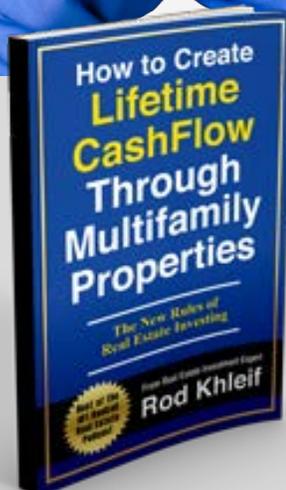
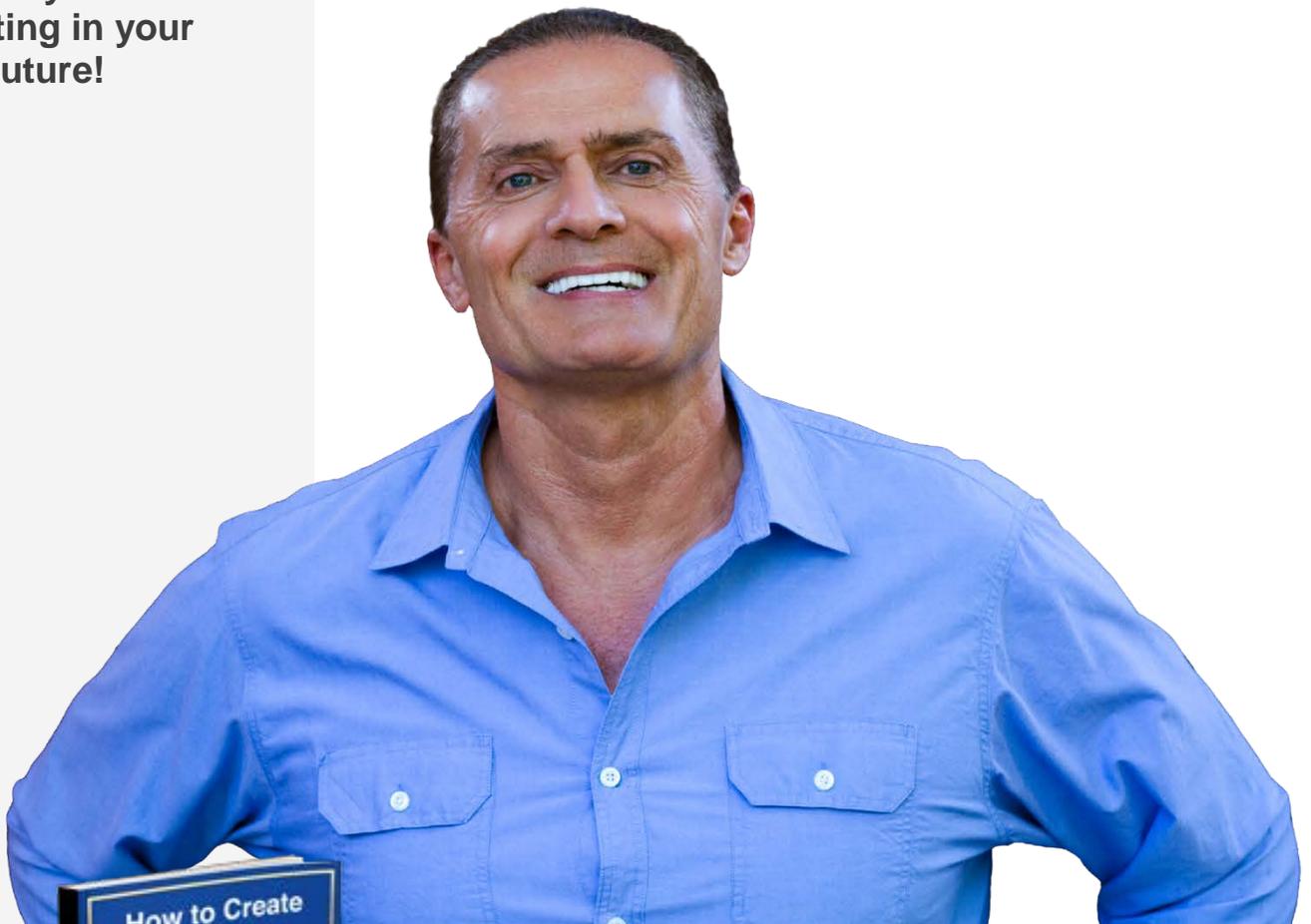


# The Ultimate Guide to Finding Multifamily Deals

Thank you for  
investing in your  
future!



## Rod Khleif

Author of *How to Create Lifetime CashFlow Through Multifamily Properties*

Host of the #1 ranked Real Estate Podcast on iTunes:  
*Lifetime CashFlow Through Real Estate Investing*

# Rod Khleif



The  
Lifetime CashFlow  
Academy

## Biggest Deal Mistakes

Biggest Deal  
Mistakes  
COURSE  
MANUAL



## Biggest Deal Mistakes

### MISTAKE #1: NOT FOLLOWING UP WITH BROKERS

- Very few people follow-up with brokers, and the ones who do get the pocket listings
- It doesn't take long to send a quick email or make a short call

### MISTAKE #2: COMMUNICATING IMPROPERLY WITH BROKERS

- Most investors will never tell a broker why they're not interested in a deal
- Be extremely specific and you'll see more deals come your way
- For example, "I love this deal, but there's more capex than originally expected." Or "This is exactly the location and size we're looking for, but we want more value add. Our research shows rents are already at market and there's not much wiggle room with the expenses."

### MISTAKE #3: LOOKING AT MARKETING EXPENSES LIKE DIRECT MAIL AS A COST AND NOT AN INVESTMENT

- Remember "It takes money to make money"
- Many investors won't do direct mail because they think it's an unnecessary expense and is the "most expensive marketing method"
- If you purchase a property from direct mail you're not paying a broker commission
- You're saving thousands by using direct mail

## MISTAKE #4: IGNORING LOOPNET BECAUSE "IT'S THE PLACE DEALS GO TO DIE."

1. LoopNet has a stereotype of only having bad deals
2. We've found great deals on the site

## MISTAKE #5: SENDING DIRECT MAIL ONCE OR TWICE & GIVING UP

- Repetition is key!
- Regularly send direct mail campaigns and if possible, follow them up with "warm" calls

## MISTAKE #6: NOT KEEPING AN ORGANIZED PROPERTY DATABASE

- Your property/owner database is worth its weight in gold
- This is one of the most important assets you can have in this business

## MISTAKE #7: NOT BUILDING STRONG RELATIONSHIPS WITH BANKERS

- Do not wait until you're under contract to contact bankers
- Having great relationships with bankers can make you a lot of money

## MISTAKE #8: FEAR OF PICKING UP THE PHONE AND COLD CALLING

- Cold calling works
- What works even better is “warm calling” after you send direct mail
- Remember, the more you do something the easier it gets

## MISTAKE #9: PUTTING ALL OF YOUR EGGS IN ONE BASKET IN REGARDS TO MARKETING

- Different strategies will work for different sellers
- Some sellers will throw away every piece of direct mail, but when you call them they love it
- Other sellers will hang up on you but will respond to your direct mail via an email
- Never put all of your efforts into one strategy and always have several outbound and inbound efforts

## MISTAKE #10: AVOIDING CRAIGSLIST BECAUSE IT'S OUTDATED

- Many investors avoid Craigslist like the plague and joke about how no one uses it
- Do you know who still uses it? Mom and pop sellers who want to sell quickly and without a broker
- Craigslist is a no-brainer- It's free and you can get new leads every day in 10 minutes or less

## MISTAKE #11: NOT NETWORKING AND ATTENDING MEETUPS

- The more connections you have the more successful you will be
- Real estate is a team sport
- Spending a few hours a month at local REIA's and Meetup groups and developing deep relationships ensure you're always learning and growing

## MISTAKE #12: DISREGARDING DEAL SOURCES SUCH AS THE NEWSPAPER

- Similar to Craigslist, many investors think the newspaper is dead
- For a lot of people, it is, but many elderly mom and pop sellers know no other way
- They've been using the newspaper classifieds to buy and sell for the last 50 years and they're not going to change now
- We found a 20 unit in the paper that literally no one else had called on.

## MISTAKE #13: NOT DOING CERTAIN MARKETING STRATEGIES LIKE MAILING BECAUSE YOU THINK THERE'S TOO MUCH COMPETITION

- You must be creative and different
- Handwrite the envelope
- Be the only one to follow up with a call
- Include a picture of you and your spouse
- Send a letter, then a postcard
-

## MISTAKE #14: NOT TRACKING YOUR MARKETING

- You must track your results, so you maximize what works and eliminate what doesn't.
- Your results, data, and analytics will usually surprise you.

## MISTAKE #15: WASTING TIME AND ENERGY ON SELLERS THAT AREN'T MOTIVATED

- You can't force motivation.
- Dealing with unmotivated sellers will burn you out quickly.

## MISTAKE #16: GIVING UP ON DIRECT TO SELLER DEALS BECAUSE THEY "TAKE TOO LONG"

- Direct to seller can sometimes take 6 months or longer AND those deals are worth it!
- Don't rush sellers and make sure to be there when they're motivated and ready to sell

## MISTAKE #17: NOT BOTHERING TO BREAK DOWN LLC'S AND OTHER BUSINESS ENTITIES TO MAIL HOME ADDRESSES

- Most investors send direct mail to whomever is listed as the owner on the property appraiser site.
- More often than not, this is an LLC, Inc., or other business entity.
- The address listed for these entities is often a PO box or registered agents address.

- Do what other people aren't willing to do and you'll be a success.

## MISTAKE #18: BEING AFRAID OR EMBARRASSED TO DO CERTAIN MARKETING STRATEGIES

- Whether cold calling, bandit signs, or going to local REIA's many investors have a fear of a certain strategies
- The level of success you'll enjoy is directly related to how uncomfortable you're willing to get
- Your fear is gone once you close that deal or cash that first check

## MISTAKE #19: NOT CREATING A QUALITY RELATIONSHIP WITH A GREAT INVESTOR FRIENDLY AGENT

- You should focus on multifamily specific brokers, but a good residential broker can regularly do a multifamily search
- It is very often that a multifamily deal will show up on the residential MLS

## MISTAKE #20: NOT SETTING A MARKETING BUDGET

1. Treat your business professionally
2. Successful businesses prepare budgets
3. If mailing budget for repetition

## MISTAKE #21: NOT SPLIT TESTING (A/B TESTING) YOUR MARKETING

A/B testing is very important. Some examples are:

- A direct mail letter with or without a picture of you and your spouse
- A more “business” direct mail letter or a more “family man” letter
- Calling from 9am – noon or calling from 5pm – 8pm

## MISTAKE #22: FOCUSING TOO MUCH ON YOUR WEBSITE, LOGO, AND BUSINESS CARDS INSTEAD OF MAKING DEALS HAPPEN

- Don't spend the first month in this business tweaking your website, logo, and business cards
- Focus on revenue generating activities
- Get a quick 2-3-page site done, hire someone off Fiverr for the logo, and design your business cards on Vistaprint all in under a few hours
- You can make them better once you're doing deals

## MISTAKE #23: NOT EXPERIMENTING WITH MARKETING & TRYING A VARIETY OF STRATEGIES

- Can't focus just on direct mail
- Can't focus just on PPC, SEO, & your website
- You need to combine several strategies and do a mixture to ensure success and deal flow

## *Think outside the box and cast a wide net!*

### MISTAKE #24: LOOKING FOR THE PERFECT DEAL AND NEVER TAKING ACTION

- It's easy to get caught up in waiting for the perfect deal
- Don't rush into a bad deal, but don't hesitate when a property checks off all of the boxes

### MISTAKE #25: NOT MAKING LOTS OF OFFERS

If you never make offers, you'll never buy a property. The worst thing that can happen is a "no thanks"

### MISTAKE #26: MARKETING IN MARKETS YOU DON'T KNOW WELL

- Don't waste your precious time and hard-earned marketing dollars in markets you don't even know or maybe shouldn't be buying in
- Before you spend a dime do your area due diligence

## MISTAKE #27: ONLY FOCUSING YOUR MARKETING IN PRIMARY MARKETS / IGNORING SECONDARY & TERTIARY MARKETS

1. Primary markets across the country are currently extremely competitive and trading at low cap rates
2. Savvy investors know to go after the low hanging fruit in the smaller secondary and tertiary markets
3. Make sure to do your homework on these smaller markets and be ready for less competition and better deals

## MISTAKE #28: IGNORING PROPERTIES THAT HAVE BEEN FOR SALE FOR A LONG TIME

- Some investors see a property that's been for sale for 2+ years and don't even bother looking
- Other investors see that property and look for things others have missed
- Dig into the financials, reevaluate market rents, and look for hidden opportunities
- Also keep in mind that these sellers may be getting impatient the longer time goes on

## MISTAKE #29: NOT UNDERSTANDING SELLER MOTIVATION AND PAIN POINTS

Every owner has a different motivation and reason behind wanting to sell. "If you don't mind me asking, why are you selling?"

## MISTAKE #30: SHOOTING WITH A SHOTGUN INSTEAD OF A RIFLE

- Investors who try a dozen different strategies in a dozen different markets are rarely successful
- Do the opposite and pin point your marketing to ensure success
- Focus on 2 – 3 strategies in 2 -3 markets and you will be more successful than scrambling all over the country

## MISTAKE #31: NOT WANTING TO PAY A WHOLESALER FOR BRINGING GREAT DEALS

- One of the best strategies you can implement is utilizing wholesalers
- They're out there hitting the pavement finding deals for you

*They're cold calling, sending direct mail, driving for dollars, etc.*

## MISTAKE #32: NOT HAVING A BASIC 2-3 PAGE WEBSITE & NOT BRANDING YOURSELF AS A MULTIFAMILY PROBLEM SOLVER

- When people look you up, whether a broker or a seller, you need to look as if you are a multifamily expert
- Brand yourself as a problem solver who can quickly help them and perform
- This can be done via a simple 2 – 3 page website
- Have your investment criteria, a short bio, and info about your team on the site to build rapport and show credibility

## MISTAKE #33: NOT OUTSOURCING THINGS SUCH AS BUILDING YOUR DATABASE, MAKING CALLS, IF YOU CAN

- If you're worth \$60 an hour, and you're doing \$5 an hour tasks, you're losing \$55 an hour
- To grow and scale your business you should, if possible, outsource tedious tasks such as building your database
- You can hire a virtual assistant for less than \$5 an hour to do this for you so you can focus on more high-level tasks

## MISTAKE #34: FAILURE TO APPROACH PROPERTY MANAGEMENT COMPANIES FOR DEALS

- Many investors never approach property management companies, even the ones they use, about any potential leads they may have
- Property management companies are often the first ones to know when an owner wants to sell, and they'd prefer another client of theirs purchases it compared to a stranger

## MISTAKE #35: NOT DOING WHAT OTHERS AREN'T WILLING TO DO; I.E. CREATE YOUR OWN DATABASE, COLD CALL, ETC.

- When you're willing to do what others aren't, you will be successful
- The things that are hard are the best strategies to use
- When you stumble across a difficult county to download owner data, get excited. That means nobody is doing it there.
- This goes for any strategy investors complain about or quit on