom is acting exactly like you will be when your kids try to put you in senior care." There is usually a chuckle and a "You got that right!" The person you are working with is facing pressure from mom because she is in pain and isn't happy about the change. She is getting pressure from her siblings to get top dollar for that house because they don't want to have to pay for Mom's new facility. She is getting pressure from senior living communities to move Mom into their community quicker. She is getting pressure from her husband and kids because her life didn't stop just because Mom got sick. So after all of this, the thought of doing a rehab on Mom's house is laughable. Who the hell has time for that at this moment?
- 5. Senior Living Community leads will bring you a great sense of pride.** Being the authority for these families during a major life point is an honor. I love what I do! I really do. Can you tell? I'm a people person, and I love real estate. Are you the same? If you said yes, guess what? You will never dread your work week again. You get to help people in a trying time, and you get to make a bunch of money? Lucky Duck! You might be asking yourself, "How do I become the authority?" Well, you have to start today. You have to find all the stakeholders in your town whom we are talking about in this course. You have to be the person they remember the next time a house comes up. Showing up is half the battle. There are TONS of senior networking events in your town. You will go to meetings and make relationships with these people. Will you go one time hoping that will be enough? I hope not. I'm a social guy. I rather enjoy an adult beverage, and so do most people who work in senior living.

If you can buy some beers and talk shop with them, they will listen to you about your plans to buy houses. It goes both ways.

For me, I am constantly trying to provide value for the other person. I have an abundance mentality. There is plenty of pie for everyone. People love to be entertained and in the house buying business you will see some crazy stuff everyday. Share these things with the people you are networking with. I use Facebook to stay connected to my sphere of influence. I try hard to share the things that make me laugh, that make me gasp. See, the houses we see a lot of the time are really messed up. Every time you share an entertaining post, people will remember that you are the person to go to when a house needs to be sold as is.

- 6. Senior Living Community leads do not require you to have a huge monthly marketing budget.** This one is close to my heart. It is REALLY EASY to spend thousands and tens of thousands of dollars a month to try and find willing sellers. Yet, most of my leads come from relationships built with people in senior living communities. Which one is more valuable? You tell me. Whether you are a seasoned pro or just starting out, warm leads are the best leads hands down. If you are broke, this still works. You just have to put in the networking time. I'm not saying you might not spend money on other marketing channels in the future. I am saying that if you build your network correctly out of the gate you might never spend a dollar on marketing.
  
- 7. Senior Living Communities are seemingly being built everywhere.** Ride this wave for the next two decades. Every time you see another huge senior living community going up in your area, you should smile! Just about everyone moving into that community lived in a house in that area! Talk about opportunity. Keep in mind, a healthy mom doesn't one day decide to leave their home and go live in senior living. Sometimes these things take years. You don't move Mom into senior living the first time she forgets something. Just like any of us, old age is coming for us all. If you position yourself correctly, you will be a rock star in that community's eyes. You are the guy/gal that helps the community stay full while helping their residents through a very hard time. WIN, WIN!

**8. Senior Living Community leads are a unique concept that will become a standard.** Get in now or wait for your competition to do it. I've been in real estate for 21 years. I've seen good times and I've seen bad times. I've seen every trend come, then go. I've sent mailers to out of state landlords, mailers to absentee owners and vacant land owners. I've dropped business cards everywhere. I've got a big "We Buy Houses" sticker on my car. I've gotten close with municipal officials to find out about code violations. I've advertised on church bulletins. I've paid for Pizza Box Top advertising.

Pay per click advertising -- I have spent hundreds of thousands of dollars on it. I've sent a million mailers. I've done bandit signs, Craigslist ads, divorce attorneys, HUD property listings and MLS listings. I've spoken at REIA's, national podcasts, local Podcasts, and even done some door knocking. I've used Post it note advertising. I've worn shirts with logos on it. IP targeting is creepy and cool. Ringless voicemail is currently having a hot moment. Guess what? People are getting sued.

So I say all of that to say this:

**SENIOR LIVING LEADS ARE THE BEST AND CHEAPEST!**

Okay, so now how exactly are you going to find them? How are you going to approach them? Who exactly are you going to need to make contact with?

## CHAPTER 3

# WHO TO SPEAK WITH AND WHY

When you are considering who to speak with at the senior living communities you need to think about their day. How are you going to affect their day? Are you bringing them something they want? What do they want exactly? Are you coming across as salesy? Are you there to help? You better be. Guess what? A senior living center manager is one of the busiest people you will ever meet. They are constantly putting out fires. Sad fires and happy fires.

Did I mention that people who get into public service and social work are rarely motivated by money. That might sound foreign to some of you. They truly are satisfied by helping others. They have made it their life's work to help others. There are TONS of jobs they could have taken that would have been way less heart wrenching than working with aging Seniors. Now consider yourself, people who get into rehabbing are usually pretty entrepreneurial. They are usually VERY motivated by money. They are risk takers. They don't want a boss.

So if I am nothing like the person that I want to send me leads constantly, how do I best help them?

You have to ask yourself a question:

How can you help this person the most?

One of the reasons the senior living directors are so busy is because people are constantly moving into and out of their facilities. Seniors die or need to be moved to higher levels of care. Seniors get moved to new facilities all the time because they can't afford the private pay senior living centers for very long.

Example: The senior living center next to my home is \$14,400 a month. These are rented to people who probably paid \$14,400 for their first home! So even if the senior saved their whole life and saved \$700,000 for retirement and then had



the audacity to live another 48 months at that place next to me, they would have \$8,800 left to their name.

You have to find the Director of Placement or Director of Finance. Each senior living facility might have a different title for this role. The key is finding the person who helps them with the transition into their community. The director and the finance department work together to see how the Elder will be able to afford their facility.

So what happens a lot is that Dad died 8 years ago and Mom has been on a fixed income since then. It worked for her for a while, but now this new level of 24 hour care is a different animal. A very expensive animal!

Inevitably, the conversation very quickly goes back to their home. Usually they have a ton of equity in their residence. This is exactly the kind of leads you need. A lead that has potential is any person who owes less than what you might offer for the home. Most of the people you will talk to owe ZERO on the home. At this moment they are needing to unlock all of that equity and fast.

So, who do you work with to make that happen?

- 1. Placement Advisors.** These people need to be your best friend. They are, in essence, a realtor for where to place Mom. There's A PLACE FOR MOM and many, many other independent companies that are getting into the gray rush of customers. They will be a phenomenal lead source ongoing for years to come. They are having the discussion with the family IN MOM'S HOME. They will be your front line of leads. You can be a huge problem solver for everyone. A good warm pass to you will be like gold. Think about it from the placement agents perspective. She gets paid when she does what???? That's right. When she places them. They have to be placed or she doesn't get paid. And guess what stands in the way of the placement. Money. It's always money. Selling the house to get that money is a huge part of it. So the placement agent will be on your side in getting the house sold promptly.
- 2. Social Workers.** The fact you are here today probably means you are always trying to learn and to be more successful in your business. Normally, you are also money driven. I have found Social Workers are the exact opposite of this. They got into a

business that pays low wages and the hours are long and the cases are heart wrenching. They will assume you are there to take advantage of someone less fortunate. You will have to be very good at getting to the point, which is that you are there to help this person in their time of need. They only care about the person they are helping. They don't care that you are in an actual business. One of my favorite things to do with social workers is to invite them to the house appointments I go on. Let them see the houses in their current conditions. I ask them "What would you do with this house?" A lot of times they say, "I'd bulldoze it." Mission accomplished.

3. **Financial Advisors.** This person is trusted by the family more than anyone else. They take care of Mom's money for god's sake. So when there's a major change, the financial advisor usually knows about it. So being a trusted vendor for the Financial Advisor is a great lead source. He will want you to take care of his clients the same way he would. He also wants to close his/her file. So for him, you help the process. He is rarely worried about the amount of your offer. He's just happy that you're helping the family along.
4. **Estate Law Attorneys.** The adult children of seniors today are dealing with parents who didn't set up wills and trusts. Because of how painful the transition was in dealing with their parents deaths and life decisions, the estate law attorney is very valuable to you. He will know about all major life discussions with the family. A lead from this source is super trusted because it's from their Attorney.
5. **Director of Operations.** Talk about busy. The amount of hats this person is wearing on a daily basis is mind blowing. They won't have time for small talk unless you are in a social setting. If you try and "stop by" to visit, that's ok, just make it super short and try and ask for an actual meeting at a later time/date. You have one mission when you stop in. You have one question to ask. This question is everything. Learn it now. "Do you ever have a situation where the family wants to move Mom in, but can't until they get her house sold?" That question is going to make you insta famous with the Director. She normally says, "Yes,

everyone who walks in here for a tour has that issue.” Boom! You are in. Time to double down. You can say something like, “I’m sure that realtors have come in from time to time. I want you to not think of me as a realtor. I’m an as-is house buyer. I can close in a week. I can clean the house out or buy the house with all the stuff in it.” Guess what? This director has spent countless hours trying to talk NaNa into keeping or throwing away her cluttered ass possessions. The director knows how big of a deal it is to deal with the personal possessions of seniors. You are helping the director with a very real problem she faces daily. Your value just went up again.

- 6. Senior Living Finance Department.** Okay...so after the family takes Mom through a couple communities and they like the director and Mom is not vehemently against this one, they then get the pleasure of meeting with the finance department because, you know, this ain’t gonna be cheap. That’s when the discussions of how exactly this will work financially. Normally, Mom has a social security check and maybe a pension. If they are a wealthier family, they might have an annuity or some retirement money. But, almost always the house needs to be sold. If you are in with the finance director, he will do your bidding for you. The finance director will give the family your information as a viable option to getting an as-is offer on their home. Trust!
- 7. Realtors with Designations.** Talk about mixed emotions. Some realtors get it. Some don’t understand investors at all. If you find a realtor that is against the flipping business, let them be. Let them go. Don’t waste time with them. There are far too many realtors that will get it, that will see your value in this business. Spending time cultivating relationships with these great front line people is everything. They will know instantly that the family they are helping will never do the needed steps to get the house ready for the retail market. And guess what, when you fix that issue for the realtor they will also think of you for every deal they come across. It’s ok to hear no’s on your offers. The key is seeing enough houses that you get how many you need for your business goals. If you make the realtor’s life easy, they will call you constantly.

8. **Estate Sale Operators.** These are some cool people. They are kinda American Pickers meets Etsy meets gypsies. They are super good for you because they usually help with everything but the house. And you kinda only want the house anyways, right? So imagine you are an estate sale operation and you come up with a solution for the house and the stuff. That means they might get more business. It will make them stand out from their competition. Estate sales happen when the house is going to be sold. Think about it.
  
9. **Post Surgery Rehab Centers.** These are some sobering reminders of how life works. One day you're living life, you fall down, you have surgery, you go to rehab for 30 days, the doctor says you can't live on your own anymore. Now what? An unprepared family has two sets of bills going now, Mom's house and the new place. How quickly do you think they will want to sell Mom's house?
  
10. **Military Benefits Providers.** Some businesses help elders get their military benefits that they didn't even know they had coming to them. These are great lead sources for you.

Before we move on, I want to revisit our relationship with the Director of Operations and that all-important question to ask them. Do you remember what it was?

"Do you ever have a situation where they want to move Mom or Dad into your community but cannot until they sell their home?"

Then wait.....

They will have a slight smile on their face and then will say something like, "Um yes, only every single day. I have this problem with my families, in fact, I have a whole drawer full of families that fit this criteria." So I always coyly ask, "Mind if I take that drawer with me?!?" Knowing full well the answer is no because of HIPPA rules and many other privacy laws. But the point is made.

You are there to help the directors with a HUGE problem they face daily.

The owners of these communities are worried about one thing and one thing only:

Keeping their beds full. And that's the only thing they are interested in when they sit down in meetings with the director.

In essence, their occupancy rate is kind of like how real estate investors look at rentals. If you have an empty house, you collect no rent. If you have an empty senior living community, you are going out of business.

Stress this point well.

How much more profitable will your facility be if you could place your families 6 months earlier?

Then wait.....

They will say something like, "Well yes, that would be HUGE for us, but how did you come up with that?"

I'M NOT A REALTOR!

Most of these communities have been called on by a realtor or two. Some, in fact, are working with realtors already. Let me tell you now why THAT IS A GOOD THING. Do not take this news as defeat. It's far from it. The fact that they are already working with a realtor is exactly why they are costing their own communities 6 months of occupancy..... How, you ask?

Let's pretend you are the adult child of the senior that needs to move into the community. You are now quickly making huge life decisions for Mom. You just got the bad news that Mom can't go back to her home after her rehabilitation and it finishes in the next thirty days. You toured five senior living communities near your home, not always near Mom's home, that you think will provide your mom with the best care. Your life is in complete disarray. Your normal schedule is totally screwed. You are now taking vacation days to meet with specialists for Mom. You are meeting with doctors and with senior living communities. You are talking to Mom's financial advisor. You are visiting Mom in the rehab facility as much as you can, as well. You are told that you need to start talking to real estate agents to get Mom's house sold so she can pay for this care.

Can you already see how this might be an issue?

You are the one helping Mom the most. You walk into Mom's house alone. For the first time you see Mom's house for what it is. It's a liability until the cash is unlocked in a completed sale. For the first time, maybe ever, you see the house differently. It's not just where you grew up or have a ton of memories, it's now a huge rehab project to get it ready for market. You see the cracks. You see the neglect.

You see how dated Mom's house is versus what the pictures you see on Pinterest show you.

So you meet with a few realtors and all of them are saying the same things. You have to clean this place out. You have to do this list of updates before I can list it. They will want Mom's dog to be moved out completely so they can do their showings to the public.

Let's keep going. You decide to tackle the list of repairs the realtor suggested.

One of the biggest misconceptions families have about rehabbing a house is the return on investment. There are actually very few updates that bring an instant increase in value.

For example, you can spend \$21K on a minor kitchen remodel and only get \$15k in value back at sale. What?!

1. The average in Missouri is \$12,000 per bathroom
2. Kitchen is \$15,000 for a surfaces update
3. Floors are easily \$5-10 per square foot
4. Windows are \$300-500 per window
5. Roofs are at minimum 7K up to 50K
6. Clean out is 2K and up
7. Landscaping is minimum 1K and up to infinity
8. All concrete work is at least \$5 per foot.

What's the point in all of these numbers?

An educated seller can't argue with them.

The seller will always round down and you, the buyer, will always round up. We all know the numbers will be much higher than the seller is guessing. Your job is to help them understand that even if they have the wherewithal to accomplish the rehab, is it really the best use of their time? Time is the most valuable thing we all have.

Some will say, "I'd do anything to help my parents." And that's true, but watch what happens when the house is the adult children's inheritance. One person will have to take the lead on the rehab. One person will have to take control to pay for the rehabbers. Who's going to pull permits? Who's going to meet with three contractors per trade to get the best bid? Pretty soon the contact person you are dealing with realizes that they might be the one to work their ass off so their lazy ass brother who's living in another state will get the same share of the money as her for doing no work! Guess what? YOU are so valuable.

Why YOU are the best choice for senior living communities and why it's a win for everyone.

- 1. You are not a realtor.** You are not operating in a realtor capacity with the senior living community. You aren't here to put the house on the market. You're here to buy it.
- 2. A realtor will not buy the home.** They merely facilitate the putting of the pictures of that home online to see who might come through to buy it.
- 3. Pictures.** Today's houses are seen online WAY before anyone comes to see it. So if the house is trashed (most are trashed) the picture will look bad and it will turn off potential buyers.
- 4. Realtors are usually stringent when it comes to getting the house ready for pictures.** A lot of realtors won't list a disgusting/challenging house, citing that it be "against their brand." Imagine telling the family that news.

5. **Some realtors will say, "I'll list your house, but only if you do this list of demands."** As if the family needs more things to do.
6. **A realtor is not the answer to the current issue.** They are a journey to a potential answer. **BE THE SOLUTION.**
7. **When explained correctly, the senior living community connection will sell you as a solution for their client's current problem.** This will be music to their ears. You are the opposite of a realtor. You are the easy button.
8. **You can close in a week or two.**
9. **You can buy it with or without the stuff in it.**
10. **They don't have to move anything around to get good pictures.**
11. **They don't have to move the dog every time there is a showing.**
12. **They don't have to clean up.**
13. **They don't have to clean up.** Yes I wrote that one twice.
14. **You will help them with the stuff.**
15. **Provide value with the stuff and you will end up being their homebuyer too.**
16. **Clean out vendors will love how many leads you give them.** You could turn the stuff into a business too. I don't suggest it, but you could.
17. **You are a turn-key solution** to the senior living transition problems.
18. **You are so valuable.** You don't know it yet, but you are a



puzzle piece and you fit into their lives so easily. You will have taken SO much stress off their shoulders the moment you agree to buy Mom's home. You will see it happen in front of your eyes.

## CHAPTER 4

# LEADS ARE PEOPLE TOO

Keep in mind a ton of seemingly normal families, when faced with making major life decisions for the one person who took care of them their whole life, is stressful. It can bring out the worst in people.

Most families have a few familiar players and it's important that you are able to identify them and know how to handle each of them.

**The Most Responsible Child:** I have uncountable stories of the "most responsible child." The one sibling that took the most of the reins to help Mom. The one so stressed out trying to not only give the best care to Mom, but also babysitting the feelings of all of her siblings. Their opinions will matter a lot of the time, so you will need to be prepared on how to help your contact person to deal with these outside opinions.

**The Unrealistic Sibling:** "It's worth a million dollars." So many times you will go on an appointment and you will build rapport with the person. You will be excited thinking you have a deal. Then she will say, "Thanks for your offer, now I have to present it to my siblings." A week later, you find out that one of her brothers thinks it's worth a million dollars. The solution I have found that works so well is suggesting that the brother who thinks it's worth a million dollars should buy out the other siblings at that valuation. They will shut up almost immediately. Talk is cheap...you are a real cash buyer, remember? You are there to buy the house.

Remember that these families are dealing with MAJOR change. Two things that will often impact the process are emotions and memories. Let's talk about them.

- **Emotions.** This is a hard one. A lot of the time they just lost Dad a month ago and that's why Mom has to move into senior

living. She can't live on her own any more. Dad and Mom were each other crutches. So in this highly emotional time, how can you add value?

- **Memories.** One of my favorite things I get to do is meet and learn about families. You can pick up right away if they loved their recently passed loved one. So many times they just want to dump all of their current tresses on anyone who will listen. BE THAT PERSON for them. If you learn to listen, they will tell you their hot button. They will tell you exactly what you need to be for them at that moment. Don't gloss over the small talk. The small talk is everything.

What to do with the stuff? Treasures to trash. (It's mainly trash.)

You will often hear me refer to Mom as an "aggressive collector". It's my way of keeping the humor while determining what to do with all of her stuff. Now, you may be wondering what in the world is an aggressive collector? Well, she may have 38 pairs of shoes, 52 church hats, and 27 cats, but there's no decomposed cat under her bed. You're probably laughing, but I've seen that and worse over the years. lol

So, mom has 50 years of stuff. How do you know what has value and what doesn't? Good news...that's not your job. This is why you have trusted vendors who are experts in this field and can make quick work of deciphering Mom's stuff for you.

Most of the time the family treasures will be easily gotten rid of either through estate sales or as heirlooms passed down to the next generation. Having trusted estate sale companies you can refer to is important. Not only for you to refer to, but for them to bring you house deals, as well!

Basic household stuff will be the majority of what you will see. Stuff: VHS, collections, old beer cans, books and more books, clothes from 6 decades, crystal dishes and glasses, exercise equipment in the basement that was never used, pianos, pool tables, tools, unfinished house project materials, sporting equipment...so much stuff. This is why you want to have a person that will buy out all of these items (He won't be an auctioneer type, more like the guys from Storage Wars type person). Having this person in your contacts is super important.

Now, about that trash.

For God sakes, people are disgusting! And not just because they got old, they were always dirty. Dogs, cats, and people all peeing and pooping all over the place; throwing 100 beer cans on the floor next to their favorite chair. Smoking. Why does smoking and a disgusting house go hand in hand? Collections of newspapers and mail from decades ago; doll collections that will give you nightmares for weeks; neglected household items everywhere.

Keep in mind this is your opportunity.

If this house was in perfect shape, you might not have ever been called to give them an offer. So, a relationship that you will need very soon is the trusted clean out guy. He's the guy that comes and takes out everything that's left after the treasures and the basic household stuff are gone.

Remember that this is an extremely sensitive time for these families, especially for Mom. You need to meet them at their level.

There is a ton of guilt in getting rid of stuff. People tie themselves to the stuff as a representation of who they are and consequently, selling or getting rid of items after decades is very hard and an emotional thing to do.

Some of Mom's items will need to go with her to the senior living community, but when you go from a 1,500 square foot home with a full basement to basically a singular room, 95% of Mom's possessions won't be coming with her.

The adult children will vary widely as to the value of Mom's stuff. Some want it all gone like now, others will be paralyzed with fear that they are throwing anything away. They may feel a variety of emotions...relief, guilt, happy, and sad, all at the same time. Give them some grace as they process it all.

The "treasures and trash" part of the process is a roller coaster ride of emotions for everyone. Some days the family will be excited and seemingly ready to let go of their forever home and everything they experienced in it, and the next day, a single item may reduce them to tears.

Don't expect to go through this process with them and remain untouched by what you are witnessing. As a matter of fact, I would hope that you don't.

Having empathy for these people is a huge part of your success and I wouldn't want you working with them if you didn't also feel for them as well. Remember, these leads are people too.

They are going through an incredibly difficult experience and their human vulnerability is going to show up sometimes at the most inconvenient moments.

Don't make it embarrassing for them. Make it okay.

## CHAPTER 5

# Your Network is Your Net Worth

When showing new senior living real estate investors the best way to get these leads, I often get asked about traditional forms of advertising, especially direct mail. And I get it. Direct mail is a tried and trusted way to get real estate leads.

It's also very expensive, easily \$1,000-\$50,000 per month. Compare that to the cost of a couple of drinks at a networking lunch or conference event and it's easy to see why I recommend building these key relationships.

Direct mail takes ongoing touches to be most effective and even then, it's a waiting game for them to be ready for your offer.

On top of all that, it's very competitive. Every other real estate person in the business is sending out postcards, too. There will be a stack of thirty competitors for each house.

Eliminate the cost and competition of direct mail by establishing senior living relationships with the key stakeholders in your local market. They will be ongoing, perfect lead producers for you from now on. Each good relationship can create multiple monthly buying opportunities.

Imagine one community with 275 bedrooms. They will have constant churn. There is no "finished" in senior living. People die. People move into the next level of care. There is a constant need to keep their beds full.

So, where do you go to find these senior living relationships? There are tons of senior living networking lunches, conferences, and senior resource task forces all around you in your city. Seek to find the leaders of each networking group (there will be many to choose from). They usually already have a day job in senior living. When you meet these people, try to figure out a way to find them their best customer. Be willing to give freely.

### \*Networking tip\*

Memorize their name and what they do for seniors, not the company they work for, as there is much moving around from seemingly better job to better job in this industry.

At these networking events and meetup groups, you may be given some marketing opportunities. For example, should you sponsor a meetup group? The answer is, maybe. It's really easy to spend money in the name of branding. I'd advise that you really weigh the value of what you are sponsoring before getting out your checkbook.

Whether you sponsor them or not, you will need to attend these meetings semi-regularly as they will keep referring to you if you stay in their mind. Seeing you is believing you.

Skeptics. Yes. You will have them, they will say, "So you are just low balling people?" We know, of course, that we are not low-balling people. So how do you make people understand that you aren't?

When your train gets going down the tracks you will help a senior living specialist and their family. This is your golden opportunity to toot your trumpet. You know that fifty other people at that networking meeting are going through the same issues with their potential families. Your first deal will be big because they all talk to each other. You want them to say, "That's Phillip. He's great! He helped my people get into my community in four weeks!"

Other people's words about you will be your most valuable advertising. It's priceless!

A majority of the leads I get from senior living have NO COMPETITION. NONE. How valuable is that to you? On any given deal it could mean not getting bid up 10-20K per deal! Does it mean you can low-ball everyone? No. You will need to be reasonable and remember you are there to turn the house into cash as quickly as possible.

The seller's goal is quickness and convenience as they are most concerned with Mom's health at the moment and not so much thinking about rehabbing Mom's whole house right now.

When it comes time to make the offer, including the senior living specialist on it is best. While they don't need all the details, THEY UNDERSTAND you. They have been in these unsavory houses to do an assessment on the value. They see the issues. They understand how uphill of a battle the family now faces to get that old house sold.

You are the solution. You fix their problems. Both the senior living person's goal to fill their rooms quicker and the family's goal to get Mom the money needed to pay for care become a reality because of you.

So, how do you make sure that you are in a position to get these senior living community leads and be the solution to their issues? I mean, is showing up to networking events, buying a drink or two, and memorizing their names enough?

Absolutely not!

Like every other relationship, you need to establish trust.

So, how do you do that?

First, and foremost, don't be douchey. The senior living specialist will need to trust you first before they will turn over their clients to you. You are not a used car salesman (no offense if you've ever been one). You are dealing with human beings and the homes where they raised their family, not just a piece of property. Dress and act like it.

As superficial as it sounds, how you look is important. Now, that doesn't mean you have to show up in a suit and tie. As a matter of fact, I wouldn't recommend it. You will need a business casual dress that shows you are a professional, but not uptight. Remember, senior living communities and families are people helping each other through an extremely challenging time.

Some questions you want to ask yourself to determine if Senior Living Real Estate Investing is for you:

- Are you there to help?
- Will you put their client's best interest up front?



- Do you believe that you are there to create solutions for all parties?
- Most real estate deals stem from seniors whether you know it or not. So can you tell a story of how you helped someone in your last deal?
- Do you do what you say you will? These directors need to be able to feel safe when they refer to you.
- If you aren't the end buyer for these houses, what are your relationships like with the real cash buyers in your city?
- Do you have your banking relationships set up to the point where you can show your customers a proof of funds letter?
- Do you understand the home buying process well enough to make an offer on the spot? If not, are you willing to bring in the right buyer with you at the time of viewing the home?
- Will you have cards made, brochures printed, teeth brushed? Some simple items your competition is forgetting to do. Don't be like them.
- Do you have an abundance mindset?

I could keep going, but you get the point, right?

If you are interested in learning more about our Mom's House program and how you can get involved as a real estate investor, schedule a call with our team below.

[www.MomsHouse.com/schedule](http://www.MomsHouse.com/schedule)