

Owning Investment Property is the Agent/Broker Secret Sauce to Long Term Success

Experience

- Bought first property at 16
- 42-year real estate broker
- Owned & renovated 100+ houses, 350+ apartment units
- Currently own & manage houses, offices & warehouses
- Flipping ranches west of Houston since 2019
- Motivational speaker
- Founder of The Texas Real Estate Investment Center

Most Affordable Major U.S. City

- Houston, Texas is the Land of Opportunity
- If You Can't Own Property in Houston, You Can't Own Property **Anywhere!**

Real Estate Investing is a

Lifestyle &....

Full Contact Sport

Key to Success

- “ If you don’t control property, you don’t have anything to lease or sell, and if you don’t have anything to lease or sell you won’t be successful in real estate”

Russell Simmons 2009

Commissions are great because

- Commissions pay bills
- Commissions are how you keep score
- Commissions struggle to pay for college and weddings
- Property ownership not commissions build wealth.

Why Agents Don't Invest

- Brokers don't allow or encourage
- Errors & Omissions expensive or restrictions
- Competing with investor clients
- Market is too hot, too expensive, too something

Don't Drink the Koolaid



- Don't believe everything you hear in the media/social media divide by 2
- Be Realistic-stay within your abilities-gain practical experience
- Trust Your Own Instincts
- Confidence in Your Ability
- Confidence not Arrogance

Deal Fell Out, How Do I Pay My Bills?

- Collect Rent
- Draw on your line of credit (LOC)
- Collect Owner- financed Note Payment

6005 North Shepherd- Note Receivable



Rental Income Versus Therapy

- Deals falling out or being delayed is painful, stressful, causes self doubt & financial pressures
- Realtors must self motivate, we wake up every day with no guarantees and only get paid for performance

“It’s Five O’ Clock Somewhere”



Reality Check, Getting Back on Track

Drive your properties for **confidence** building. “ I Own That & That.....”

1st of the month, so rent is due, “I might not be as dumb as I feel”

Vacancy Versus Tenants

- A vacancy is better than a bad tenant because
- a vacancy doesn't destroy itself and a bad
- tenant doesn't pay the rent anyway.



Russell Simmons 2009

Bad Area- Mortgage Rejected





It Never Hurts to Ask!



Wash, Rinse, Repeat



Better to be lucky than.....

SMART

My Transition to Commercial

- Sold 1st House bought House with Garage Apt.
- Sold House & Garage Apt. Bought 2 Houses
- Lived in 1 house, Sold Other & Bought Building
- Cash Flow Funded Rental Homes
- Sold 3 Rentals & Bought 41 & 22, unit apartment complexes

First Commercial Property



Control Your Own Destiny, Commercial Properties Owner Occupied

Investors

- 100% vacant
- Bankers are hiding from you
- Commercial loan 25-30% down
- 20-year ammo, 5 year fixed
- Tenants may pay rent

Owner Occupied

- 51% occupied
- Bankers are looking for you
- SBA Loan 10% down
- 25-year ammo, 10 year fixed
- 51% major tenant will pay rent

7070 W. 43rd



Market Change



Prepare for Change

- Previous success is no longer viable
- Continuing business as usual is pointless
- The market has changed, so you need to change- **PIVOT**
- Find the next emerging neighborhood or property class

Actions in a Any Type Market

Take What the Market Gives You

Actions in a Down Market

- Work harder than everyone else.
“Sacrifice”
- Buy for Value
- Confidence & Guts
- Confidence not Cockiness

Actions in a Hot Market

- Work harder than everyone else.
“Sacrifice”
- Buy for Value
- Confidence & Guts
- Confidence not Cockiness

Benefits of Owning Assets

- Property to sell if necessary- cash out refi
- Revenue stream and appreciation
- Depreciation, cost seg for tax savings
- Hedge against inflation and controlling your own destiny

Basic Rules to Survive as Investor

- Multiple Strategies
- Take What the Market Gives You- low hanging fruit
- Sacrifice – Time management, manage your schedule
- Surround yourself with quality people
- Build Relationships – kindness, reputation & integrity close deals

Non-Negotiable Investor Rules

- **Constantly** Look for Opportunities
- Buy for Value Regardless of the Market
- Push Your Limits But Stay Under Control
- Diversify Your Portfolio- residential, commercial, industrial, land
- Don't Over-Extend, Solid Foundation

Down Markets, Time to Buy

Wealth Building

Confidence When Others Lack Confidence

Human Resources

- People You Talk With Before :
- Making a Big Decision, Poor Decision.
- Doing Something Under Duress
- Short Term Solution with Long Term consequences
- Insurance Broker
- Spouse
- HAR Chair Cathy Trevino
- Someone You Saw on “American Greed”
- Private Investor
- Contractor
- CPA
- Banker

Pay Attention To Things You Cannot Control That Can Affect Your Investments

- Consumer Confidence
- Trends Upward or Downward
- Interest Rates
- You Don't have to be an Economist, Just pay attention

Change With The Times- PIVOT

- Watch for New Trends- Emerging Neighborhoods
- Residential/Commercial-Highest and Best Use
- What Quit Working 20 Years Ago, Viable Again

Trust Your Instincts-Guts

- Seeing what others cannot....vision
- Confidence in your track record & ability...guts
- Identify, negotiate, purchase.....action
- Be Willing to Change as Market Changes

First Apartment Deal

- 41 Vacant Units
- Asking \$600,000 Offered \$400,000
- 10 Buyers Willing to Pay \$600,000
- I Paid \$400,000- value not emotion

Sherwood Garden Apartments



Why Was I Successful?

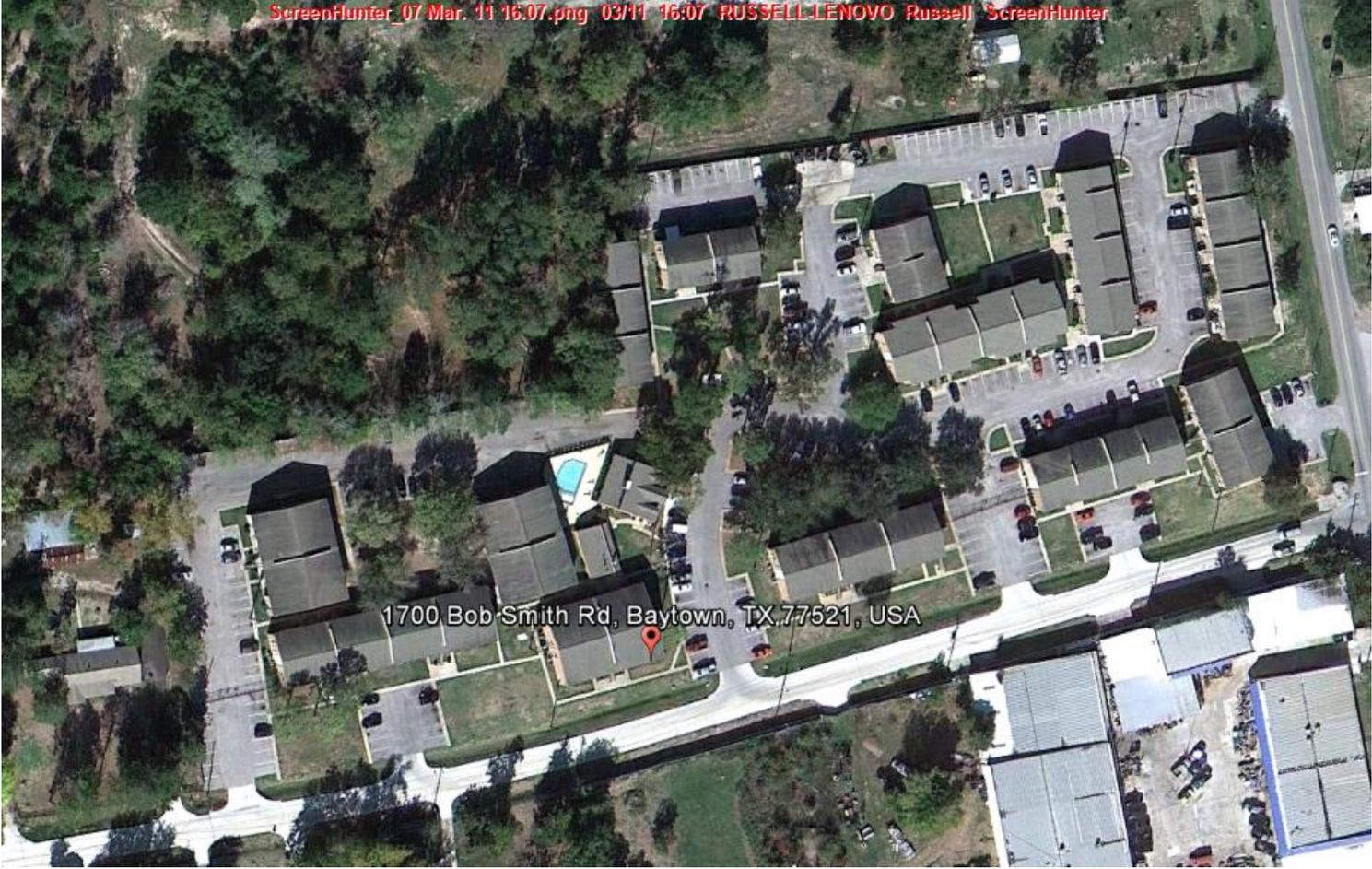
- Had Experience in Real Estate & Renovation
- Documented Track Record
- Seller & I Had Same Banker
- Had Cash in the Bank & Banking Relationship

Bay Oaks Apartments

150 Units on 7 Acre Campus



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1700 Bob Smith Rd, Baytown, TX 77521, USA

Office in the Trees



2 Buildings 90% Occupied

- Campbell Road at I/10- Great Location
- \$350k Owner Financed, Moderate Cash Flow
- Broke My Own Rules- Got Cocky
- Office rental was not the highest & best use
- Sold Dirt \$750,000 Cash for Townhome Development

Better to be lucky than.....

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Control Your Own Destiny



7731 Hillmont



Control Your Own Destiny



The Texas Real Estate Investment Center



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Key Points to Remember

- Surround Yourself with Quality People
- Low Hanging Fruit-Take What the Market Gives You
- Look for Trends, Emerging Markets, buy for value
- Be Willing to Change
- Guts-Confidence not Arrogance
- Push Your Limits but Stay in Control
- Listen, Learn, Teach, Share, Be Blessed, Amen