



# Hot to List & Market Small & Medium Sized Apartment Buildings

“An Overview of the Best Practices Brokering Apartment Buildings”

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# Course Objectives

- I. Why Multi Family Properties
- II. What are the Different Business Models
  - A. How to Work with Sellers
    - 1. How to Develop Market Knowledge
    - 2. How to Develop Leads
    - 3. How to Qualify Leads
    - 4. How to Win the Business
    - 5. How to Market the Property
  - B. Working with Buyers
    - 1. How to Understand the Market
    - 2. Best Methods of Prospecting
    - 3. The Business Cycle
    - 4. Client for Life
- III. Best Practices



Your direction is a result of your perception.  
Today we will clear perceptions and give direction.

# Why Multi-Family Properties?



To become a successful sales person,  
you must first know *why* you want to be one.

# Key Factors

- *Apartments have a long track record of having the highest risk-adjusted investment returns compared to other property types. The sector has proven to be most resilient during economic downturns, delivering superior returns during recessionary periods.*
- *Apartments have the most efficient cash distribution, due to low capital expenditures and technical improvements.*
- *Apartments have a lower cost of capital and wider availability of debt capital; apartment investments can support more debt with the same level of risk.*
- *Apartments operate in a favorable, transparent, and market-driven regulatory and taxation environment. In addition, apartments have shorter leases than other property types, allowing them to adjust more quickly to changing market environments.*
- *Apartment properties vary widely in terms of age, size, quality, and location, creating a broad spectrum of opportunities and possible investment strategies, thereby providing greater liquidity than other sectors.*
- *Short-term problems from the current economic downturn aside, apartment market fundamentals are expected to remain positive on a cumulative basis over the next five-to-seven year period. Demand is expected to expand and new supply is expected to subside, creating conditions for moderate rent and revenue growth in most locations.*

# Key Facts

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- Demographic trends suggest that demand for apartment living should continue to grow moderately. Furthermore, compared to other property types, apartments have shorter average development periods, which makes it easier for supply to adjust relatively quickly to changing demand, which in turn reduces the amplitude of building cycles.
- Apartments account for approximately one-fourth of the nation's stock of income property.
- Direct investments in multifamily rental housing have historically provided competitive returns relative to the other major property types -- office, retail, and industrial.
- Among the portfolios of pension funds and other large investors, apartments during the period 1984-2004 provided a higher total return, with less variance, than the average for all property types, according to data from the National Council of Real Estate Investment Fiduciaries ([www.ncreif.org](http://www.ncreif.org)).
- Over this period, apartments averaged a 9.3 percent total annual return, compared to 7.6 percent for all property types combined.

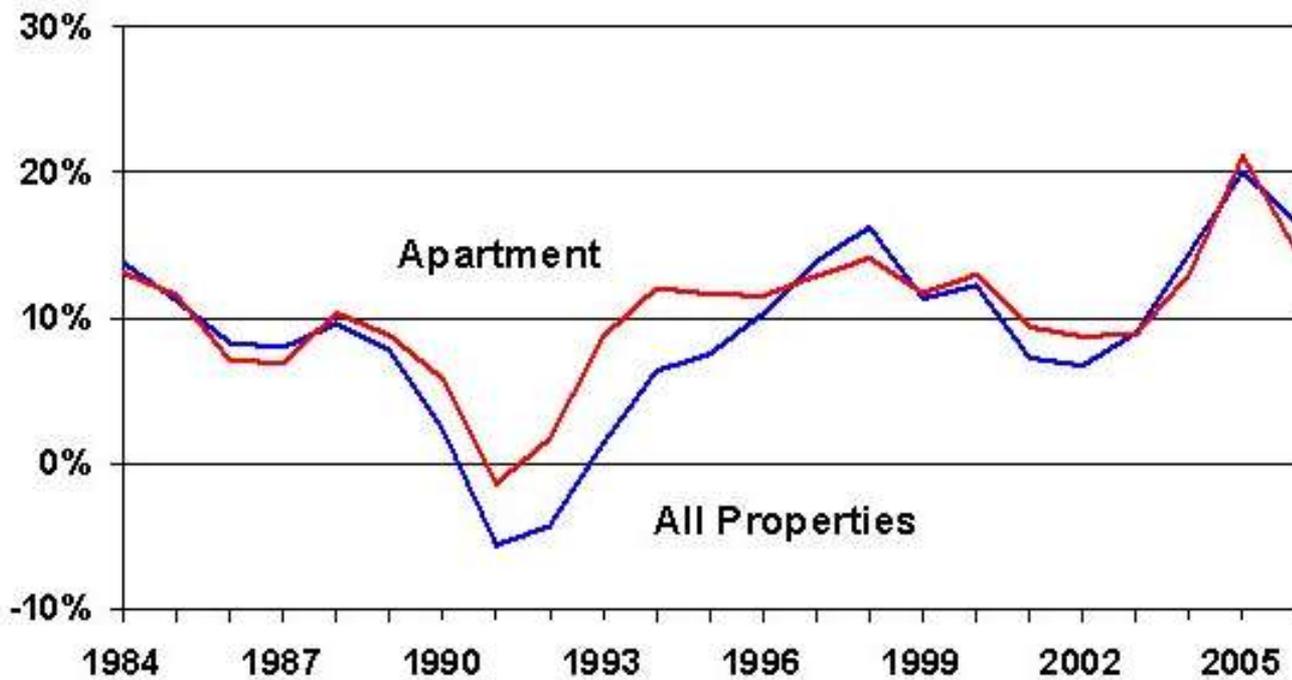
**By: Ken Rosen, et. al.**

**Date: October 22, 2001**

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- This 2001 research report estimates the value of the nation's apartment stock and its growth over the past 10 years. It finds the nation's 16.1 million apartment units (in buildings of at least five units) are worth approximately \$1.3 trillion. The research finds that the value of the apartment stock has increased average annual increase in value of 5.5 percent during the decade, substantially higher than the rate of inflation for that same period.
- The top 10 apartment markets are: New York; Los Angeles; Boston; San Francisco; Chicago; Washington, DC; San Diego; San Jose; Oakland; and Orange County, CA.

## Total Annual Returns



Source: NCREIF.

### Distribution of Apartments by Size of Property

Number of Rental Units on Property	No. of Properties	% of Total Properties	Number of Apartments	% of Total Apartments
2	1,558,700	56.58%	3,093,200	15.03%
3	336,030	12.20%	1,025,900	4.98%
4	341,350	12.39%	1,436,800	6.98%
5 to 9	281,500	10.22%	1,897,700	9.22%
10 to 14	70,390	2.56%	862,280	4.19%
15 to 19	36,780	1.34%	602,260	2.93%
20 to 29	38,000	1.38%	916,750	4.45%
30 to 39	18,166	0.66%	604,240	2.94%
40 to 49	14,431	0.52%	702,790	3.41%
50 to 99	26,694	0.97%	2,009,400	9.76%
100 to 199	19,804	0.72%	2,952,300	14.34%
200 to 299	7,775	0.28%	1,948,400	9.47%
300 to 399	2,966	0.11%	1,058,800	5.14%
400 to 499	1,307	0.05%	605,130	2.94%
500 to 749	723	0.03%	431,360	2.10%
750+	307	0.01%	437,670	2.13%
<b>Total</b>	<b>2,754,900</b>	<b>100%</b>	<b>20,585,000</b>	<b>100%</b>

Source: NMHC tabulation of unpublished data from the U.S. Census Bureau's 1995-1996 Property Owners and Managers Survey.

Note: Statistics refer to privately owned housing and do not include the 13,493 public housing projects or their 1,326,000 apartments (HUD estimates for 1995-1996).

# Logical Transition

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- Already in Residential
- Idea of Market
- Idea of Customers
- Idea of Process
- Best way to Up-sell
- Help Clients Grow
- Larger Commissions
- Larger Goal

I see, therefore I am

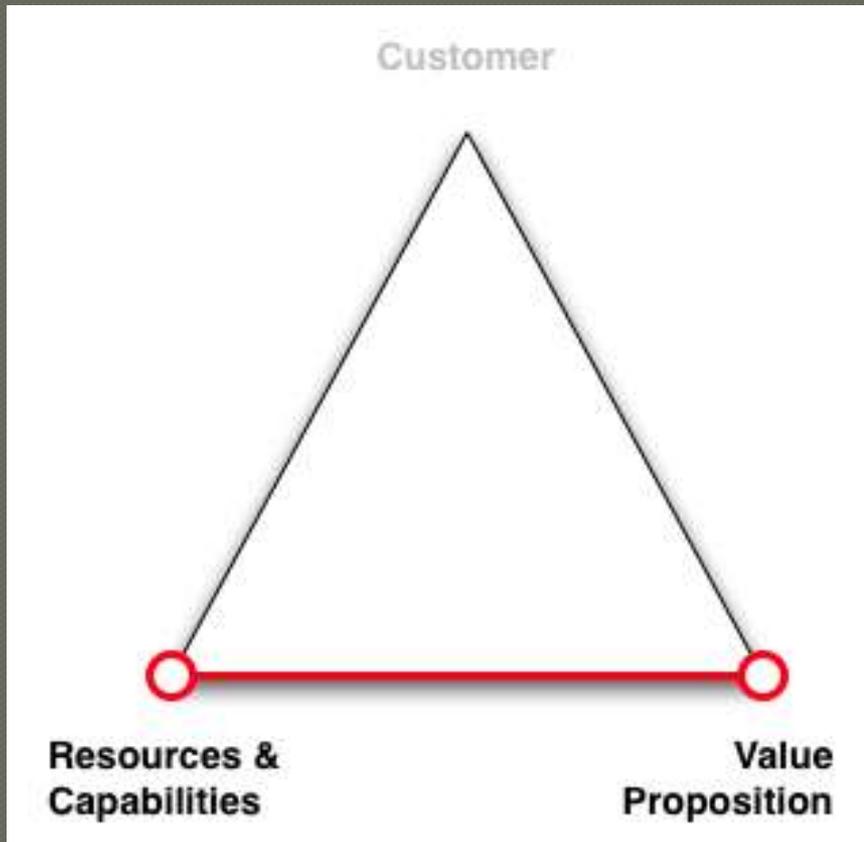
# No Need to Recreate Business Model



- Use Similar Resources to Expand
- No additional Investments
- Follow Examples Already Set
- No Additional Lead Time
- Continue Existing Business

If you don't have an effective sales plan, any business you get is purely accidental

# Many Clients Already Own Investment Properties



- Larger your Offering,
- Larger your Circle of Influence
- Service Your Existing Market
- Improve your Standing
- Improve your Knowledge
- Improve your Skills

Key is to have a plan that generates the right kind of sales from the right kind of accounts, backed by the right sales process, that produces the maximum revenue for your time.

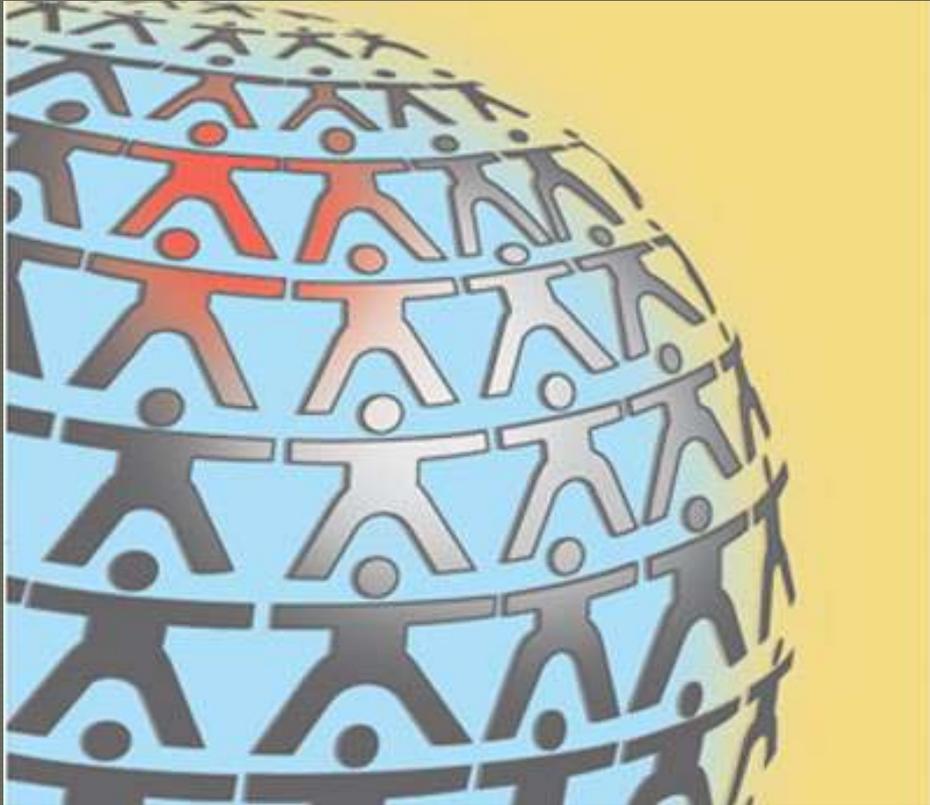
# Higher Commissions



- Typical Sales Value \$ 1-2 million
- Commission from 3-4%
- Earn as much as Flipping Houses
- Funds are not Tied Up
- Lesser Risk
- Better Use of Limited Hours

Why climb a mountain? Because it is there!

# Own / Co-Own



- Opportunity to Own / Co-Own such investments yourself
- Be the first to review opportunities in the market
- Form an Investment Partnership
- Many want to co-own but do not have the opportunity

Your less likely to fail when you have told others that you will succeed

# More Transactions Per Client



- Typical Commercial Owner is more active
- Commercial Owners are in market for a longer period of time



A captivated audience stays till the end

# Emotion vs. Objectivity



- Residential Owners place more importance on emotion
- Commercial Owners place more importance on diligence
- More investment savvy
- More Professional Decisions
- Better Opportunity to convince with Facts & Figures
- Less interference from Investors Family members

Trust sells more than anything else

# Working with Sellers

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- Low Barriers to Entry
- Easier to Get Listings
- Longer Transaction Cycle
- Typical Transaction 6 months
- Close More Business
- Get to Understand the Business
- List to Last

If you don't love yourself, it is hardly likely that your clients will love you

# Identify your Niche



- Define Your Specialization
- Choose the Property Types
- Choose the Property Sizes
- Choose a Geographic Area
- 600 – 900 Properties
- 400 – 600 Owners
- Know this Market Intimately
- Let the Market know You
- Constant Contact
- Stay in Touch Quarterly

I could have been a million things, therefore I didn't focus on a single one

# Developing Expertise



"I know nothing about the subject,  
but I'm happy to give you my expert opinion."

- Geographical Knowledge
- Past Sales Transactions
- Property Valuations
  - Rents, Price / Sq Ft, Cap Rate
  - Gross Rate Multiplier, Price / Unit
  - Cash on Cash Return
- Average Market Time
- Vacancy Levels
- Price Trends
- Competition
- Lenders, Appraisers
- Operating Expenses
- Socio-economic demographics
- Major Employers
- Transportation
- Zoning, Building & Rent Codes

You could spend more time doing things that advance your career, if you get rid of the things that are holding you back

# Developing Expertise



- Drive Around
- Take Pictures
- Google it
- Comparables
- Survey Owners
- Network with Real Estate Professionals
- Keep Notes

Sincerity to your client is the only expertise you will ever need

# Exercise Time!

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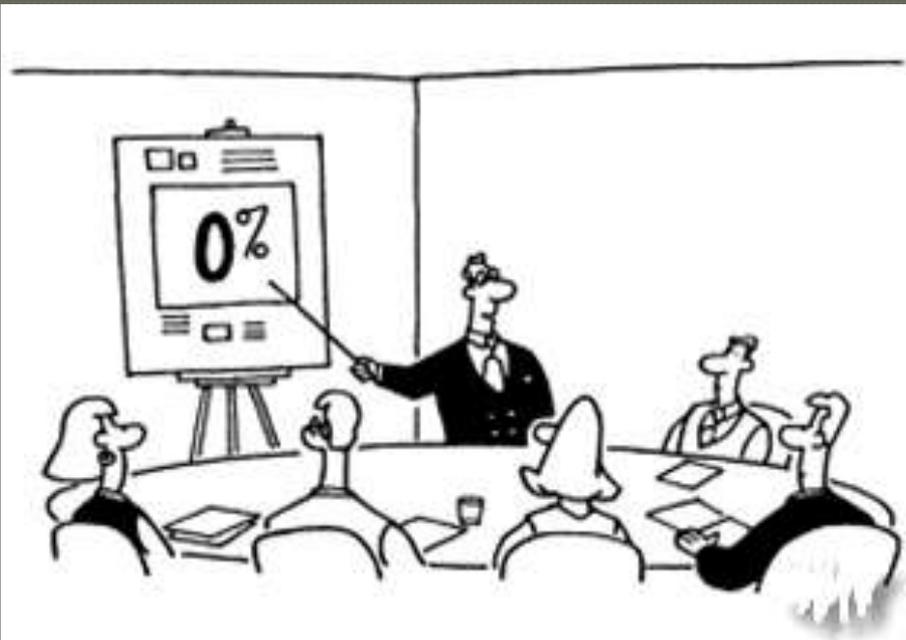
-Refer to Exercise CRE/LM1

It's good to have an open mind, but not so open that your brains fall out!

# Lead Generation

## Resources

- Market Survey
- Just Listed
- Just Sold
- Buyer / Exchange Buyer / on behalf of Buyer
- Existing Clients
- Advertisements
  - Internet
  - Newspaper
- Banks
- Brokers



"Our study concludes that this is the percentage of our customers who will buy from us without any effort whatsoever on our part."

Thinking about dreams is never enough to create the habits necessary for success

# Lead Generation



"Well, that redesign certainly didn't work!"

## Objective

- Get Basic Information
- Qualify
- Prepare for First Meeting
- To Establish Credibility
- Not to get Listing
- But to Get an Appointment

Some people see things and ask why? I see things that never were and ask why *not*?

# Lead Generation

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## Approach

- Survey Results
- Market Reports
- Present an Opportunity
- Invitation to an Event
- Introduction

One ship sails east and the other west. It is not the direction of the wind that bids them where they go, but the set of their sail

# Lead Generation

Which is more likely to get a six?

Strategy



OR



Success is 1% inspiration and 99% perspiration

# Lead Generation

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## Goal Setting

### Increase Efforts

- Contacts per Day
- Hours Prospecting
- Proposals per Week
- Listings per Month
- Closings per Month
- Customer Contacts per Month
- Net Income per Annum

### Improve Quality

- Learn Scripts
- Practice
- Professional Documentation
- Meet Customers More
- Common Objections
- Communication Strategy

A day not spent improving yourself in some way is a day that has been wasted

# Exercise Time!



-Refer to Exercise CRE/LM2

It is better to wear out than to rust away.

# Working with Sellers

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- Easier to Get Listings
- Longer Transaction Cycle
- Typical Transaction 6-12 months
- Close More Business
- Get to Understand the Business
- List to Last
- Sometimes Starts with a Pocket Deal

If you don't love yourself, it is hardly likely that your clients will love you

# Qualifying Sellers



- Price they Expect
- Motivation for Sale?
  - Financial Distress
  - Larger Property
  - Different Property Type
  - Cash out (100% / Partial )
  - Less Time Involvement
  - Seller Financed Property
- Who are Decision Makers
- Questions to Ask
  - Who
  - What
  - When
  - Where
  - Why
  - How

For a relationship to be right on the outside, it must first be right on the inside

# Making Proposals



- Introduction
- Executive Summary
- Transaction History
- Marketing Plan of Action
- Comparable Properties
- Pricing Analysis / Summary
- Testimonials
- Resume
- Customizing

If you don't know where you are going, you will never get there

# Winning The Business



Practicing your lines elevates your level of performance

# Marketing Materials

- Property Description
- Construction, Age, Style, Unit Type, Square Footage, Income & Expense Statement, Proper Metrics (GRM, CAP Rate, Down Payment)
- Bullet Point Highlights
- Property Narrative
- Area Narrative / Locality Description
- Demographics Information
- Why Buy This Property
- Demographics, Rent Levels, Developments,
- Price Trends ( Cap Rate, GRM, Price / Sq Ft )
- Forward Looking Analysis
- Photographs
- Maps
- Website

4530 Karnaal St San Diego, CA 92104

**PROPERTY SUMMARY**

Price	\$2,200,000
Units	16
Price per Unit	\$143,750
Year Built	1987
Lot Size	14620
Current Cap Rate	4.5%
Market Cap Rate	5.10%
Current GRM	10.3
Market GRM	11.6
Current Total Return	6.4%
Market Total Return	4.8%

**Local Area Highlights**

- Walk to 1987 Tuesday Market
- Access to Green Park from Development
- Proximity to schools
- Home with the park and landscaping
- Covered 2-0H Street Parking
- Newly Paved Road Ways
- All Translating to All Units

**NORTH PARK**

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**ACI** 4530 Karnaal St. Suite 400 San Diego, CA 92104 www.aci.com

Key to selling is not selling, it is providing. The key to providing is knowing in advance what to provide

# ACI Intranet



**Main Categories** | [agents](#) | [division](#) | [settings](#) | [Change Password](#) | [Logout](#)

## Marketing

Category Name	Active?	Content
Create Marketing Materials for your listings <a href="#">Continue</a>	Yes	
<a href="#">Upload Files to share</a>	Yes	
<a href="#">Add a LOI Property</a>	Yes	

## ACI Website

Category Name	Active?	Content	Edit
<a href="#">Add a Featured Property</a>	yes		
<a href="#">Add a Recently Closed Transaction</a>	yes		

# Marketing Materials



**ACI**  
BUILD NO YOUR WEALTH THROUGH  
APARTMENT INVESTMENTS



Logout

Property Analysis Tools Modules Services My Subscription Help

Save Data

General Financials Income Expenses Projections Charts Proposals

**Analysis Date**

Analysis Date  (mm/yyyy)



Insert Basic Information

**General Information**

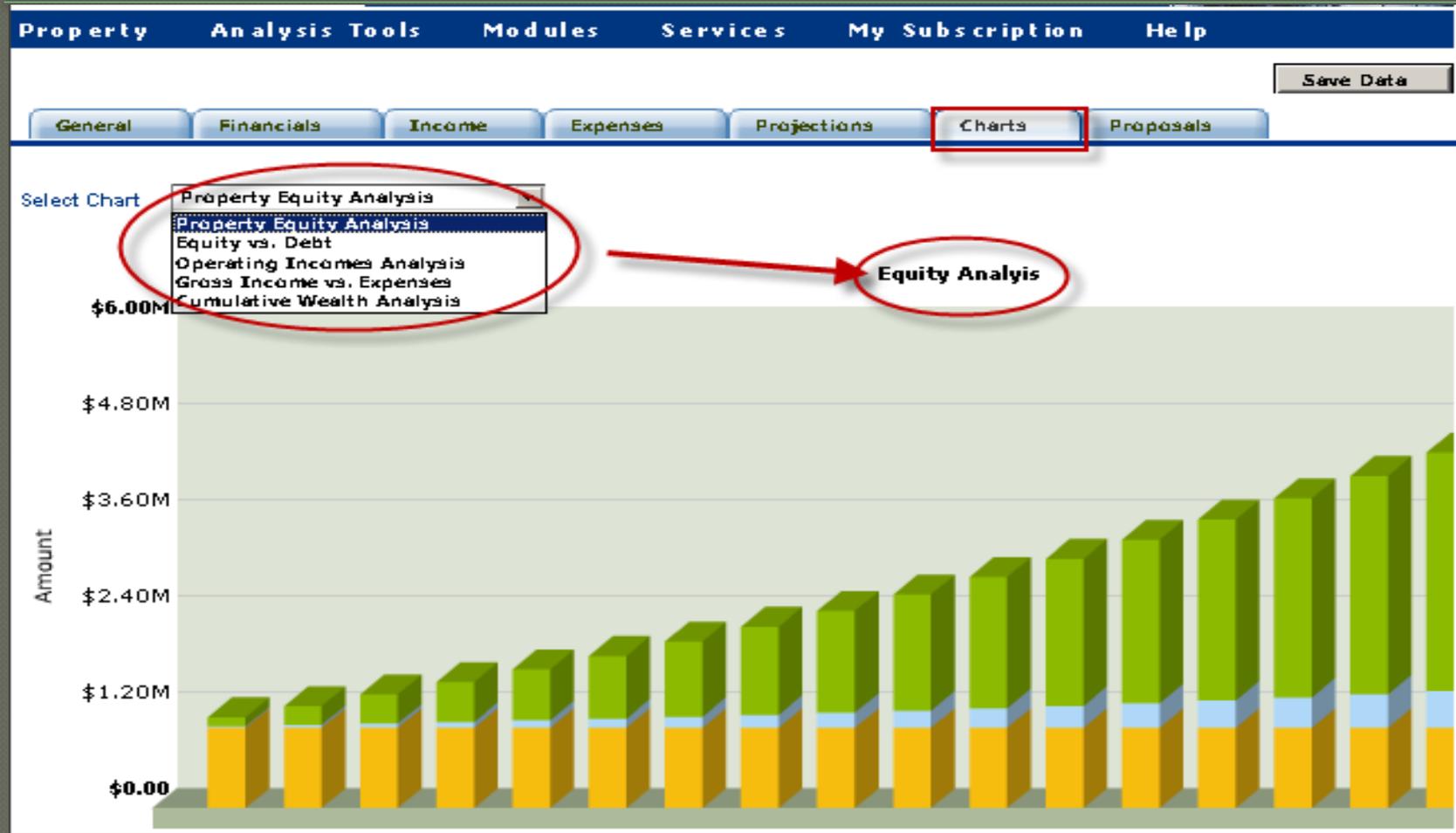
Property Name	<input type="text" value="4330 Kansas St"/>	Address	<input type="text" value="4330 Kansas St"/>
Property Type	<input type="text" value="Multi-Family"/>	City	<input type="text" value="San Diego"/>
Mises/Units	<input type="text" value="2"/>	State	<input type="text" value="CA"/>
		Zip Code	<input type="text" value="92104"/>

**Purchase and Resale Information**

Purchase Price	<input type="text" value="\$2,300,000"/>	Resale Expense	<input type="text" value="6.0 %"/>
Value of Land	<input type="text" value="\$475,000"/>	Resale valuation	<input type="text" value="Annual Appreciation"/> at <input type="text" value="5.0"/>
Rentable Sq. Ft.	<input type="text" value="10,736"/>	Fair Market value	<input type="text" value="\$2,300,000"/>
Discount Rate	<input type="text" value="4.0 %"/>		

Terms of Use

# Marketing Materials



# Marketing Materials

General Financials Income Expenses Projections Charts **Proposals**

Projection Years

### Custom Proposals

<input checked="" type="checkbox"/> Investment Details	<input type="checkbox"/> Alternate Contact
<input checked="" type="checkbox"/> Table of Contents	<input type="checkbox"/> Property Description ...
<input type="checkbox"/> Property Photos ...	<input type="checkbox"/> Sales Comps ...
<input type="checkbox"/> Rent Comps ...	<input type="checkbox"/> PDF Attachments ...
<input type="checkbox"/> Maps & Aerials ...	
<input type="checkbox"/> Bio ...	

**Click what you want your report to consist of**

### Snapshot Reports

<input checked="" type="checkbox"/> Executive Summary	<input checked="" type="checkbox"/> Pro Forma ...	<input type="checkbox"/> Unit Mix ...
<input checked="" type="checkbox"/> Resale Snapshot		

### Projection Reports

<input checked="" type="checkbox"/> Cash Flow Analysis	<input checked="" type="checkbox"/> Annual Property Operating Data	<input checked="" type="checkbox"/> Financial Indicators
<input checked="" type="checkbox"/> Investment Return Analysis	<input checked="" type="checkbox"/> IRR Analysis	<input checked="" type="checkbox"/> Loan Analysis
<input checked="" type="checkbox"/> APOD per Sq. Ft.	<input checked="" type="checkbox"/> Cumulative Analysis	<input checked="" type="checkbox"/> Cash In Cash Out
<input checked="" type="checkbox"/> Base Rent Report	<input checked="" type="checkbox"/> General Expenses	<input checked="" type="checkbox"/> Resale Analysis

### Graphs

<input checked="" type="checkbox"/> Property Equity Analysis	<input checked="" type="checkbox"/> Equity vs. Debt	<input checked="" type="checkbox"/> Operating Incomes
<input checked="" type="checkbox"/> Gross Income vs. Expenses	<input checked="" type="checkbox"/> Cumulative Wealth Analysis	

# Marketing Materials

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**BAM!!!**  
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# Marketing Materials

The image shows a screenshot of a software interface. In the top left corner, there is a logo consisting of a bar chart with the letters 'ACI' next to it. Below the logo, the text 'BUILD NO YOUR PARTME' is partially visible. A white callout bubble with a blue border and a drop shadow is centered on the screen, containing the text 'Click to make a flyer or a website'. To the right of the bubble, a dropdown menu is open, showing the following options: 'Services', 'MarketEdge', and 'Flyer...'. The 'Services' option is highlighted with a yellow background. At the bottom of the interface, there is a horizontal navigation bar with several buttons: 'General', 'Financials', 'Income', 'Expenses', and 'Projecti'.

ACI

BUILD NO YOUR  
PARTME

Property

Click to make a  
flyer or a website

Services  
MarketEdge  
Flyer...

General Financials Income Expenses Projecti

# Website is Created



**ACI Commercial**  
**(619) 299-3000**

2635 Camino del Rio South, Suite 300 | San Diego, CA 92108

Curtis Gabhart

direct: 619-725-3632

[VIEW PACKAGE](#) 

[Executive Summary](#) [Investment](#) [Financials](#) [Charts](#) [Photos](#) [Location](#) [Docs](#) [Contact](#) [Inventory](#)

## 4557 Iowa St | San Diego, CA



### 4557 Iowa St San Diego, CA 92116

Purchase Price	\$990,000
Cap Rate	5.83%
Property Type	Multi-Family
Rentable Square Feet	5,196
Price per RSF	\$190.53
Number of Tenants	6

#### Property Description

This is a great property with a great unit mix. Two 2 bedrooms and 1 bathroom and 4 units have 3 bedrooms and 2 bathrooms. It is conveniently located within walking distance to the local Adam's Avenue shopping district and has easy access to freeways. This community is just a short drive to the beautiful beaches of San Diego and is in close proximity to major employers of Downtown, Mission Valley, S. Bay and North San Diego.

\*\*\*All income information is based on pro forma rents. The information contained herein is from sources believed to be accurate, but ACI Commercial makes no warranty(ies), expressed or implied, regarding same.

# Website is Created

Executive Summary Investment **Financials** Charts Photos Location Docs Contact Inventory

## Financials

### Debt Structure

Loan Amount	\$1,500,000
Loan Type	Fixed
Interest Rate	5.25000%
Annual Payment	\$109,307
1st Year Principle Reduction	\$19,498
1st Year Interest Payment	\$89,809
Loan To Value Ratio	62.32
Debt Coverage Ratio	1.20

Makes cashflow  
projections

### Annual Property Operating Data

Description	Year 1	Year 2	Year 3	Year 5
Rental Income	\$192,000	\$199,680	\$207,867	\$220,613
Miscellaneous Income	\$7,200	\$7,416	\$7,638	\$8,100
Gross Scheduled Income	\$199,200	\$207,096	\$215,505	\$228,717
Turnover/Vacancy	(\$5,760)	(\$5,990)	(\$6,230)	(\$6,738)
General Vacancy	(\$1,920)	(\$1,997)	(\$2,077)	(\$2,246)
Gross Operating Income	\$191,520	\$199,109	\$206,999	\$223,732
Less Expenses				
Speed Analysis Expenses	(\$60,352)	(\$61,559)	(\$62,790)	(\$65,327)
Net Operating Income	\$131,168	\$137,550	\$140,209	\$158,405

# 2 PAGE FLYER

**4330 Kansas St | San Diego, CA 92116**



### PROPERTY SUMMARY

Price	\$2,130,000
Units	16
Price per Unit	\$133,125
Year Built	1987
Lot Size	14,626
Current Cap Rate	6.5%
Market Cap Rate	6.18%
Current IRR	10.3
Market IRR	11.6
Current Total Return	6.4%
Market Total Return	6.8%

### Key Features

- Built in 1987 - Turnkey Asset
- As-is but Good Condition Development
- Fully Licensed as a Hotel
- Homebased for public and non-resident
- Covered & Off Street Parking
- Newly Painted Pool Area
- All Landscaping in place

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**4330 Kansas St | San Diego, CA 92116**

### UNIT MIX AND RENT SCHEDULE

Unit	No. Units	Current Rent	Current Total	Market Rent	Market Total
2 Bedrooms and 2 Bathrooms	12	\$1,200	\$14,400	\$1,300	\$15,600
1 Bedroom and 1 Bath	4	\$200	\$800	\$200	\$800
<b>TOTAL</b>			<b>\$15,200</b>		<b>\$16,400</b>

### INCOME, EXPENSE AND CASHFLOW

	Current	Market
<b>Gross Potential Rent</b>	\$216,000	\$200,500
Less: Vacancy	(\$3,000)	(\$3,000)
<b>Effective Gross Income</b>	\$213,000	\$197,500
Less: Expenses	(\$80,300)	(\$83,300)
<b>Net Operating Income</b>	\$132,700	\$114,200
Debt Service	(\$80,800)	(\$80,800)
<b>NOI After Debt Service</b>	\$51,900	\$33,400
Principal Reduction	\$18,184	\$18,184
<b>Total Return</b>	\$70,084	\$51,584

### EXPENSES

Fixed Assets	\$40,300
Total Expenses	\$40,300
Expenses Per Unit	\$2,519
Expenses Per Sq Ft	\$1.77

### FINANCIAL SUMMARY

Down Payment	\$1,000,000
Loan Amount	\$1,130,000
Loan to Value	53%
Interest Rate	5.00
Amortization	30 Years
Debt Coverage Ratio	1.251

### INVESTMENT OVERVIEW

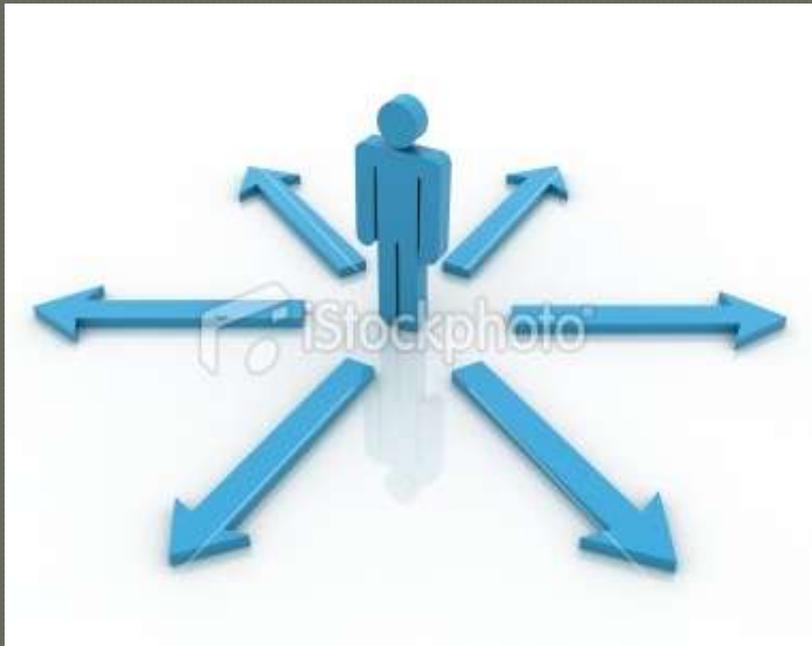
Statements Consulting Inc. is pleased to offer this turnkey 16 unit apartment community for sale. The property consists of two 8 unit buildings which were constructed in 1987. The property has on-site pool, garage, off street parking, and a private gated community with beautiful landscaping.

**For More Information:**  
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**ACI** 4330 Kansas St, Suite 400 | San Diego, CA 92116 | www.acipartners.com  
 10000 La Tijera Blvd, Suite 100 | San Diego, CA 92121 | www.acipartners.com

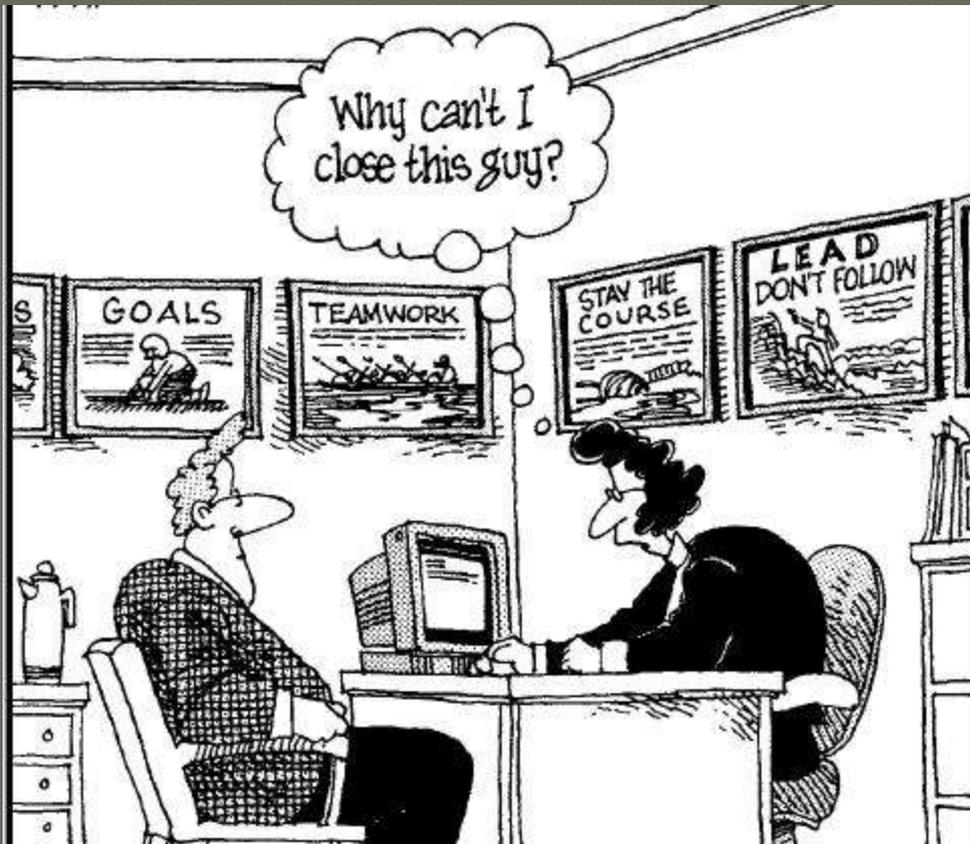
# Finding Buyers for Your Listings



- Your Listings!
- Brokers / Agents
- Existing Client Base
- Owners of Similar Properties in Area
- Current Listings
- Loopnet
- Search Engines
- Craig's List
- Newspapers
  - Your Ads
  - Buyer Ads
- Telephone
- Webinars
- Seminars

Objections are not obstacles, but are opportunities to further a relationship

# Negotiate to Close



- Learn About the Buyer
  - Current Investments
  - Liquidity
  - Decision Makers
  - Investment Goals
- Negotiate the Price
- Clear other Terms
- Set a Timeline
- Introduce other Professionals
- Stay in Touch
- Ask for the Sale
- Make them a Client for Life

To move towards success, you must have more than perseverance, you must have the right perception of failure

# Exercise Time!



-Refer to Exercise CRE/LM3

It is better to wear out than to rust away

# Questions

1. I see that your building is \_\_\_\_ units, is that correct?
2. If I am not mistaken, your unit mix is \_\_\_\_\_, is that correct?
3. What are you currently getting in the way of monthly rent for the one/two/three bedroom units?
4. Do you have any units available for rent currently?
5. When you do have vacancies, what do you find as the most effective way of advertising?

# Questions

6. What is the approximate size are the units?
7. Does your property have any common amenities for the tenants?
8. Does the property produce any additional income form laundry, extra parking, storage, signage, etc...?
9. Tell me about the parking...
10. How long have you owned the building?

# Questions

11. Why did you purchase in the Pacific Beach area originally?
12. Did you use an agent when you bought the property?
13. Is there anything unique about your property that makes it different than the others in Pacific Beach?
14. What is your general outlook on the market today?
15. Any advice you would offer a young investor considering apartment ownership?

# Questions

---

Generally, I am in Pacific Beach every Tuesday and Thursday afternoons...

Q: How about we get together next \_\_\_\_\_ at \_\_\_\_\_ o'clock so we can meet each other and I can personally deliver your copy of the report?

Q: Is this the best number to reach you in case something comes up?

# Scripts

---

- This is \_\_\_\_\_ from ACI, Apartment Consultants here in Mission Valley..... I am just **finishing up a survey for apartment owners in the Pacific Beach area** and will be **pleased to share the results with you upon completion.**
- May I ask you a couple of quick questions about your building on \_\_\_\_\_ ?

# Scripts

## PHONE MESSAGE for MARKET SURVEY

Hello Mr/Ms \_\_\_\_\_,

This is \_\_\_\_\_ with ACI - Apartment Consultants here in  
Mission Valley...

My number is: 619-725-3608

The purpose of my call today is to verify some information about  
you property located at....

I'm just finishing a market study for some of the apartment owners  
in Pacific Beach and I would be happy to provide you a  
complete copy when finished.

# Scripts

---

The report will include recent sales, active listings, and current rents as well as speak to the trends in tenant profiles and market trends.

Again, my name is \_\_\_\_\_ at ACI and I can be reached at 619-725-\_\_\_\_\_.

I look forward to speaking with you soon.

# Scripts

---

This is \_\_\_\_\_ *from ACI Apartment Consultants* here in Mission Valley... The **purpose of my call today** is to **set an APPOINTMENT** so I can **provide you** with our latest **Research report for small to mid – size apartment buildings** in the Pacific Beach area.

I am sure that you, like most all real estate investors in the area are **interested in tracking property values, tenant profiles, market trends, and staying current on rent rolls specific to your neighborhood.**

How about next \_\_\_\_\_ at \_\_\_\_\_ o'clock?

# **“I’m Not Interested”**

---

Funny you should say that Mr/Ms \_\_\_\_\_, I’ve had a couple of apartment owners with that same reaction when I first called, that was before they had a chance to see what’s in the market report and how it benefits them.

This is why we should get together. How about next \_\_\_\_\_ at \_\_\_\_\_ o’clock?

# **“I’m Not Interested”**

---

Mr/Ms \_\_\_\_\_,

You are one of the last owners I need to speak with to complete this report. As mentioned, I will deliver to you the complete Pacific Beach market report.

In fact, I can get you one of the first copies in exchange for just spending two minutes with me now...

# **“I’m Not Interested”**

---

- ◉ *I am sure that you like most all apartment owners are interested in tracking property values, tenant profiles, current rents, neighborhood trends, and current listings.*
- ◉ *We only deal with apartment properties and I specialize in the Pacific Beach area.*
- ◉ *I promise this will be brief and painless and you will find the results in the report very beneficial. Now....*

# **“What Does it Cost?”**

---

Mr/Ms \_\_\_\_\_, I'm sure you can appreciate that it takes dozens hours of research to put this information together and considerable hard dollars to print and bind this book into a document that is of significant value for you. On a selected basis I am offering it to you in exchange for 15 minutes of you time.

How about next \_\_\_\_\_ at \_\_\_\_\_ o'clock?

# ***“What is this about?”***

---

This a very brief survey to survey the apartment market in the Pacific Beach area. It will **only take a minute** and I will **provide you with a copy of the report in exchange for you time**.

I am sure that you, like most real estate investors in the area, are interested in **tracking property values, tenant profiles, market trends, and staying current on rent rolls** specific to your building.

# “I Don’t Have Time” or “I’m Too Busy”

- Mr/Ms \_\_\_\_\_, the only reason I am calling you is to set an appointment, how about next \_\_\_\_\_ at \_\_\_\_\_ o'clock?

- [Alternatively]

**As a busy professional** I can appreciate that, **what is it that you do?**

- [Be a good listener! Regardless of what they say you come back with]

**You know something, that is exactly why we should get together** for a few minutes. How about next \_\_\_\_\_ at \_\_\_\_\_ o'clock?

# **“Call Me Back Some Other Time”**

Mr/Ms \_\_\_\_\_, I will be checking back with you **periodically** regarding your property and the market.

However, I do want you to have the advantage of the information I have available now, especially the current rent rolls for Pacific Beach.

When would be a good time for me to stop by and share this current information? \_\_\_\_\_ at \_\_\_\_ o'clock.

# ***“I am Not Interested in Selling My Property”***

---

Mr/Ms \_\_\_\_\_, the purpose on my call today is to set an appointment so we can exchange some information that I know will help you increase the income and value of your property.

How about next \_\_\_\_\_ at \_\_\_\_ o'clock?

## ***“I Already Have a Broker that I Work With”***

---

Mr/Ms \_\_\_\_\_, I appreciate your loyalty, would you consider it a breach of your past relationship with that broker by spending a few minutes together and exchanging information?

[wait for a response]

Great! How about next \_\_\_\_\_ at \_\_\_\_\_ o'clock?

# **“I’m Tired of Getting Calls from Agents Like You”**

Mr/Ms \_\_\_\_\_, certainly I understand how you feel and know what it is like to get bombarded with calls about my properties, that was until I finally received a call that was of interest to me.

If you give me fifteen minutes of your time I believe you will feel this information is of great value and well worth your time.

How about next \_\_\_\_\_ at \_\_\_\_ o'clock?

## **“I’m Fine With the Way things are Going Now”**

Well you know Mr/Ms \_\_\_\_\_, that is the **same exact thing a few other property owners in your area said when I first called.**

**When they took 5 minutes to meet and see what we had to offer and how it benefits you, they were appreciative of the call. I know you will feel the same.**

How about next \_\_\_\_\_ at \_\_\_\_\_ o'clock?

# **“Just Put It in the Mail”**

---

Well Mr/Ms \_\_\_\_\_, this particular book has taken me dozens of hours to compile and consists of over 400 pages, so it doesn't make sense mail it out, especially since I have found that by getting together for a few minutes it will be of great help for you to discuss how to best use it for your benefit.

How about next \_\_\_\_\_ at \_\_\_\_\_ o'clock?

# **AFTER THE PROSPECT AGREES** **TO THE APPOINTMENT**

---

Mr/Ms \_\_\_\_\_, so I can best prepare for our time together let me take a minute to **confirm a couple of items.**

Your building is located at \_\_\_\_\_.

It is a \_\_\_\_ unit complex consisting of \_\_\_\_\_.

I see that you have owned it since \_\_\_\_\_.

[Yes, I have seen your building and funny enough thought of calling on several occasions.]

# **AFTER THE PROSPECT AGREES** **TO THE APPOINTMENT**

---

- **How long have you been in the apartment business?**
- **May I ask why you chose to buy in the Pacific Beach area?**
- **I see that you also own property (s) at \_\_\_\_\_ .**
- **Do you own any other income producing properties?**
- **Did you use an agent back when you purchased the property?**
- **Do you do your own property management?**

# **AFTER THE PROSPECT AGREES** **TO THE APPOINTMENT**

---

- Is there a spot at your location where we can sit down together and talk?
- One last thing, are there any particular challenges with your property(s) that you would like me to be prepared with for our meeting on \_\_\_\_\_?
- Okay then, I will see you \_\_\_\_\_ at \_\_\_\_\_ o'clock at \_\_\_\_\_.
- Before I let you go, is this the BEST NUMBER to reach you should something come up?
- I look forward to meeting you, Good-Bye.

# Working with Buyers

---

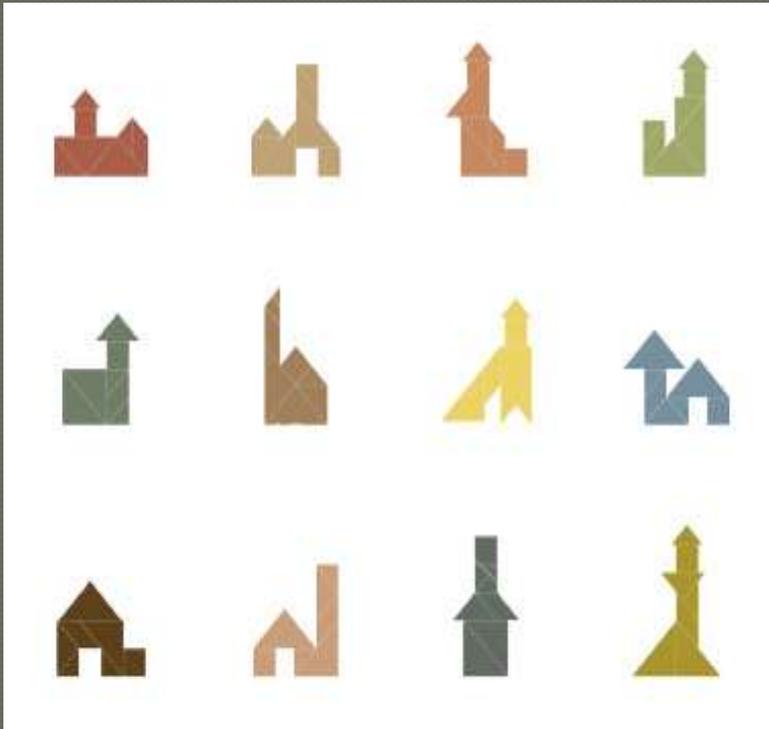
## Introduction

- Faster Results if Successful
- Lower Probability of Success
- Non Exclusive Relationship
- Harder to Get Exclusive Contracts

Most people can discern between a seller who is out to make a dollar and one who is out to make a difference

# Working with Buyers

## Market Knowledge



- Know General Price Trends in Larger Geographical Region
- Have Knowledge of Different Property Types
- Ability to Accurately Value Property
- Ability to Locate and Identify Good Deals
- Ability to Work Fast
- Larger the Buyer, Larger the Region they may be interested in

To be successful you must surround yourself with people smarter than you

# Working with Buyers

## Prospecting

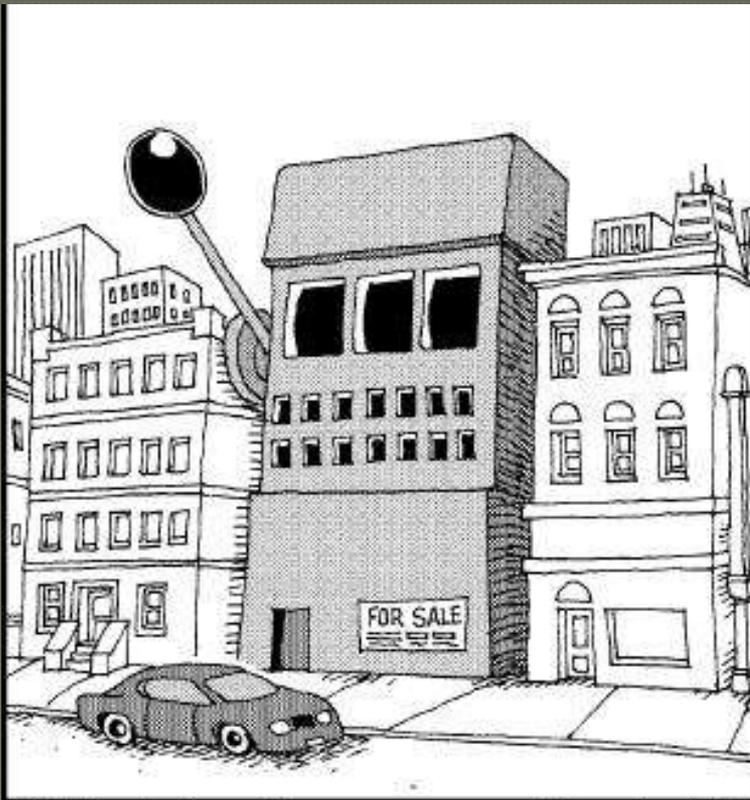


- Websites
- Social Media
- Networking Events
- Speaking & Training
- Listings
- Seminars/Webinars

If you don't aim for the best prospects, you are likely to do business with any prospect

# Working with Buyers

## Understanding Client Objectives

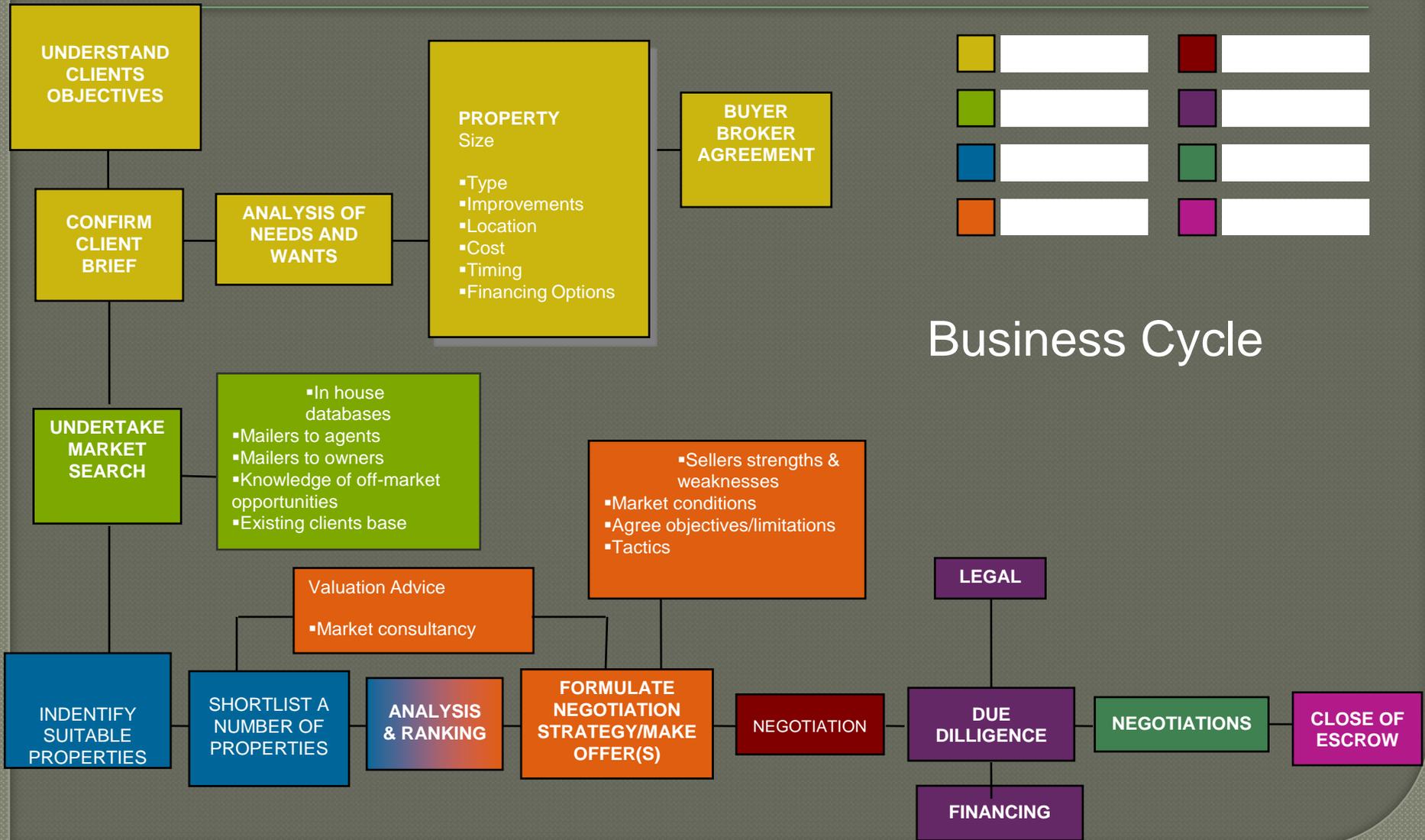


"I'd like to invest in some commercial real estate, but this one comes with more risk than I'm comfortable with."

- Down Payment
- Finance Raising Ability
- Do they need to Sell or Refinance First
- Investment Experience
- Property Management Experience
- Geographical Preference
- Tax Considerations
- Returns Requirement
- Timeline
- Risk Tolerance
- Unique Requirements

It doesn't matter how many prospects you see. It matters how you see the right prospects

# Working with Buyers



# Working with Buyers

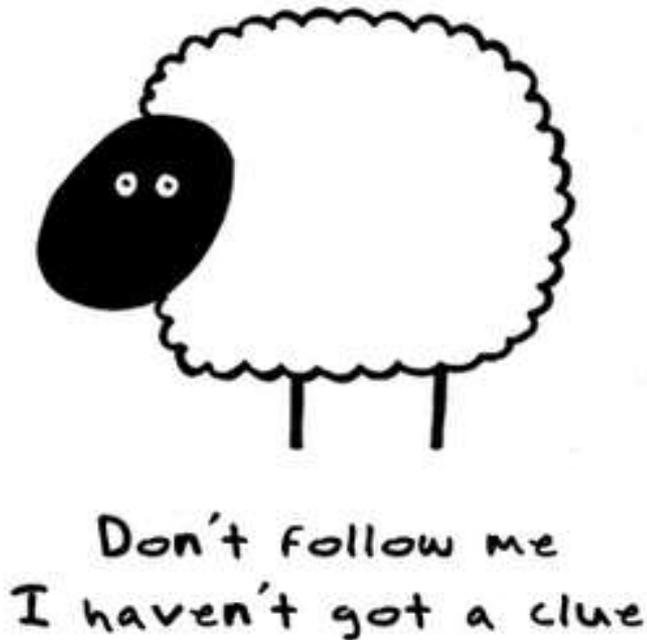
## Choosing Properties



- Type
- Size
- Cost
- Location
- Improvements
- Timing
- Financing Options

Objections are the symptoms of a poor selling process

# Working with Buyers



## Searching Properties

- Listings
- In House Database
- Mailers to Owners
- Existing Clients
- Call Owners in Area  
(also gets listings)
- Agent Network

The salesperson who adds value clearly demonstrates that the relationship is more important than the revenue and the person more important than the profits

# Working With Buyers

## Ranking Properties



- Analysis of the Property
- Properties that are ready for Sale
- Higher Probability First
- Market Conditions
- Seller Strengths
- Objectives
- Limitations

When you blow it with a customer, don't run from them, run **to** them

# Working with Buyers

## Presenting Properties



- Present properties with a higher probability first
- Do not show more than 3 -4 properties
- Display your knowledge of the market and seller
- Observe the Buyers concerns and comments very carefully

Truth is, prospects close their own sales if you offer valuable solutions to their real needs and values

# Best Practices

Systems & Procedures  
Technology  
Action Plans  
Targets & Goals  
Timelines  
Information / Database Quality  
Marketing Collateral  
Checklists for Situations  
Formats & Documents  
Continuous Learning  
Credibility  
Resources



True victory comes by not only giving people a reason to buy from you, but also making sure that they never forget you

# Database

Realhound Live - [Version 7.652 - Contacts - ACI Apartments - Diane Grace Pitogo]

File Edit Search View Report Analysis Smart-Links Window Help

Delete Today Contact Property All Me Search Reports Demographics Map Outlook Support Teach Me

Companies & Contacts History Buyers & Tenants Needs Marketing Cold Calls & Call Lists List

Entity Type: Individual Contact

Company: ACI Apartments

Contact: **Curtis Gabhart**

Title: Principal/Senior Vice President

Position:

Address: 2635 Camino Del Rio South Ste, 300

City: San Diego

State: CA Postal Code: 92108

Country: United States

Office: 619-725-3632

Alt: 619-299-3000 103

Cell: 858-220-4086

Home: 858-509-9951

Other:

Fax: 619-374-2903

Email: [curtisgabhart@aciapartments.com](mailto:curtisgabhart@aciapartments.com)

Email 2:

Web: [www.aciapartments.com](http://www.aciapartments.com)

User:

Visibility: All

Type: **Agent**

Prospect:

Source:

College:

Call?: Yes

Mail?: Yes

Email?: Yes

Fax?: Yes

Sticky Note: DRE # 01316761

Lookup:  What:

Call	1/20/2019	
Meeting		
Document	3/26/2009	Pacific
Email	9/22/2009	8:23 AM
Marketing		
Created	5/12/2007	Cgabhart
Updated	9/1/2009	Dpitogo

Related Contacts Company Goto

Company - Contact - Relationship
▶ JD Bols & Associates - John Bols - 619-239-2909 Client
Pacifica Companies - Deepak Israni - 619-296-9000 Client
Pacifica Companies - Ash Israni - 619-296-9000 Friend
Unknown

Contact Groups Group

▶ abc
Agent Eblast
C&G farm
C&G team
contacts + conv + email

History Tasks Other Show Type All

▶ Lisa - Lauras Birthday	9/01/09 12:00 a	Cgabhart
Call USD about retaking final - have chu	9/01/09 12:00 a	Cgabhart
Figure out how many properties expir	9/01/09 12:00 a	Cgabhart
Lisa - Toothwhiting	8/31/09 10:30 a	Cgabhart
Lisa - First Day of School	8/31/09 8:00 a	Cgabhart

Related Properties Refresh Refresh All Goto Compare

Own Summary Own Detail Lessee Sold All Related

▶ 1660 Sycamore Dr	1 Units
Chula Vista	1,008 SF
4051-55 Brant St	3 Units
San Diego	2,900 SF
6151 Potomac	1 Units
San Diego	1,228 SF
El Pasillo	7 Units
San Diego	4,230 SF

Apply Filter New Contact Copy Contact Drop Contact

Task Note Call Cold Call Attach Documents Mail/Email Merge New Doc.

Record: 1 of 1

# Database

Realhound Live - [Version 7.652 - Properties - 4557 Iowa St - 4557 Iowa St - San Diego]

File Edit Search View Report Analysis Smart-Links Window Help

Name **4557 IOWA ST** Occupancy 100% Type Apartment For Sale Yes Square Feet **5,196**  
 Address 4557 Iowa St. San Diego Sub-Type Built 1972 Units **6**

Overview Detail Unit Types Amenities Offering/For Sale Sales Loans Expenses Owners Comments Projects History Comparables List

Name: **4557 Iowa St**  
 Property Type: **Apartment**  
 Units: **6** Acres: 0.14  
 Square Feet: **5,196**  
 Occupancy: **100%**  
 Year Built: **1972**  
 Parcel No.: 447 513 009  
 Sub-Type:  
 Building Status:  
 User: Cgabhart  
 Visibility: All

**Offering (For Sale)** Match Buyers  
 For Sale: **Yes** In Escrow?: **No**  
 Status: Available  
 Listing Price: \$990,000 Listing Date: 12/4/2008 CAP: 6.40%  
 \$/SF: \$190.53 Expire Date: 12/4/2009 GRM: 10.50  
 \$/Unit: \$165,000  
 Listing Broker: ACI Apartments - Curtis Gabhart - 619-725-3632, ACI Apts

**Owner/Principal**  
 Primary: Danny & Leilani Santos - 562-981-9079

Unit Types History Related Groups Other 6/15/09

#	Size (Bed/Bth)	SF Low	SF High	\$ Low	\$ High	\$/SF
▶ 2	2/1	775		\$1,000	\$1,000	\$1.29
4	3/2	1,025		\$1,350	\$1,350	\$1.32
*						
6	Average SF	942	Rent	\$1,233	\$/SF	\$1.31

Lookup: What: All



IMG\_2691.JPG

**Most Recent Sale** New Sale

Price	\$922,500	\$/SF	\$177.54
Date	3/14/2006	\$/Unit	\$153,750
CAP Rate	6.53%	GRM	10.25
Listing Broker	Marcus & Millichap - Raymond Choi - 858-		
Selling Broker	No Buyer Broker		
Sale Seller	David William Flesner		
Sale Buyer	Danny & Leilani Santos - 562-981-9079		
Lender	Independence Bank		

Apply Filter New Copy Drop Documents Auto Compare Mail/Email Merge

Record: 1 of 491 (Filtered)

# Database

Realhound Live - [Version 7.652 - Properties - Encinitas 18 - 955 3rd St - Encinitas]

File Edit Search View Report Analysis Smart-Links Window Help

Clipboard Undo Redo Cut Copy Paste Delete Today Contact Property All Me Search Reports Demographics Map Outlook Support Teach Me

Name **ENCINITAS 18** Occupancy Type Apartment For Sale No Square Feet **8,262**  
 Address 955 3rd St Encinitas Sub-Type Built 1958 Units **18**

Overview Detail Unit Types Amenities Offering/For Sale **Sales** Loans Expenses Owners Comments Projects History Comparables List

Include Off-Markets

Sale Date	Listing Price	Sale Price	Units	SF	\$/Unit	\$/SF	\$/Acre	CAP	GRM
▶ 1/21/2009	\$3,200,000	\$3,200,000	18	8,262	\$177,778	\$387.32	\$0.00	4.59%	13.86
12/18/2003	\$2,500,000	\$2,700,000	18	8,268	\$150,000	\$326.56		3.40%	15.05
5/15/2002		\$1,725,000	18	8,268	\$95,833	\$208.64		0.00%	
*									

Financial Other Loans

Financial		Performance	
Sale Date	1/21/2009	Sale Price	\$3,200,000
Off Market	No	Per SF	\$387.32
Off-Market Date		Per Unit	\$177,778
Listing Date	10/29/2008	Per Room	\$59,259
Sale Type		Per Acre	\$0
Months on Market		Per Unit	\$177,778
Units	18	Gross Rents	\$230,820
Square Feet	8,262	- Concessions	\$0
Rooms	54	+ Other Income	\$1,560
Acres	0.23	= Gross Income	\$232,380
REO	No	- Vacancy	\$6,925 % 3.0%
Occupancy		- Collections	\$0
		= Effective Income	\$225,455
		- Expenses	\$78,640 /SF \$9.52
		- Property Taxes	\$0
		- Reserves	\$0
		=NOI	\$146,815
		CAP Rate	4.59%
		Historical CAP Rate	0.00%
		GRM	13.86

**Principals**

Seller Contact Rancho Santalina - 760-436-5700  
 Buyer Contact Jeffrey Milman - 310-208-7590

Set Owner as Buyer

Property Name Encinitas 18

Down Payment

Down Payment \$3,200,000  
 Down Payment % 100%

Record: 5 of 432 (Filtered)

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## Lookup

Property Address, Property Name, Property ID

Sales COMPS

GO >>

[Advanced Lookup](#)

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[Search Property Express](#)

### Comparables



[Search Sales COMPS](#)  
[Search COMPS Express](#)

### Recently Viewed

[Open Last Search](#)  
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[Comparables](#)  
[4557 Iowa St](#)

401 Mile of Cars Way  
National City, California  
Near Downtown San Diego



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[Comps Analytic Search](#)  
[Market Reports \(Q2 - 2009\)](#)

### People



[Search Tenants](#)  
[Search Move Leads](#)  
[Search Real Estate Professionals](#)  
[Search Deal Makers](#)

**My Alerts Since 8/21/2009**

New COMPs

# CoStar

Curtis Gabhart · ACI Commercial

log out



## comps search

Step 1: Basic Step 2: Location Step 3: Detail Get Results



home page

1 basic

2 location

3 detail

get results

show criteria

lookup comps

comps search

analytic search

open last survey

my surveys

suggestions

support

Sale Status:  Sold  Under Contract/Pending  For Sale

### Property Type:

- |  |   |
|--|---|
| <input type="checkbox"/> Office          | <input type="checkbox"/> Multi-Family           |
| <input type="checkbox"/> Flex            | <input type="checkbox"/> Hospitality            |
| <input type="checkbox"/> Industrial      | <input type="checkbox"/> Land                   |
| <input type="checkbox"/> Retail          | <input type="checkbox"/> Health Care            |
| <input type="checkbox"/> Specialty       | <input type="checkbox"/> Sports & Entertainment |
| <input type="checkbox"/> Shopping Center |   |

### Class:

- A
- B
- C
- F

### Property Secondary Type:

- Airplane Hangar
- Airport
- Amusement Park
- Apartment Units - Dormitor
- Apartment Units - Senior
- Apartment Units - Subsidiz
- Apartment Units

### Land Proposed Use:

- Airplane Hangar
- Airport
- Amusement Park
- Apartment Units
- Apartment Units - Condo
- Apartment Units - Dorms
- Apartment Units - Senior

### Shopping Center Type:

- Airport Retail
- Community Center
- Lifestyle Center
- Neighborhood Center
- Outlet Center
- Power Center

### Sale Condition:

- None
- 1031 Exchange
- Assemblage
- Auction Sale
- Build to Suit
- Building Contamination Issu

Sale Date:  to

Total Building Size (SF):  to

Stories:  to

Land Area (AC):  to

Land Area (SF):  to

# of Units/Rooms:  to

Year Built:  to

Price:  to

Price/Bldg SF:  to

Price/Land AC:  to

Price/Land SF:  to

Price/Unit:  to

Price/Room:  to

Cap Rate (%):  to

Tenancy:  Single  Multiple

Include Sales where Price Not Disclosed

Include Public Record Comps

Count Clear Criteria

Step 1: Basic Step 2: Location Step 3: Detail Get Results

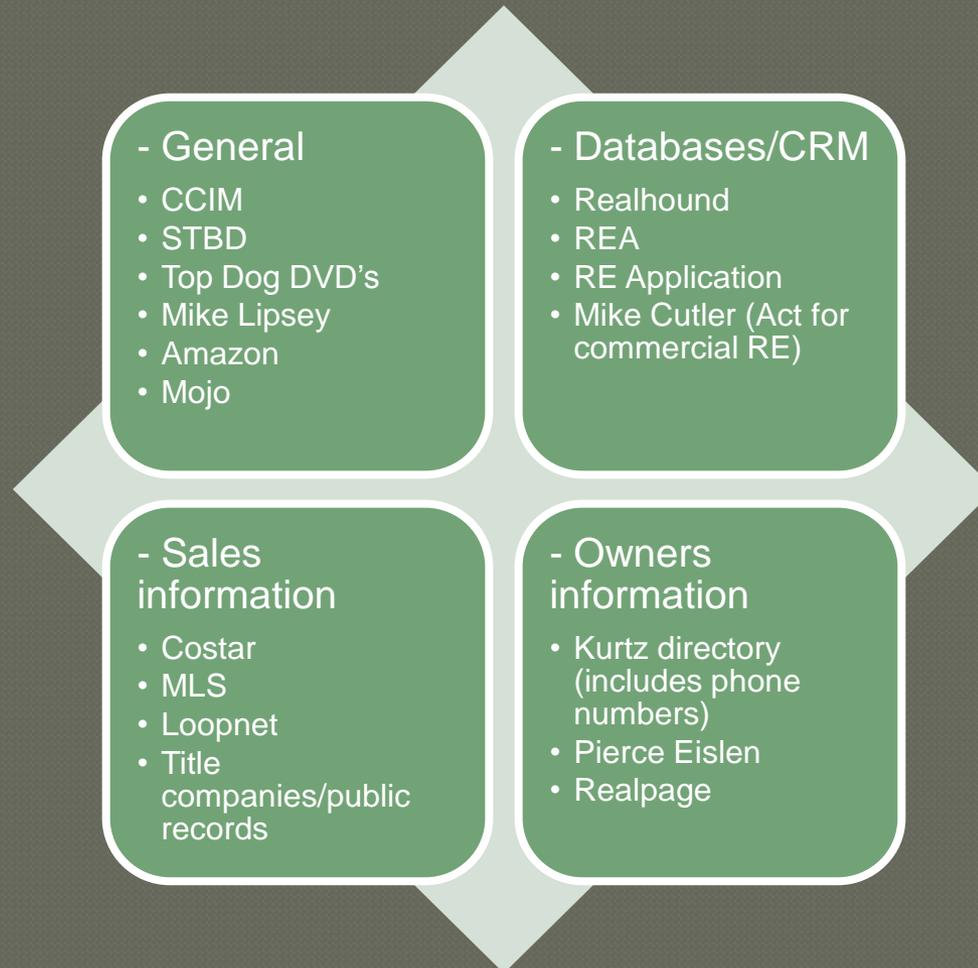
# Exercise Time!



-Refer to Exercise CRE/LM4

It is better to wear out than to rust away

# Resources



Successful people find their highest return on investments is in themselves

# Commercial Real Estate

---

## ○ Pro's

- Right Company
- Database Support
- Marketing Collateral
- Market Credibility
- Start Faster
- Proven Systems & Procedures
- Larger Commissions
- More Investment Savvy

## ○ Cons

- Full Time for Success
- Lower Commission Share

If nothing sets you apart from the competition, your clients will always remain someone else's prospect

# Q & A Time!

---



**Ask  
An Expert**

Success is not about what you can achieve, but about what you can *become*