

Episode 22: Technology, the REALTOR and the Real Estate Transaction  
March 5, 2008

Peter: Real estate, if purchased well continues to be the single best investment one can make. Welcome to Income Property Investment Talk, a program dedicated to providing investors, eager to invest well in real estate, with the knowledge, the resources and the tools to generate increased wealth. Each week we bring the powerhouses of commercial and residential real estate to our show for you to learn from and to call at 1-866-472-5790. My name is Peter Mosca and my co-host, a commercial powerhouse in his own right, Dean Essa.

Dean: How are you Peter?

Peter: I'm doing well Dean. Dean, the news media today is abuzz with information, stories, and articles talking about what's happening in the real estate market. Our concern here on this program is if investors, realtors, consumers only relied on the national newspapers or television networks that they're reading or listening to they might not get the correct message as to what is happening in the markets across our country and globally, for that matter, and they might miss some excellent opportunities. What we say is to get a proper perspective on the value of real estate you have to go to the right source, and that means talking to a residential or commercial real estate professional, a professional realtor, or CCIM, certified commercial investment member in your local market. Or if you're fortunate enough you can speak to a realtor, a tech guru, and a consultant to the real estate industry, and today we are that fortunate. Our guest is Saul Klein. He is a realtor, nationally recognized speaker, and consultant, who over the last 16 years has spent more than 15,000 hours in front of real estate professionals, consumers, realtor associations, staffs, and volunteers. In those 15 years, he has traveled over 1.5 million miles, 1.5 million miles, delivering a message on technology and its role in the

future of the real estate industry. Saul, you make me feel bad that I was complaining that I had the redevye back from Tucson today.

Saul: Yeah, you don't even know what it is to travel. Let me tell you. Hi Dean. Hi Peter.

Peter: Saul, thank you for coming on today. You most definitely have earned the moniker as one of the 100 most influential real estate people and in fact, if you want to get Saul's complete bio go to our website@incomepropertyinvestmenttalk.com, but Saul you and I have known each other since, I believe it was 1995. Way back then I believe you did something that benefited professional realtors, benefited the association, benefited the individual marketplaces across this country by introducing the power of the Internet and what the Internet and technology can do for the realtor, for real estate investors, for the marketplace itself. What I want you to talk to me about right now if you will, is talk to me about technology, talk to me about the Internet crusade that you founded, I believe it was in 1995.

Saul: I'd be glad to Peter but before I do can I mention something about your theme, which is buying real estate? It's amazing to me, and I read the press like everybody else and see all the negative stuff, but when it's not great for a seller it's usually great for a buyer and a lot of people don't know about my real estate career, over the last 15 years or so the technology has kind of jumped in front, but I used to buy and sell investment properties in San Diego, actually in a couple of different states, and when I didn't have enough money to do it which was often I would go out and get friends and relatives and we'd pool money together and we would go out and buy properties together. We ended up acquiring apartment buildings and small investment properties and condos and houses and built a property management company and we were able to do that in good markets

and bad markets because real estate is a great investment. What I like to tell people is the best real estate that you ever bought is the real estate you bought yesterday. The whole point in this is buy real estate and hold on to that real estate. Yeah you can buy it and you can flip it and there are lots of things you can do, but you buy something and if you're lucky enough to hold on to it for 30 years you will be amazed. I know 30 years sounds like a long time but it doesn't have to be that long. The best real estate that you'll ever buy is the real estate you bought yesterday which means you better buy it today and this is a great time. Interest rates are low and there are great opportunities and great deals and while there still might be room in the marketplace for values to drop, it doesn't mean that there aren't terrific values out there, and what a great time to be a real estate investor.

Peter: There is no doubt about that Saul. That's why we, Dean and I, came up with this program and we dubbed it Income Property Investment Talk, because there are markets right now across the country that have the factors, that have the principles that you need to sustain an investment for the two to five year period. I know you mentioned 30, that's typically what you tell residential investors as well, hold the property, it's a long-term investment. You and I have been talking to realtors across this great country of ours and I'm sure you encourage them and I encourage them as well, when you get out there and you talk to the consumer, tell them that real estate is the single best investment one can make and believe it, because it's an honest statement in my opinion.

Saul: No doubt about it, and you hold on to it and it will surprise you. I can give you personally many stories where that's happened for me, and that's happened for my clients and actually the best piece of real estate that I ever bought is something that I did buy 30 years ago and I own it today and I own it with three other people and it has just a

tremendous cash flow and one of the reasons that the cash flow is so good is because we've owned it for such a long time, not to mention it's in the marketplace where properties grew tremendously in value. I encourage realtors and consumers and everybody to look to add real estate to their investment portfolio. I applaud you guys for doing this because it's a message that people need to hear.

Peter: Thank you so much. We appreciate that Saul and that's what we're here for, that's why we have the sponsor who does just that as well. The sponsor of our radio program called RealSource at RealSource.net, that's what they do. Part of what they do is actually scour the 360 plus MSAs, the metropolitan statistical areas across the country to find those markets and they analyze all of the markets whether they're up, down, at the midpoint and they have terms and terminologies for that, but the bottom line is a savvy investor, and here's the other thing that we talk about and I believe you will agree with especially when we start to talk about how powerful the Internet crusade and Real Town and AE Talk and all these things that you've been doing is all about building relationships. That's what we've been telling our listeners for months now, is yes we all love to do things on our own, it makes us feel good, but you know what you're going to feel a whole lot better when you reach out to the professionals who know their business and your investments do that much better.

Saul: Absolutely. I was very active as a real estate broker in the San Diego marketplace in 1993. I was president of the Board of realtors here, called the Association of Realtors here in San Diego and my executive officer was a fellow named **Walt Pekowski**, who I know you know, Peter, and Walter was one of the first people picked to participate at NAR with the new technology venture of the day which was the Realtor's Information

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Network. Walt was an executive officer chosen to participate on the Board of Directors of this new wholly owned subsidiary of the National Association of Realtors and I was the president of the board. I said to Walt no problem Walt, go out and participate but you bring things back to San Diego. You learn things and bring them back to our realtors here in San Diego. Walt introduced me to the people that were actually running the Realtor's Information Network in 1994 and they were looking for someone who understood technology, and I had a little background, I had networked in my real estate company, and I had all my agents using the network in the office in the '80s and we were a little bit ahead of our time with that and I love the technology. I was a real estate broker so I understood the real estate business but I had this interest in technology, it was kind of like an avocation. The people were running the Realtor's Information Network were looking for somebody who could figure out what the practical application of technology would be in the real estate industry because nobody had figured it out at that point.

Peter: Let me, if I can Saul, real quick just throw in one name because when you talked about the Realtor Information Network prior to that it was the Realtor Information System and it grew out of the great state of New Jersey and you know me, and everybody who does know me, I always like to tell everyone how wonderful New Jersey is, but if I could just throw one name out there and just say that Carl DeMusz was a big part of bringing technology and the Internet to the realtor organization as well.

Saul: Carl was. As a matter of fact, he was the president, and I love New Jersey too and I'm originally from Hawaii, Carl was the president of the New Jersey Association of Realtors about that time frame and Carl's now in Cleveland. He runs the MLS in Cleveland and is a good friend and I met Carl back in those days when we were looking

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to find what can we do with this technology and how can it help realtors. NAR knew this, the National Association of Realtors knew this but they needed to figure out the practical application. So they brought me in as a consultant, because I was a practicing real estate broker and I had an understanding and I also was a public speaker. What they were looking for also was somebody who could evangelize and socialize the concepts of using technology for the benefit of realtors and for the benefit of consumers. In that role, I started to play with and figure out how technology, very crude at the time, e-mail, private networks, there was really no World Wide Web, at least no commercialized World Wide Web. The Realtor's Information Network created a proprietary desktop software that would allow realtors to communicate in a private, closed network, which if you think about it Peter, it makes a lot of sense today with all the Spam and the viruses and all those kinds of things. Then the web kind of popped up and we were thinking what are we going to do with this World Wide Web and Netscape. It was a browser and I knew a fellow and Walt knew a fellow here in San Diego named Richard Janssen who had kiosks in the malls around San Diego. I thought that was kind of neat because it gave consumers a glimpse of the inventory without giving away the store and if they got a glimpse of the inventory they might contact a realtor and what a great lead generator it seemed that that could be. I loved Richard's kiosk idea and then all of a sudden the Web popped up and Richard came to Walt and I one day and he said why don't we look at putting listings on the new World Wide Web. Of course, realtors, we thought, they might not be real amenable to this because it's almost like public display of listing data, but we went out and started talking about how valuable it would be and how people would want to see it. We started signing the MLSs and taking all their listings and putting them on at that time

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something called Realtor.com, which was owned RIN, which was owned by the National Association of Realtors. I had the great opportunity to go out and meet all of the people that ran all the MLSs, all of the volunteer leaders and organized real estate back in those years and talk to them about what a great benefit it would be to be able to expose listing information to the world and generate leads from it, all done on one website, Realtor.com. This is funny, I was looking at some of my old presentations the other day and in my evangelizing of the concept of the Web, I used a little scare tactic, and I would say we really have to do something, there's over 200 real estate websites out there today.

Peter: Saul, listen, we're coming up on a break in about 20 seconds or so. Let's do this, when we get back from this short break we are going to talk to Saul Klein more about his Internet crusade, his Real Town and social networking sites and then we're going to talk more about his E pro designation. Dean, I promise we're going to get you into the conversation. So we'll be right back. If you have a question give us a call, 1-866-472-5790.

**BREAK**

Thanks for tuning in today to Income Property Investment Talk. If you have a question for Peter or Dean call now, listener lines are open. The toll free number is 1-866-472-5790. That number again is 1-866-472-5790. Now back to Peter and Dean.

Peter: Saul one of the things I believe that technology has done for the realtor, the professional real estate expert that they are, is it helps them to differentiate themselves from their competitors. Realtor A might be doing one thing, realtor B might be doing another and there's niches, there's specialties, but I think differentiation is the key. Do

you see something like that when you're going across the country talking to realtor organizations?

Saul: Absolutely. Somebody who you're probably familiar with and I had the opportunity to meet over the last couple of years is an author, Seth Godin, wrote Purple Cow and Permission Marketing. Seth has this great line, he says "here's your choice be different or charge less." That is so profound. Be different or charge less. If the public perceives that the service, think of yourself as a consumer, if you are out looking for a product or a service and you've got it narrowed down to three and your perception is that all three are identical which one would you probably choose, the most expensive one? Price then becomes the differentiator. If you're in the real estate business, you want to make sure that price does not become, now some people want to compete by price but most don't and if you don't then you have to be different. Because of some realtor's reluctance to adopt technology, technology is a great differentiator. Not only is it a great differentiator it's going to help you list and sell more real estate, it's going to help you find more buyers, so be different or charge less. A simple way to be different is to get involved and integrate the technology into your real estate business. I would like to add a piece, and I think this is a great, in all the seminars I do I give it to people as a take away, that you're in the marketing business really in real estate. You do a lot of things, but one of the things you do is you market. What do you market? You market three things. You market yourself, you market your services, and you market your listings and you should never forget that and you should write it down and you should put it on the wall and you should look at it every day and it should remind yourself that you market yourself, you market your services, and you market your listings. Now, effective marketing requires four

things. First, it needs to be frequent. Repetition is the mother of learning. It needs to be frequent, so effective marketing is frequent. Peter, Dean, how many times have you seen a realtor that will run an ad, they do a marketing piece, they do it once, they don't see the result and so they then say this didn't work and they move on to something else? That's a waste of money. Your marketing has to be frequent. Another thing that will make marketing more effective is it needs to be anticipated and you know this. If you're waiting for a marketing piece you're looking for it, if you're looking for it there's a better chance you're going to see it. When we market, we want people to see our marketing, so it needs to be frequent, anticipated. Third point, it needs to be relevant. It needs to be relevant and the more relevant it is the more chance people are going to see it. If you walk into a drugstore, you walk right down the cold remedy aisle, you will not see, you will not even look at any of the cold remedies unless you have a cold. If you have a cold you'll take the time to stop and look, why? It's relevant. This plays into something that maybe we'll have time to talk about in a little bit called predictive marketing. That's something realtors need to latch onto, predictive marketing and relevance. Think about it, have you ever bought a book on Amazon and you buy the book and a couple weeks later you get an e-mail from them and it says if you bought this book, you might like this book?

Peter: Absolutely, that's one of the true powers behind it, and I think that goes to the whole reason why you've been so successful with your social networking sites, in that people learn from people. Another book, if we're going to throw out books, and I'm sure you read this one as well, [The Wisdom of the Crowds](#).

Saul: Absolutely. Let me give you the last point. It's personal. Marketing needs to be personal. Frequent, anticipated, relevant, and personal. When I get home from on the

road, I go through my mail and all the mail that's addressed to occupant gets thrown away. All the e-mail that says dear Saul, I'm probably going to read that. But you're right the wisdom of the crowds is critical. One of the things we discovered at Internet Crusade, actually our company, my two partners Mike Burnett and John Riley, we started out and we were so excited about the Internet, and so excited about the World Wide Web and we created a website called Real Town and we thought it would be a great resource. Then nobody would go to the website because realtors really weren't interested in the web. We decided we needed to go out and bang heads and we created what we called Internet Crusade. We were going to be the evangelists in the real estate industry to drive as many realtors to the Internet and to the World Wide Web as possible. Internet Crusade now is about 40 employees, but it is a corporation, a company, we do business in California and we've been doing seminars to thousands and thousands and thousands of realtors over the years teaching them how to integrate technology into their real estate business. One of the things that we discovered back in the '90s was the wisdom of the crowds. If we could put, Kevin Kelly one of the first editors of Wired magazine I think said it best, no one is as smart as everyone. No one is as smart as everyone. So what if you could put everyone together that has a particular interest and you could get them sharing ideas and sharing thoughts and sharing concepts? People like to share. The whole idea of talk radio and the whole idea behind Dancing with the Stars and American Idol is people can participate. They can share. We created a couple of online communities. We used e-mail list serves to do it, one called Real Talk for real estate people and real estate professionals, one called AE Talk for association executives. We created President Talk for association presidents and MLS Talk for people that were interested in MLS. We have close to 100,000 people

that participate with us in these online communities and have since the '90s. It's interesting, Peter and Dean, today they call a lot of the sharing, they call it blogging and so we're all familiar with blogging and sharing and the fact is that our communities have been doing it since 1995. So it is the wisdom of the crowds. I might need an answer to what digital camera should I buy, what PDA should I buy, I'm representing two buyers in a real estate transaction and they are both interested in the same house now what do I do. To have thousands of other realtors across the country to share that with and to get input from is invaluable and that's the wisdom of the crowds and that's the no one is as smart as everyone and that's online community. In just about every field or subject you can think of today, there are online communities. We see with the rise of Facebook and My Space this is social networking. You can social network in a professional environment or you can social network for pleasure. Realtors have always social networked; they just didn't do it on the Internet.

Dean: Regarding technology, what are some things because we are so limited on time, there are thousands of realtors that listen to this show, they're sitting there and they would love to be able to jump in, what are some quick things we could tell them that they have to do immediately if they haven't already included these things into their regular business practice.

Saul: First they need to do is buy their own domain and they need to use that domain as the address of their website and here's the big one, they need to use it for their e-mail. This is so critical. People need to know this and I tell people write this down; your e-mail address is an asset of your business. It's an asset. It's where people will send e-mail when they want to list their home and the average term of home ownership is five to eight

years. When you give somebody a business card that's got your e-mail address on it, what you're saying is when you need my services in five to eight years send me an e-mail at this e-mail address.

Dean: You said, I think on one of your websites, don't change your e-mail address, keep that permanent.

Saul: I want to be solidSaulKlein.com. I want to own it. I need to own it, which means it needs to be tied to my domain. That means no Yahoo e-mail addresses, no AOL e-mail addresses, no EarthLink e-mail addresses, and no e-mail addresses of brokerage firms that you don't own. You want your e-mail address, it's no different than your phone number, think about this your phone number is an asset of your business and over the years you're giving away your phone number, giving away your phone number, you give away 50,000 business cards with your phone number on it. What happens if you change phone numbers? You just lost the marketing power of 50,000 business cards. This was driven home to me many years ago when I sold a restaurant and I was working with a business broker who wrote in the offer to purchase "the phone number remains with the restaurant". He wrote that in the offer. He wrote the phone number and I asked him why and he said because the people that are buying this restaurant, the price they're paying is a multiple of the revenue stream and 60% of the revenue comes from the take-out business. If you don't ask for the phone number, the owner of the restaurant might take the phone number with him, in which case he will take 60% of the revenue. So the phone number's an asset. The more you market it the more valuable it is. The e-mail address is no different. The e-mail address is an asset and somebody, if they send e-mail to an e-mail address that you don't use anymore, you might lose an opportunity to do business with

them. The marketing you do today creates the business of tomorrow. You need a permanent e-mail address. I cannot stress this enough. There are so many realtors that still don't get this.

Dean: What do you do if you have an e-mail address like Cox.net, like the cable company here and you've had it for, I hate to confess but this is me, I've had the same e-mail address since e-mail got started. I want to now go do it the right way. What do I do?

Saul: You buy a domain, you get an e-mail forwarding account, you start to market, I'll start to market them my e-mail address as solidSaulKlein.com.

Dean: And that way people who sent it to the old one will still get a forward.

Saul: It'll get a forwarded and then when I get that e-mail I'll see here's one addressed to my Cox account and when I replied to them I'll say by the way here's my new e-mail address. In time what will happen is nobody will send e-mail to the Cox e-mail address any longer. They'll all send it to my new e-mail address which has got my name on it and I want to put my name in front of people over and over and over again because remember one of the secrets to effective marketing is that it be frequent. I want people to see my name.

Peter: I know all of the realtors who are listening to the program right now that have sat through a workshop of mine are probably grinning because in every single workshop that I do at least three times I tell them that repetition is, and I wait and they hopefully will respond powerful. I couldn't agree with you more about the importance of repetition and I love the fact that you're just basically talking about the basics here with e-mail and phone numbers because sometimes we get so wrapped up Saul with all the bells and whistles that are out there, we forget about the little things.

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Saul: It's the little things that make a difference Peter. Let's attack those things that we know we need to be doing and once we get those under our belt we can move on to more complex things. There are more complex things but we've got to take advantage of the little things. Permanent phone number, permanent e-mail address and we can then look to a website. A lot of realtors have a website but I say to them websites are billboards in the middle of nowhere. For most realtors websites are worthless because for your website to be effective you need to create a website strategy. Most realtors don't have a website strategy, they have a website.

Peter: Why don't we do this, Saul, because were coming up again in about 20 to 25 seconds on our next break. When we come back, we'll talk to Saul Klein more about websites and website strategies and some other topics and again this is an excellent opportunity for you to speak with knowledge right now at 1-866-472-5790. We'll be right back at Income Property Investment Talk.

**BREAK**

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Peter: Saul before we left you were talking about how the website can be a lost billboard in this global Internet we call the World Wide Web. How do we make that a billboard that consumers, investors, other professionals will get to know? What is a Web strategy and how do we go about applying it?

Saul: Okay, really very important for me because I see so many realtors have wasted, I tell people over the last 12 years realtors across the country collectively have wasted

hundreds of millions of dollars on websites nobody visits. Websites are worse than finding a needle in a haystack because people are not going to go to a realtor's website for information because if you want information today, Peter, if you want information today where would you probably go? You'd probably go to Google. So why would you go to a realtor's website? Will the answer is because a realtor has put together a strategy and put content on their website that appeals to their audience. A website strategy requires four major areas. The first one is, and before you buy a website you really need to think through this, number one identify your audience. Who is your website for? It's not for all the people who live in China, all the people who live in India, all the people who live in Pakistan, it's probably for a specified, just like all your prospecting in real estate you have an audience. So number one, your website strategy, you must first identify your audience. That's going to help you with number two which is to now locate content that would be of value to your audience and content of value to your audience that might be easier for your audience to find on your website than it would be for them to go to Google and google it. So, identify your audience number one, number two get content of value to your audience, number three have a website platform that allows you to publish that information readily and easily. That might be a blog, or it might be a website template, but some kind of website product and some are more expensive than others. What would make one more expensive than the other? It's differentiated in some way. If the perception was all websites are the same, which website would you buy?

Dean: Exactly. What about...

Saul: The least expensive one probably.

Dean: What about, I saw something that you wrote on your PowerPoint presentation or on one of your websites about how important it is to have a PDA.

Saul: I think that's critical. So last point in a website strategy is to drive traffic. You have to drive traffic. Is it important to have a PDA? I think it is a vital piece of equipment for a mobile professional. If you kind of think about this, you have a cell phone so that you can what, respond to people. Here's the point, first to respond as a market advantage that's always been true and it continues to be true in the age of the Internet, first to respond as a market advantage. When I was selling real estate, we had these things called pagers, actually we didn't have them at first we kind of got high-tech after awhile. We got these things called pagers. When someone would call you, they leave a message, and what would happen? Your pager would vibrate or beep. They called them beepers. Why did you carry that beeper around?

Dean: You wanted to be the first to respond.

Saul: You wanted to be able to respond to people right away because you knew that first response has a market advantage and you also knew that a lot of people wouldn't respond right away. First to respond is a differentiator. Then they came out with cell phones, or car phones and then cell phones, and people got those why? They wanted to be able to respond. Now we have the e-mail and so you need to be the first respond. When people send you an e-mail you want to respond right away. First to respond is a market advantage. What tool will give you the ability to do that?

Dean: PDA.

Saul: PDA, smart phones today. So if I'm a realtor, I want a smart phone. What smart phone should I buy? That's a great question, isn't it? You know where you can get the

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answer to that in an online community. So we go back to the wisdom of the masses. If I can ask 50,000 realtors what's the best smart phone to buy and I can lay out my criteria and my expectations and my needs, I'm going to get response from people around the country that are going to give me feedback that I can use and make an informed decision.

Dean: I hear Pink Floyd Peter.

Peter: Saul, that's one thing that you're not aware of. That sound right there is "Money" by Pink Floyd and that means we're going to have our Mortgage Minute very quickly and then we'll get back because I want you to further elaborate on how you drive traffic. I have a feeling you were referring to that, when you talked about predictive marketing earlier, but we'll get back to you in a minute, Saul. Let me bring on Tracy Wright from RealSource Commercial. Tracy, are you there?

Tracy: I'm here.

Peter: Tracy, when we started this program with Saul Klein today, we talked about how the media and the news stories and the radio programs and other media outlets, the Internet, are not necessarily maybe being as accurate as they could be and that's why we like to have RealSource Commercial come on every week. Tell us what's happening with lending right now. Tell us what types of programs are available and bottom-line it for me. Is money available for investors looking to get into income properties?

Tracy: The bottom line is yes there is money available. You just need to be a little bit more in tune with the fundamentals. Rates also have been better in the last couple weeks than they've been in the last month or two. I'm seeing lower rates and I'm also starting to see a bunch of the lenders that have kind of been on the sidelines starting to come back into the market.

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Peter: And let's be clear, when you're talking about these rates and talking about this money, we are talking about specific commercial investment.

Tracy: Correct.

Dean: What type of rates are we looking at these days and what type of down payment are you seeing? Someone wants to buy, for example, a multifamily project and say its 20 units, what are you finding that they have to expect on a down payment and an interest rate?

Tracy: Well, we're still able to get loans with 20% down, so 80% LTV.

Dean: Excellent.

Tracy: I recently just rate locked a deal that I'm working on at 5.85%, that's a three-year fixed, which is pretty cheap for three year money right now. I'm also working on a multifamily project on the East Coast and looking to rate lock that one at about 6.4 and that's a 10-year fixed term. So those are fairly decent rates right now.

Peter: Saul, any chance you might have a question of Tracy with financing or anything to that effect?

Saul: Are you finding folks out there, Tracy, are coming to you in taking advantage of the great opportunities that you have?

Tracy: Well, I would say the volume is a little low but, one nice thing about it, when the volume is low the lenders we work on are closing loans fairly quick. In fact, the usual timeline for closing a commercial loan used to be about 45 to 60 days. In the last few loans I've closed I've done in about 32, 33 days. There's some benefit for jumping into the game right now because you'll have quicker closings if you do.

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Peter: Tracy Wright, RealSource Commercial, in about 30 to 45 seconds tell us how an investor can get in touch with you, and leave us with one last golden nugget of information.

Tracy: The easiest way to get hold of us is area code 801-601-2700. There's three of us to work here, there is Stan Hanks, Matt Knighting, and myself, Tracy Wright. The best thing to do is when you call be ready with some numbers. We need a current rent roll and we need historic and operating statements, profit loss, and from there we can dial in and let you know exactly how much money we can get you and how quickly.

Peter: Fantastic. Tracy, thank you so much for calling into Income Property Investment Talk.

Tracy: You're welcome.

Peter: Have a great day. Saul, when we were talking about webs and Web strategies, the last point that you made was driving traffic and bear with me for a second, because I've never heard it put this way unless I'm misinterpreting it, but when you mentioned earlier predictive marketing, were you talking a little bit about what you said with searching and maybe pay per click and those types of activities or were you referring to something else?

Saul: Well, that's a piece of it. Let me talk a little bit about predictive marketing and then get into something called syndication because that's going to help drive traffic to your website. There are of course search engines and placement pay per click, that should all be part of your strategy or you should at least analyze that but there are other ways to drive traffic to your website. Here's what predictive marketing is. I think I gave the example of Amazon. When I buy a book, they know that I'm interested in that particular book so I might be interested in other books like that book. They send me e-mail that says

if you like this book you might like this book and sometimes they're absolutely right. Sometimes I'll buy another book that I had no intention of buying just because they let me know that it was available. Another example of predictive marketing that I see frequently is FTD, the florists. They know when I buy flowers. They know that because when I buy flowers I buy them from them online and so right before Valentine's Day and right before my wife's birthday and right before holidays I get e-mails from them. They know I buy flowers online so they send me e-mail because they know there's a good chance I'll buy more from them. So it's relevance. If I had a website, I would like to know maybe if I put up 50 pictures and I was careful about and I knew what pictures I put up and I had the outside and the inside and the view and the pool and the kitchen, it would be valuable for me to know when people went to my website where they were spending most of their time. If they were spending most of their time looking at the pictures of the swimming pool, I would know that they were probably interested in listings of houses with pools. If I'm going to send them marketing campaign or automated marketing pieces, I'm going to have those pieces that are what -- that are relevant to what I've determined they're probably interested in. What if I have a mortgage calculator on my website and somebody goes to my website and I determined that these people have gone back and they've looked at this one house 15 times and they've gone to the mortgage calculator five times and the value they put in the mortgage calculator was \$800,000? Does that tell me anything about that Web surfer?

Dean: Sure.

Peter: Oh absolutely and I think the one thing that the listener needs to know, and you mentioned it earlier, is there are analytics available that does tell the Web owner who was visiting their site and what they're looking at.

Saul: What they're looking at and how long and if they're going to the mortgage calculator and now what are the values that they're putting in. We can use this if we're going to send them marketing pieces. If I know people are looking at \$800,000 loans, I wouldn't send them a listing or information on a property that was a \$400,000 property.

Dean: Where I used to use it, is I belonged to a lead generator company at one time and what they would do is somebody went online and they looked for a particular house than they would e-mail me and say this client, here's his e-mail address or her e-mail address, looked at this house. So I would hurry up quickly and look up that house see if it was still available and in almost all cases, this was back in 2005 when everything was hot and it was put up one day and gone the next, so I would e-mail them back saying I saw that you were looking at this particular property, unfortunately it's in escrow right now however I found these other five properties... and I would go through and you know the rest of the story. But isn't that what you're talking about?

Saul: Exactly and the Internet just gives us more opportunities to do that. There's a term that everybody needs to write down and everybody needs to be familiar with and it's called syndication.

Peter: Okay Saul, hold that thought for a second. I know I had mentioned that I'd hold you through 45 minutes of the program but let me bring you back because we're coming up on the next break, perhaps you can stay with us for five more minutes after the next

break and talk to us about syndication and then leave us with one more golden nugget here at Income Property Investment Talk.

**BREAK**

Thanks for tuning in today to Income Property Investment Talk. If you have a question for Peter or Dean call now, listener lines are open. The toll free number is 1-866-472-5790. That number again is 1-866-472-5790. Now back to Peter and Dean.

Peter: Saul, before we left for break you wanted to talk about syndication and we have about three to five more minutes then I'm going to bring Blaine Walker on the program to talk more about the SEC possible exemption coming up in regards to tenant in common. Can you further your thoughts on syndication and then maybe leave our audience with the golden nugget or two?

Saul: You bet. Syndication is the ability to have your listing information distributed to multiple sites by only entering it into a website or into a database once. I might want to have my listing marketed on many free places, Craigslist, Zillo, Yahoo, and Oodle, many, many different places. The problem is it takes a lot of time to enter that data. What if I could enter that data once and have it sent out to all of these different websites where lots of consumers might find my listing and come back to me. They might buy that listing or they might not, they might be interested in something else. I become my own lead generator through my content, my listing information which through a single point of entry is then distributed all across the Internet based on where I want to have it distributed. When you buy a website from a website company today a great differentiator is do they syndicate content.

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Peter: Let me do this Saul, because I know you're not going to do it because I know what kind of guy you are, but that is who you're working with right now. Isn't that a big plus to Point2 Technologies and what you do there for your MLS?

Saul: Point2 is one of the companies that does that. We have more syndication partners than anybody and you're right Peter. If people want a website that's free for six months and will syndicate their content, go to this website address [freewebsite.internetcrusade.com](http://freewebsite.internetcrusade.com), [freewebsite.internetcrusade.com](http://freewebsite.internetcrusade.com). The Point2 website will syndicate and we're not the only company that does it but I think when you're shopping for a website today you need to ask the website company do they syndicate the content because that will get you wider distribution which means more people might find your listing and be driven back to you. There are great things that you can do to help yourself. Not only do you want people to come back to you, you want to know from the company syndicating your listings, you want to know which of those syndicated sites are sending you the most traffic. That's important. That's part of your analytics, Peter. You want to be able to measure that as well. It's not just distributing the data; it's also knowing what leads are coming back to you through the syndicated partners. Again if you go to [freewebsite.internetcrusade.com](http://freewebsite.internetcrusade.com) you can sign up, you get a free website for six months. If you like it you can keep it for \$10 a month. It's a very inexpensive website. I would like to leave everybody with the thing I think is the most important, we've taken all of our experience over the years, wrapped it up and put it into the National Association of Realtor's Technology Certification Program and it's e-PRO. E-PRO is a program designed to help you integrate technology into your business. If people are interested I can give them a \$25 discount, just send an e-mail directly to me, just send an e-mail to

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epro@SaulKlein.com and I'll forward that through to our enrollment department and make sure you get a \$25 discount and an extra two months, we'll give you eight months instead of six months to complete the course of instruction and it's the best advice I can give realtors today. In 45 minutes or so Peter and Dean, we just touched on a few things. There are many things that we need to work with realtors and help them integrate more of these technologies into their business so that they can better serve their consumers.

Peter: Absolutely. Saul, I thank you for coming on, and with your permission what I'm going to do is I'm going to put both of those authors on our website@incomepropertyinvestmenttalk.com as well.

Saul: I love it.

Peter: Thank you Saul. We look forward to having you back on the show sometime in the coming months.

Saul: Thanks guys, great talking to you.

Peter: Excellent. Blaine Walker, thank you for holding on with us. I'm sure what Saul said also resonated in your mind as well. We wanted to have you back on the program because we know that Saul has brought thousands upon thousands of realtors across this country to listen to him today and what you have to talk about could be of enhanced value for realtors looking to increase their business to help investors across the country. Can you talk to us, give us a recap on what is happening with the SEC, Securities and Exchange Commission, as it relates to tenant in common investments?

Blaine: Real quick, a lot of great information from Saul. I'm excited about the comment that he made that now is the perfect time to buy real estate. I think the biggest mistake I've ever made in real estate is selling property. I think the key issue here is as someone

does decide to sell that they take into consideration the opportunity to use the 1031 exchange if they're selling an income producing type of property. When we start talking about the 1031 exchanges, I think that leads us into the exemption that has been requested by the National Association of Realtors from the SEC. Basically, that exemption would allow a commercial real estate professional to be paid an advisory fee in helping their client to evaluate the real estate aspects of the securitized tenant in common offering. It's moving along fairly well. We're hopeful that we're going to have some type of an answer from the SEC by spring, hopefully by our main meetings, NAR meetings in Washington, DC.

Dean: Have they given you any idea yet of who will qualify for this?

Blaine: I was just going to mention that to you. The commercial real estate professional is defined in the exemption request as a person that has substantial experience in the real estate market from the commercial standpoint. Some examples of that, one would be education; the other would be their actual experience in the marketplace. The education would be similar to CCIM, SIOR, those that have the land designation or commercial advisor designations, those types of designations or education that's similar to that. Perhaps a bachelor's degree in real estate or they have good background in commercial real estate, analyzing real estate.

Dean: I would imagine to prove it out it's more of something like you don't have to put up front but if you ever got audited you better, like at IRS you better be able to prove that you have this experience or education.

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Blaine: Sure. The other thing is that you've got experience in selling. If you've sold, as an example, \$3 million of commercial real estate over the last five years that would qualify or 10 million in the last 10 years.

Peter: Blaine, we only have a few more minutes with you, so let me do this. Let me just mention to our listeners if they want to learn more about the specifics of this exemption, you did an excellent video for us at [incomepropertyinvestmenttalk.com](http://incomepropertyinvestmenttalk.com). They can go to the site, click on the button, go see you, listen to your video and then they can click on the show that you were on previously if they go to guests and programs and scroll down the pull down menu, they can find a wealth of information, transcripts from our last show. I know next week that you are going to be on a panel at a TIC conference, is that correct? Can you tell us a little bit about that?

Blaine: The Tenant in Common Association, which is an association of TIC sponsors and broker/dealers and reps, is holding one of their conferences in Salt Lake City March 11-13. They're going to be discussing issues such as the revenue procedure that was issued by the IRS allowing for a tenant in common offering to be used in exchange and not be counted as a partnership, they're going to have some classes on real estate TICs and securitized TICs, financial engineering of real estate properties, how to analyze a commercial real estate property etc. and that will be two panels on the exemption itself. One is the one that I will be on, which is titled There's a Light at the End of the Tunnel or What Is the Light at the End of the Tunnel and then the other one will be strategies on how the TIC exemption will actually be used in the real world. So there will be those two panels on it, as well as a lot of really good educational classes.

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Peter: That's why we appreciate you allowing us to pick your brain, the knowledge that you have on this subject and perhaps after the 11th and 13th, maybe we can have you back on the 19th and you can give us an update on what happened at that TIC conference. We've got about 30 seconds with Blaine. Give me one golden nugget to leave the audience with right now.

Blaine: Well, if they're going to do a 1031 exchange, look at the great opportunities out there in the commercial market to perhaps look at the tenant in common industry and purchase a class A property without the headaches of the everyday management of the property.

Peter: Excellent. Blaine Walker, thank you so much for joining us here again on Income Property Investment Talk. Good luck at the conference next week in Salt Lake City.

Dean, another great program. Next week everyone, we will have our three Mexican experts back to talk about Mexican real estate and investments there on Income Property Investment Talk.