

Top 7 Mistakes People Make When Trying to Get Into Real Estate:

- 1) Buying every new DVD course they can find.
- 2) Trying to learn real estate in a packed conference room.
- 3) Getting suckered into buying “Levels” of courses.
- 4) Not having a business plan.
- 5) Trying to learn 10 different ways to make money in real estate.
- 6) Thinking that real estate is easy money.
- 7) Trying to learn from someone who makes their money selling courses.

Don't feel bad if you've made mistakes and haven't succeeded with real estate as you had hoped. You saw the late night infomercial showing what appeared to be exuberantly happy people that made lots of money simply by watching a few DVD's on real estate. So you bought the DVD's, dreaming of how you were going to spend all of that money that would be loaded up in wheelbarrows. Didn't turn out the way you had hoped? Don't feel bad, you're not alone. We've all made mistakes. I've made plenty of mistakes while building my company, and now I want to share some of the mistakes I and other people have made when trying to get into real estate.

1. Buying Every New DVD Course You See

Real estate DVD and CD courses are almost like self help books aren't they? Each time we go to buy one, we think to ourselves “I bet this is it. This is the one! This is the one that is going to help me!” Then, after we watch, listen, or read the DVD, CD, or book, it goes up on a shelf. Often times, we don't even finish the DVD, CD or new book! I hear from people all the time that discuss taking my training, and so many people seem to be quick to tell me all of the courses they've bought, or big name traveling guru courses they've taken. Almost as if trying to show off their medals and awards. I don't see it as medals as awards; I see it as war wounds! The costs involved in their “education” can be profound. Yet, if those gurus have such great material to sell to people, why is it that the people that buy the DVDs and CDs come to me for training?

The answer is, of course, that the DVDs and CD courses aren't how you learn real estate! Don't be fooled thinking that every time your favorite guru puts out a new DVD or CD course that suddenly you will finally be able to prepare your wheelbarrow to go to the bank.

I don't sell DVDs or CDs. There is a reason. A GOOD reason. Because I know that Leasing to Buy is a business, and you can't learn a business by watching a DVD or listening to a CD in the car. I imagine I could go to the studio and cut multiple DVDs or CDs and put out new DVD courses every few months or so, and make a great killing on selling them. Establishing and building a business requires effort and time. It's not as easy as listening to a CD, then suddenly you have all of the answers.

Can you imagine flying in a plane with someone, and the pilot tells you “I learned how to do this from a DVD!” This is why the hands on, small group approach is so important, and why the DVD and CD courses just don’t work. Look at your own collection of real estate DVDs and ask yourself what you’ve gotten from them. Assuming you haven’t sold them yet on Ebay!

2. Trying To Learn Real Estate in a Packed Conference Room

I think we’ve all been there. I know I have. The massive hotel conference room that’s standing room only with hordes of people all excited thinking they are about to hear how to unlock the secrets of real estate wealth from a speaker who is....well.... somewhere....waaay up at the front.

You’re there to learn about real estate, and starting your own business, and the best you can do is catch a few words from the scratchy mic, jot a few notes, and hear moments of silence when somebody, whom you can’t hear either, is asking a question.

I utilize a small hotel conference room for my training, but it is a very small room, with only a few people allowed in any class. I sincerely want the people that come to me to succeed, so I want to be able to know your name, answer your questions, and make sure you are getting the material you came for.

There is a tremendous amount of material to cover, and if I tried to offer this to a class of 30 or 40 people at a time, much less 100, everyone would be lost, and you’d feel as if you didn’t get what you came for. You can’t learn this business sitting in a massive room with 100 of your closest friends. I assume the mass group settings are fine for getting people pumped up and excited, with a lot of shouting and hand clapping, and talking about imaginary dollar figures, but is that really why you paid all of that money for that course?

3. Getting Suckered Into Buying “Levels” of Courses

It’s almost like buying a car isn’t it? You see a car that looks nice, and you think is in your price range, so you go and talk to the salesperson and he tells you how great the car is, and how it’s perfect for you yada yada yada.... But then, he tells you how no car like that would be complete with out THIS feature! You ask him if the car comes with XYZ, and you get “Ooohhh...you want THAT?! Well, that is gonna cost you!” The whole time he’s burning up the adding machine tape, until you realize the car you thought you could afford is now totally out of your price range, because you wanted features you thought the car should come with anyway.

Isn’t that what it’s like when you go to these big real estate seminars? You pay 3 or 4 thousand dollars, and get what turns out to be just basic information, and at the end the presenter start his schpeel about “Now, if you want to learn how to REALLY make money in real estate, just be sure to sign up for our ‘Gold Package’ wealth building course.

What?! Isn’t that why you just paid all that money and spent your weekend in the seminar for? Why didn’t they just give you that info originally?!!!

It's sad, and unfortunate, but that is how so many gurus make their money. By selling "levels" of courses. I saw one site where this well known almighty guru displayed the levels on his site, and when you added up the courses, it was over \$13,000!!!! YIKES!! That is an INCREDIBLE amount of money for a bunch of DVDs and mass classroom hype. I have to say though, that these people are professional salesmen, and they know how to lure people in, and make the sales pitch.

If you are looking at a course with someone, and they try to offer "levels" of courses, save you kids' college fund, and walk away.

4. Not Having a Business Plan

I think it's crucial to approach real estate as a business. Whether you are looking to do lease options, short sales, foreclosures, or rehabbing, you have to approach it as a business. That means before you even do your first transaction, you need to have your business set up, have a business plan, and structure your operations as a business.

I think so many courses focus on the financial aspect of real estate, but don't give any support for the business side. This causes people to approach real estate as if it's a hobby that will hopefully make money as well.

If you approach it as a hobby, then that's what it's going to be. A Hobby. What do most people do with a hobby? They do their hobbies in the spare time, or when they get around to it. Nowadays it seems like we don't always have much "spare time", so if you approach real estate as a hobby, just how successful do you think you'll be, doing it when you get "around to it"?

That's why I focus quite a bit on the business structure, including how to get established and set up and what pieces to put into place. I even discuss the issues I've faced along the way and mistakes I've made, so that you can avoid them. Look at my course outline, and you'll see quite a bit of the first day is devoted to the business establishment and what you need to know, so that once you have everything in place, you'll be ready to roll with your new business.

I look at it as if you are getting a franchise of my company, and I want to help you establish it as if it were your own franchise.

5. Trying to Learn 10 Different Ways to Make Money in Real Estate

"Come to our 2 day seminar this weekend and you'll learn 10 different ways to profit in this real estate market. If you used just ONE of these methods, it will more than pay for your course!"

Hmmm... Ever heard that line before? The tactic is to make you think that you are going to go to a little seminar, learn 10 ways to make money, and if you only feel like using one method, you'll still make a load of money, so just imagine if you used all 10!

The truth is, you can't possibly learn enough about 10 different techniques to make money in real estate in a 2 or even 4 day course to actually implement ANY of them! Typically, you'll get just a tidbit of info about each tactic, then, after they have you on the bait, they'll hook you in with...you guessed it... the "levels" of courses!

My background from years ago is the stock and options market and daytrading. I learned quite a bit about business and also the real estate market from learning the stock

market. Something I learned in daytrading, is that if you lined up 10 different successful traders, they would each have their own technique that they had mastered. If you told them to try to make money in the market by using someone else's technique, these successful traders would inevitably fail. They made money in the market by finding their niche, and honing it until they were successful.

It's the same in real estate. The successful people in real estate have found their niche, whether it's rehabbing houses in a certain price range, or lease options, then honed in on how to perfect their technique. They focus on ONE method that fits them. Sure, after a while they might bring in another tactic that compliments their core strategy, but they focus on the business, and the method that fits them. Try to have them make money with another strategy, and they will likely fail.

You don't want to try to learn 10 different strategies, because you'll just dabble with each one, and just give up saying "I tried that, but it didn't work!"

Find the strategy that fits you, your risk to reward, and your personality, and hone in on it.

6. Thinking that Making Money in Real Estate is Easy

The two biggest pitches that gurus make or late night infomercial people make are:

- 1) How much money you are going to make
- 2) How easy it is

Any business you decide to get into, whether it's real estate, buying a franchise, or opening a pizza place, is going to require work and effort. When you're first starting out, it's going to require more effort, because you are trying to jump start a business, and you will make more mistakes and have more hurdles to overcome as you are trying to get started.

By offering people the exact operating system for the company I've developed, you are able to get up and running much much quicker than I did, and avoid so many of the issues that I've faced. But I won't lie to you and tell you how easy it is. It requires work to get things started. Work and time that you have to put into your new business.

Some gurus want to make it sound like you're going to make all of this money hanging around your house in your pajamas. Well, I have to be honest, and tell you that if your goal is to wear your pajamas all day, you shouldn't be in business.

It took me 6 months of working and working to build my business to a point that it was providing for my family. Even after that first 6 months it required a lot of work. It may take you 6 months, or maybe less since you'll have the manual to bypass much of what I had to learn the hard way, but it's going to require work and diligence to build your new business. Then, I guess, if you want to wear your pajamas all day....go for it.

7. Trying to Learn From Someone Who Makes Their Money Selling Courses

I only teach a few classes per year. That's it. I put a tremendous amount of effort into each class, and they take quite a bit of time to prep and teach, so I can only offer a few classes per year, because I actually DO what I TEACH. I think that is so important.

The people that travel around selling courses are making their money doing just that. Selling courses. Why would you want to try to learn a new business from someone that doesn't actually do what they are supposedly teaching you to do? Since I TEACH what I DO, you get to see and hear what I do everyday, so that you can COPY what I DO. I don't teach people how to buy foreclosed homes, or buy notes, because that's NOT what I DO. See the difference? Yet that's what the traveling salespeople do when they sell you a course. They're trying to teach you something that they DON'T DO!

There's a book that you've probably heard of called "The Richest Man in Babylon." There is a passage in it about a man who gives his money to the brick maker because the brick maker tells him he's going to invest it in fine jewels and they will make lots of money. Well, of course the man loses his money. After all, why would you invest in a brick maker if you're wanting to buy jewels? Yet, isn't that what you are doing when you try to learn something from somebody that doesn't practice what they preach?

Let me tell you a story that drives home what I am saying.

Years ago my company, Leasing to Buy, had a booth at one of these wealth/real estate seminars. This was one of the big momma seminars with the biggest of the names there, selling all their stuff. We had a booth to promote Leasing to Buy to other investors.

So we are there for the 3 day event, and we got to see most of the other booths that were set up selling anything from courses, to hard money, to condos. Now, one booth in particular was a huge area that took up a very large area of the floor and probably cost the company a ton of money for that large space. This company was selling condos or timeshares in the Dominican Republic. The guys/girls working this big booth were all dressed very professional and were really pulling the crowds in making their pitch on why having a condo in D.R. was such a great investment.

At the end of the 3rd day we all tore down our booths, and as I was leaving the convention center, I saw all of these timeshare salespeople outside the convention center. They had their coats off, shirts undone, sleeves rolled up, tattoos on every area possible that was now exposed, and smoking like they had just broken a nicotine fast.

Try to picture this for a moment. For 3 days these people put on a facade of professionalism, wealth, and success, and if you listened to them, and bought a condo in the Dominican Republic, YOU could be JUST LIKE THEM!!

Now I'm seeing the truth though. They are 19-22 year old kids that would rather be at a Beastie Boys concert (nothing against Beastie Boys, but you get the point) and not only do THEY not own any freakin condos in the Dominican Republic, they have never been there, and only know where it is because of the big map on the back of their booth! Yet the crowds of people were entrusting them with their savings to invest in a condo in a place they had never seen.

Are you getting the point here?

It reminded me of a scene from one of the greatest movies. Jim Carey (Andy Kaufman) in Man on the Moon. The scene where he is in some third world country to get treated for his cancer, and the whole village comes to the witchdoctor to get well, and Jim (Andy) sees the doctor putting fake blood and a squid or something in his hands where the crowd can't see, but the witchdoctor type person then pretends to pull the diseased intestine out

of Andy and the crowd is amazed. Jim Carey starts laughing because he realizes he and the village have been had, and it's all a show.

That's what I saw at that wealth convention.....

Don't be fooled by the witchdoctors.