

FINDING YOUR EDGE SUMMARY

EDGE PRINCIPLE 5

Real Estate Is a Relationship Game

The power of your word is key to your relationships. No amount of money can overcome misleading or bad behavior. Structuring partnerships only works when people stand behind their word. This is the foundation of networking, and your network can make you wealthy.

There is nothing wrong with looking out for yourself and maximizing your own interests. Selfishness is a core human value, however being selfish does not give you the right to take what you will and treat others poorly. There's nothing wrong with getting yours, but do the right thing while you're getting it—deep down, we all know what that is.

Stand behind your word so that your character is far more valuable than your bank account. The best partnerships I've ever had were based on handshakes. But the truth is that money changes people, and money changes minds and people's memories as to how things are. Even when you are standing behind your word, you still need to get things in writing because this is the only way you can litigate or reinforce an agreement.

It's important to have good relationships not only with your investing partners, but also with your employees. Real estate investing is a high-stakes game that requires skilled players working together to make the deal happen. A mistake by one of your team members has the potential to throw the deal. Their roles are all important and you need to be able to trust them to have your back and do what needs to be done at the right time. To build your team, identify the crucial things that only you can do and then categorize the rest so you can find the right people.

The Seller Is a Partner

You will never get the opportunity to do a deal if you don't build a relationship with the seller first. To "add value," you must solve a problem. Figuring out what the seller's problem is and how to solve

it is key. Not taking the time to listen and build relationships is what causes issues for you and your investors, simply because *when you don't understand the problems, you can't add value.*

When you talk to sellers, always look for the motivations. I like to ask, “Are you looking to cash out and pay the taxes, or do you want to get a down payment and carry a note earning interest on your equity?”

Remember the major deal points in real estate deals are these:

1. Price
2. Terms—when they receive the money
3. Timeline—how much time you have to do your inspections and how much time is needed to get to the closing table

Preserve Relationships Above All

I built my business by making phone calls. When dealing with clients, don't ever get offended on the phone. Keep following up, keep calling and asking the seller or the broker how the transaction is going or if they're considering selling. Keep a good attitude. Be flexible and free on the phone. There's no pressure—it's just a phone call. No overthinking it. “I want to buy it. Do you want to sell?” I'm making an offer with a broker. Do they like it or not?

How you manage a property, a meeting with a new investor, or a sale are all opportunities to show those involved that you respect them and will treat them well.

Chapter Takeaways

- Building and creating something from our own self-interest is what we are made to do and how we add the most value to society. Joy and passion come from being free to choose what you want to do and fully express who you are in any method that feels right to you.
- Communication is a core skill. Communicating effectively was critical to my improvement and my ability to build relationships. I learned how to figure out what others needed and wanted by truly listening to them so I could offer them something of value.
- The only way to grow in the real estate business is to leverage your time. As my business grew, it became clear that my greatest resource was talent in the people I hired.

