



SOUTHWEST PROPERTY TRUST, INC.
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From: 7,460 Ft Altitude in the Rocky Mountains

To: Fellow Commercial Brokers

About: FREE Newsgram Series—No Stings Attached

The pages that follow, below, are a sample of my FREE “Newsgram” created for commercial real estate agents who lease space and/or sell commercial properties. It’s a FREE monthly e-letter. I started my own career brokering apartments in Houston Texas in 1976. By some standards, I’m an “old dog” but I really can show you some new tricks. The focus of the Newsgram is in two areas: property & deal structure ideas and also marketing yourself and your services and offerings....more effectively and likely better than you are now.

As I tell agents I teach live in continuing ed classes, you are NOT in the real estate business, you are in the real estate marketing business. Most of the property trainings are done from the point of view of an investor, but as an agent, you can use these ideas for yourself or with your clients to close more deals. Knowledge really is power or as Tony Robbins says, potential power. It’s up to you. As the newsletter is short, usually about 4 pages, you can print it out. If you like to read on-line, fine, but I know you must be overwhelmed by on-line stuff, so the idea of printing it out may give you a break. Besides, you can pass on the cartoons and book ideas.

Besides 40 years of doing deals, then becoming an investor on the side, starting with homes around 2001, I became fascinated about marketing. I then became curious about how some of the top agents, particularly residential agents doing 200 to 400 deals a year, were marketing themselves (it’s not about teams, by the way). Could that be translated into use by commercial agents ? It can. In addition to spending an average of 6 years focused on each income property type, and only much later, houses, I realized marketing was the key to more income. That includes marketing “you” not just your services and not just pasting your offerings on Loopnet.

Oh, my agenda? Mainly, I’ve want to pass on all this pent up knowledge and experience to those of you coming behind me so you can save yourself a lot of grief and enjoy what you do a lot more, and make more money with less effort. If you decide to buy my books on Amazon.com or get my on-line and home study course, great, but helping you in ways most firms or managers cannot, and for FREE, is satisfaction enough.

Above all, I’d like to know what your needs are so I can address them in upcoming issues. Is it the frustration of wasting time with deadbeat clients, not enough leads, not enough time to do all the steps to get a deal done, thinking about becoming an investor in addition to a broker but don’t know how to start, intimidated by your competition, never a dull moment and with new tech it’s endless, or need more marketing tools? Let’s start a dialog. I’d welcome your emails. I hope you enjoy the Newgrams !

Here’s to Your Success,

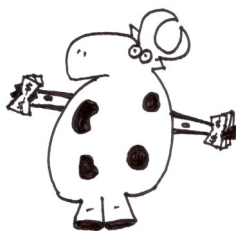


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Commercial Real Estate Agent Newsgram

Guerilla tactics for agents selling & leasing commercial properties including little known income property concepts and tips to market your services & your offerings with better results to close more deals & still have a life.



Cash Cow Realty Academy.com

Investment Training / Marketing Your Services / Rabbits from Hats (sometimes)

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Newsletter Comm Agent
Sample 1 2018

The Mega-Pay Off From Seller Financing

Here's something valuable to understand. Knowing this can have a positive impact on your pocket book regardless of whether you're a seller or a buyer or agent helping either one. Real estate involves two major components, debt and equity. Agents almost never ask a client how much they owe on a property. Big mistake. Here's a simple primer on how an existing mortgage can work to your advantage if you're a seller or if you wish to convince a seller from whom you are buying to carry back a mortgage so you won't have to get a new loan and deal with a lender (you don't want to do that). This works the same with residential or commercial properties, but I'll use a house to make the point. The market value of your home is \$200,000 but you can get more for it when the buyer does not have to go through the hoops to get a new loan. Appraisers ask if special terms are offered as it really does effect value. If you sold it traditionally for cash and paid a Realtor and some closing costs, you'd pay out about \$16,000 in costs on a \$200,000 sale. With a \$175,000 underlying loan balance, as an example, you'd walk away with \$9,000 from the traditional sale. Remember that net amount received : \$9,000.

Alternatively, let's assume you offer to sell the property via "seller financing, no bank qualifying" and you sell it for \$212,000. Remember, you can get more than market value, within reason, as you are selling a rare commodity; a "no bank qualifying" property sale. You ask for \$12,000 down. The deal is fast and easy. You pay some closing costs of, say, \$2,000 for title insurance, closing fees, etc and walk away with \$10,000 in your pocket plus...something very interesting financially remains for you:

You're already \$1,000 ahead of where you'd be if you'd cashed out, but the buyers now owe you \$200,000 which you carry back in a note and mortgage. You are "the bank" and they make monthly payments to you, let's say at interest only at 7% per annum, to keep it simple, or \$1,166 per month. The deal requires that they will refinance and pay you off in 5 years. Let's say your current loan payments are \$1,077 per month, so you keep \$89 a month from the differential. Their \$200,000 obligation to you is "wrapped around" your current mortgage on which you owe the \$175,000 at the time of sale. Over the next 5 years, their balance owed to you does not change as they are paying you interest only. Even if you did amortize their loan, this still works great. However, your balance owed on your loan goes down every month, thereby increasing your equity at pay off. 5 years later when they pay you off with their new loan, you may only owe about \$154,000. There are no Realtor commissions or fees when they pay you off, either. You now walk away with \$46,000 (\$200,000 minus \$154,000) at the closing of their refinance! That's in addition to the \$10,000 you kept up front on the seller financed sale down payment. The \$89 a month differential you got for 5 years is an additional \$5,340.

Summed up, if you were to have originally sold for cash using a Realtor, after costs, you'd have walked away with \$9,000. With this seller financed approach, you will earn \$61,340 ! Worth knowing.

Agents: even after paying a commission to you, many clients will be much better off with this approach.



About the Publisher - F. Scott Tonges—President, Southwest Property Trust, Inc

Named among the top 25 commercial real estate brokers in the U.S. by the nations largest commercial service firm (CBRE), Scott's background includes brokerage nationwide of all income property types, building a 100 employee property management company overseeing 1,860 apartment units and 500,000 SF of commercial space in 5 cites, and exclusively representing clients like Merrill Lynch, Deutsche Bank, Canadian Imperial Bank & scores of private investors. Today, Scott is a private investor, author of 3 books on real estate investment, teaches a state approved continuing education course to brokers in Colorado on income property investing and is a consultant to income property investors and commercial agents. The focus is on small income properties. His books are at **Amazon.com** and **home study videos and courses are at:**

**FREE training videos & more are at www.CashCowRealtyAcademy.com
Company Site— www.SouthwestTrust.com
Contact Scott: propertytrust@frontier.net**

MARKETING YOUR BROKERAGE SERVICES AGAINST COMPETITION

Sorry to tell you this, but when a prospective buyer, seller, or lease space owner or tenant starts to move in the direction that requires your services, without an established friendship with you, your service is considered a “commodity”. You are viewed as being no better or worse than any other agent. So how do you separate yourself from being in a line up of “usual suspects” from which this prospective client chooses an agent to work with? Above all else, people do business with people they **TRUST** ! So, how do you get a prospect to trust you, and quickly? The short answer is 3 things: 1. Are you authentic? 2. Is there rigor in your logic of, say, how you can help them and 3. Do they have empathy toward you? In practice, these concepts work: telling them what they want to know, not what you think they should know (ask!), make them happy that you have accepted THEM (no servant role), create an experience (a sequence of events) from first contact...don’t go for a meeting up front, send them something that informs them (more on creating a “Shock and Awe” package in a future newsletter), a newsletter is a great investment, EOS post cards (evidence of success mailings about how you solved a clients needs, not just “deal done” facts), offer a free report like “7 Mistakes Companies Make When Leasing Space in the Miami Market” or “7 Steps to Maximize the Price You Get Selling Your Investment Property”.

*More on these ideas and other ideas in your upcoming **FREE** newsletters*

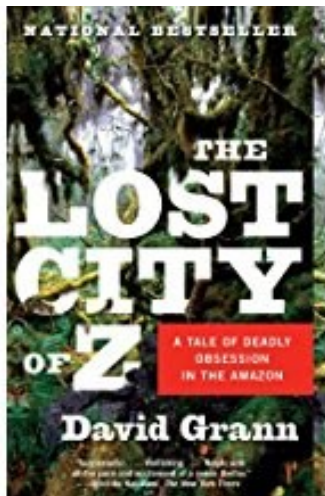
THINGS TO BE HAPPY ABOUT

The sting of salt air
Graduations
Tennis hats
Cream cheese frosting
Ship models
Second hand books
“knock-knock” jokes
Cut flowers
In-a-nut-shell reports
Paper plates
Rope tricks
A box of Lincoln Logs
Maple syrup
Scarred desks



BOOK REPORT

The Lost City of Z By David Grann



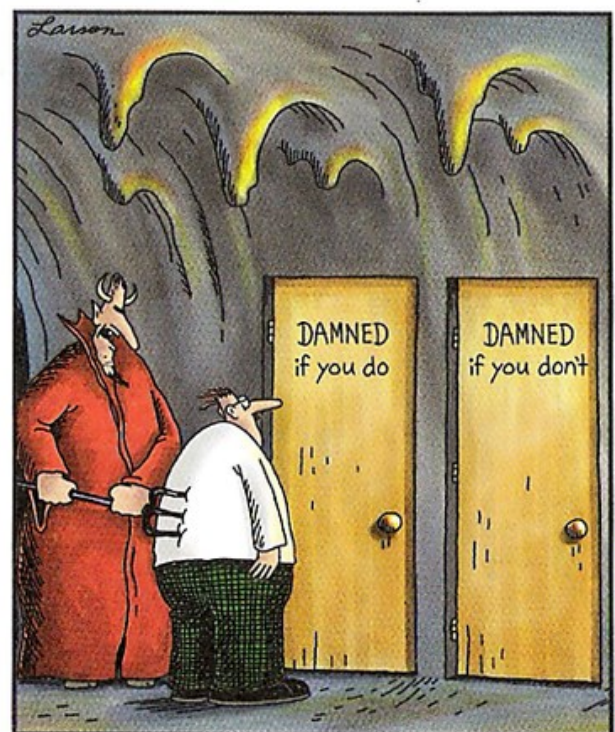
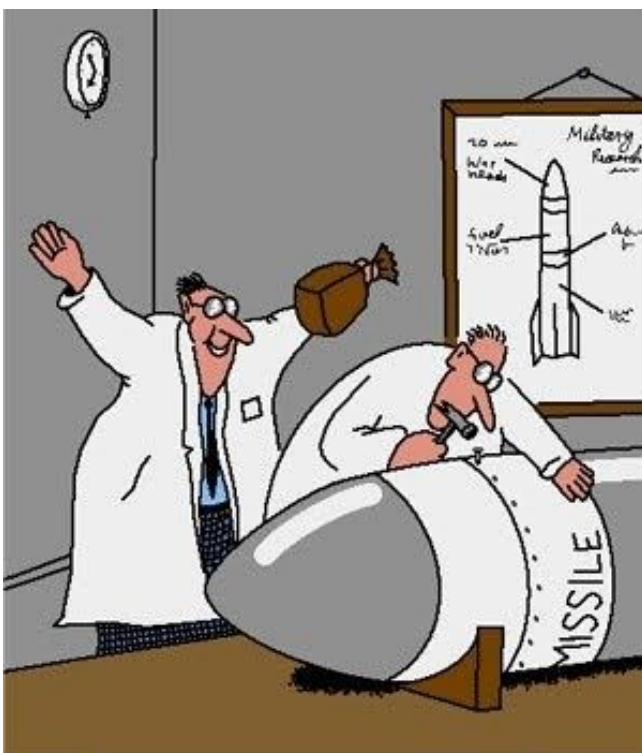
Subtitled “A Tale of Deadly Obsession in the Amazon”, I’ve read this book twice & am thinking about doing it a third time. It was recently made into a movie. The New York Times best selling author became curious about the 1925 expedition & subsequent disappearance in the Amazon of explorer Percy Fawcett. Considered the last of the individual explorers & followed by a worldwide audience in the newspapers of the day, Fawcett was sure he could find the remains of this fabled lost jungle civilization. The author, completely non-intrepid, gets so caught up in the story, he too becomes a believer and sets course into the Amazon himself to find out what happened to Fawcett. This tale may cure you of seeking high adventure but it’s some fun ride with the author.

BIG REWARDS DON'T REQUIRE BIG RISKS

In their landmark book, From Predators to Icons, French scholars Michel Villette and Catherine Vullermot researched the details of the business transactions done by some of the most well-known, mega-successful investors in the world, in various businesses. What they discovered was that, contrary to public perception, they DO NOT take big risks. Not at all. They look for huge profit potential with minimal risk. Let's take one as an example, Ted Turner, founder of CNN. Ted inherited a decently operating billboard business in Atlanta from his father. In time, he decided he wanted to get into the television business and focused on buying local WJRJ, a UHF channel (you needed a special antenna to receive it). It was losing about \$500,000 a year. He arranged to buy it with stock from his company, so zero cash down. Rather than just buy it and hope for the best, which would have been a big risk, he first went to the NBC to arrange to buy programs that their affiliates were not picking up, which they were allowed to sell to anyone. After getting a deal for 4 programs, Turner then posted on many of his billboard, "NBC MOVES TO CHANNEL 17!". Viewership increased, ad revenues did too, and by the end of year three he netted \$1million from the once failing channel. Hardly high risk. Deals like this, low risk high reward, one after another, created his empire.

Donald Trump, in his book, The Art of the Deal, reveals that when he was buying the Bonwit Teller building to tear it down and put up what is now Trump Tower, Bonwit still wanted a presence in his new building, albeit only about 25% of the space they were giving up. Trump negotiated a lease with Bonwit that virtually paid his expected mortgage payment on the loan he was getting to build the tower! By the way, it's routine that when a developer puts up a big commercial property, pre-leasing to cover most of the cost of the risk component of the venture is the way it's done.

A low risk-high reward approach can be used at any level of income property investment. My book, Big Dollars from Small Buildings at Amazon.com will show you how to do this.



"C'mon, c'mon—it's either one or the other."