



REAL ESTATE LESSONS LEARNED



Image source: YouTube Infomercial Hell
- Tom Vu - "You Deserve to Be Broke!"

In 1984, I obtained my real estate license at the age of twenty-one.

I know of no one in the dental brokerage business who can claim those years (and the hours invested!).

I may have been one of the youngest people to obtain this license back then, but records are scarce.

After buying real estate and failing miserably in my early years, I can offer a few tactics that may improve your odds of success.

The Grifter – my first and best lesson!

In 1985, I attended a real estate seminar at the Holiday Inn.

The seminar promised to teach me how to buy property - with no money down.

The self-proclaimed millionaire guru running the course essentially taught us how to commit fraud.

He showed us how to disguise a down payment so the bank would believe that we had money when we didn't.

The lesson went on to show how a seller could sign off on some shady second mortgage agreement, all designed to make the transaction appear legitimate.

The goal of the course was simple: to buy real estate with no money down.

I tried the no-money-down tactic once.

It failed miserably.

The deal never went through because it would have required me to be a party to deception.

In other words, lying to a bank.

My instincts told me it was wrong, but I was twenty-one years old and determined to become a real estate millionaire.



For the baby boomers reading this – do you remember Tom Vu?

[Check out his infomercial](#) from the 1980s.

Shortly after my shame wore off, I threw the course materials in the garbage.

Instead, I started listening to my father. That decision changed my entire approach.

I worked seven days a week for my dad and saved enough money for a legitimate down payment.

Thanks, Mom and Dad, for letting me live at home.

Then, I started looking for my first property.

I found a semi-detached home within my budget, priced at \$163,000 in 1990.

I submitted a clean offer that was only subject to mortgage approval and property inspection.

The seller received multiple offers.

Mine was not the highest.

In fact, several competing offers were for more money.

However, my down payment was substantially larger.

Many of the competitors had apparently taken Tom's "no-money down" real estate course.

I later learned that the seller appreciated the simplicity of my offer because of its few conditions.

Most importantly, they were impressed by the size of my down payment compared to the competing offers, despite some of those offers being higher in price.

My offer was accepted, and I closed on my first property.

What works best?

If you're buying real estate, here are a few lessons I learned:

1. Large down payments impress sellers
2. Fast closing dates work well for most sellers
3. You generally only need one or two conditions in a transaction
4. Financing conditions are common, and due diligence is prudent
5. Your offer can be conditional upon a building inspection
6. Offers with more than three conditions rarely impress a seller or their advisors

Ask your lawyer or accountant whether they prefer long or short closing dates.

A well-structured offer that impresses the seller can often be selected over competing offers, even if it does not include the highest purchase price.

That's been my secret formula for more than forty years.

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