



How To Get The Good Deals First

To start, you need to personally know the top 20 REO agents in your area. The best way to get to know them is to meet them face to face at least once. Either show up at their office, or invite them to lunch. At the very least, make sure that they know you from multiple phone conversations. Do not put them on the defensive.

Understand their perspective before you meet with them. Here are some important things to know. REO agents tend to get more commission from selling the property to a buyer that they represent than they do from listing it. Often they must pay a referral fee to list the property, but they are not required to pay a referral fee on the selling half of their commission, so they are very motivated to sell it to a buyer that they can represent. Thus if you are working through a buyer's agent, the listing agent will be motivated to sell it to their own clients first.

There are a couple of reasons for this. First of all, it is the same amount of work (perhaps even less work) to sell to their own client as opposed to another agent's client and they receive more than twice the commission.

Second of all, if they can sell the property to somebody who they know will close on the property and not waste their time, they will look better to the bank, they will not have to deal with closing issues, and they can receive their commission check quickly. The better they look to the bank, the more listings they will receive in the future. They are afraid of new buyers because new buyers tend to make their lives more difficult. They would rather sell the property to somebody they know. That is why you need to be somebody they know.

You also must reassure them before putting in the offer that you are easy to deal with, and that you are willing to make their job easier. If they know that you are a person who will make their life easier, they will send you good deals when they have them. If you don't give them both sides of the commission, and if you are difficult to deal with, they will not send you good deals. It really is not any more complicated than this. As I have a real estate license, I could take a commission from purchasing REO properties; however, I do not do this.

I understand that if I take a commission, I am removing any incentive by that agent to send me good deals. I understand that the other agent will be motivated by finding his own buyers. If I give him the commission, I make less on that particular deal, but I will profit in the long run. This is a difficult transition for most agents, but I have found it to benefit me over and over. If you have a real estate license, I strongly recommend taking this strategy.

If you decide that you only want to work with one agent, make sure that agent is able to get along with a variety of people. If your agent has a bad relationship with the REO listing agents, you will probably miss out on deals simply because the other agent didn't like your agent. Your agent may be able to get you plenty of good deals, but it really requires that person to have an excellent working relationship with others in the market.

Brad Zitzner is a real estate investor, coach, and realtor. Brad has bought or sold over 150 properties. His web based Property Management System "ZZZ Real Estate" helps real estate investors remove the chaos and paperwork from their real estate business. To get Brad's FREE real Estate ebook go to www.zzzinvestors.com