

**FINDING OFF-MARKET
MULTIFAMILY DEALS:**



EVERYTHING YOU NEED TO KNOW

MICHAEL BLANK



WWW.THEMICHAELBLANK.COM

Table Of Contents

The #1 Way to Find Apartment Building Deals

How to Find Good Commercial Real Estate Brokers

Revealed: The Broker Script To Unlock Off-Market Multifamily Deals

The Broker Script That Works!

Task #1 Educate Yourself

Task #2 Build Your Team

Magic Happens When You Use This Script!

Bonus Tips! Working With Brokers To Get Off-Market Deals

Tip #1 Appear Professional

Tip #2 Solve Problems For Brokers

Tip #3 Provide Timely Feedback On Deals

Tip #4 Use Video For Providing Feedback To The Broker

Tip #5 Assure The Broker They'll Get Paid

Tip #6 Network Like Crazy

Tip #7 Hop On A Plane Before You Have A Deal Under Contract

Tip #8 Do What You Say

Tip #9 Be Persistent And Consistent

Tip #10 Partner With A Senior Operator

Tip #11 Track "Lost Deals"

Tip #12 The Throwaway Market Strategy

Final Thoughts

A major challenge for investors in the multifamily space is access to consistent deal flow. While the internet makes it easy for us to search for available properties, smart investors know that properties posted online are there because no one else wanted them.

Most of these properties have been marketed directly to interested buyers that ultimately passed on the deal.

Let's face it, *online listings are where deals go to die.*

THE #1 WAY TO FIND APARTMENT BUILDING DEALS

The best and most efficient way to find great apartment building deals is **through a good network of commercial real estate (CRE) brokers.**

CRE brokers make it their business to find deals. The good ones send postcards and letters to apartment building owners and build the relationship years before an owner wants to sell. They network extensively and beat the pavement to get listings and buyers.

For example, a Marcus & Millichap broker is offering to do an informal “appraisal” of my buildings to assess what they’re worth. All he’s asking for is the financials to do so, no strings attached.

Smart. We get to know each other and maybe start to trust each other. He may gain a listing down the road, or I may be one of his buyers.

Unfortunately, most brokers are not that good. But the few that are that good are worth their weight in gold.

I remember when I was marketing for deals in Texas after taking my first apartment building boot camp. While I did send out letters (a lot of work, and I didn't get a single deal out of several months of marketing!), I focused heavily on cold-calling CRE brokers. Over several weeks of this, I noticed that a few brokers actually took me seriously and had deals on a more regular basis and communicated frequently, while most did none of these things. I found one broker in particular who fed me deals almost on a weekly basis.

Focus your efforts on finding just two to three brokers who are prolific deal-makers and who take you seriously, and you are set for the rest of your real estate investing career.

HOW TO FIND GOOD

COMMERCIAL REAL ESTATE BROKERS

One of the best ways to find potential brokers to work with is on LoopNet. OK, I hear you saying, "*LoopNet is worthless for finding deals,*" and that is mostly true, but it's a gold mine for finding good CRE brokers.

I go on www.LoopNet.com (it's free to create an account), and then I search for the kind of buildings I want to buy. I create a spreadsheet and capture the contact info of each of the CRE brokers who have listings. After doing several, I see some brokers over and over again, and I track how many listings a broker has. The more listings, the better.

Once you have the list of brokers it's time to call them.

But I discovered that you have to approach brokers in the right way. Otherwise they'll either not return your phone calls or ask you for a proof-of-funds so you go away.

When I first got into multi-family, I'd get onto the phone and I'd say *"Hi Mr. Broker, I'm a real estate investor and am looking for apartments to purchase. Could you please send me any active listings you have?"*

They all told me the same thing ... *"Sure, Michael, send me your proof of funds, and then we'll send you some properties."*

Of course I didn't have any "proof of funds" and **so I was stuck.**

Today I know that this was the brokers' polite way of saying, *"Get the heck out of here"* because they see you as a newbie and aren't taking you seriously.

But I finally cracked the code.

The solution was to use **the right script** when calling brokers.

REVEALED: THE BROKER SCRIPT TO UNLOCK

OFF-MARKET MULTIFAMILY DEALS

I figured out a simple script that **guaranteed** the brokers treat me as a serious player.

This is really important. Because when a broker thinks you're a top player... they'll start sending you off-market deals.

And these unlisted deals are where all the magic happens.

Because for a broker, it's way easier and way less hassle to just call up someone they know is legit and get the ball rolling. And so almost all of the best deals never even make it to an official listing.

That's the power of this simple credibility script.

It gives you priority access to the best opportunities.

So, you ready for the script?

Here it is...

THE BROKER SCRIPT

THAT WORKS!

When calling a broker say something like the following:

"I work with a group of high net worth individuals and we would like to expand into the Atlanta market. We already have property management company XYZ on board and are continuing to build our team locally. We're looking for deals in the \$1M to \$2.5M range with at least an 8% cap rate, and we would consider light to medium renovations but no re-positions ... is there anything you have in your pipeline that you can send over for me to review?"

Here's what you've done:

- (1) You addressed the money part because you say you're working with high net worth individuals.
- (2) You addressed the experience part because you're working with a property management company and you say you're "expanding", implying that you already have experience.
- (3) You're using the right language like "cap rate" and "re-position" which is lingo for "really big renovation".

In order to use this script with confidence, you'll have to do two things:

TASK #1

EDUCATE YOURSELF

Of course, in order to know the meaning of words like “cap rate” and to sound like you know what you’re talking about, you’ll need to educate yourself.

To get you started, explore the resources on my [YouTube channel](#), listen to [The Apartment Building Investing Podcast](#), and when you’re ready, invest in [The Ultimate Guide to Buying Apartment Buildings with Private Money](#), my online course that walks you through the process of doing your first multifamily deal.

TASK #2

BUILD YOUR TEAM

Focus on recruiting an experienced property manager and lender. To help you build your team, check out my video blog, [How to Build Your Commercial Real Estate Team and Get Your First Deal](#)

Both of these tasks are easy to do within just 30 days. You don’t need 5-10 years of single family house investing to appear experienced and confident.

Now, let me show you just what can happen when you use this script.

You might also want to read:

[How to Build Your Commercial Real Estate Team and Get Your First Deal](#)

MAGIC HAPPENS WHEN YOU

USE THIS SCRIPT!

Anthony Metzger had never done any kind of real estate investing before (he was a winemaker!). Fortunately, he heard me on the podcast and I was able to convince him to skip the single family house investing entirely and get right into multifamily.

He invested in my [online course](#), built his team and started calling brokers.

They took him seriously and never asked him for proof of funds. In fact, he was awarded an \$11M deal (218 units in Little Rock, AR) and he brought it to us via the Deal Desk. We partnered, raised all the money for it, and closed it.

Anthony's share of the acquisition fee was \$20K and he used those proceeds to buy and donate a cow in our name through Heifer International.

Anyway, my point is that he was never asked for proof of funds. The broker just assumed he was an experienced investor.

That's why this script is so great...



BONUS TIPS!

WORKING WITH BROKERS TO GET OFF-MARKET DEALS

Because you use this script, brokers will ***immediately*** take you seriously. They won't ask you for proof of funds. And they'll start sending you off-market deals.

As is the case with many things in life, you only have one chance to make a first impression. This section provides some guidance about how to make the right kind of impression so that brokers not only take you seriously but they call you with off-market deals before anyone else.

You also might want to read: [How to Find Off-Market Deals](#)

TIP #1

APPEAR PROFESSIONAL

One of the first things a broker will do after they get off the first call with you is to check out your web site.

If you don't have one, or worse, it stinks, well ... you know what kind of impression that makes, right?

So Tip # 1 is to have a great looking website.

Create one yourself or have our friends at [Apartment Investor Pro](#) do it for you fast and affordably.

TIP #2

SOLVE PROBLEMS FOR BROKERS

Don't approach brokers expecting to get something for nothing. **If you want them to email YOU when they come across an off-market deal, you've got to provide value.**

TIP #3

PROVIDE TIMELY FEEDBACK ON DEALS

To build strong relationships with brokers, ask them what they need. They're looking for a good inspector? Connect them with one! You've found a useful market report? Share it! Give, and you will receive off-market deals.

Another way to show brokers that you are a professional is to give them feedback on marketing packages within 24 hours of receiving a deal from them.

This means you have to get fast at analyzing a deal. But it's not enough to just answer the question, "Is it a deal or not?" (Because 99% of deals are not based on the asking price!) The real question to answer is, "What is the MOST I would pay for this, and why?" That is what is most helpful to the broker. Using my deal analyzer spreadsheet, I've gotten my first analysis down from 4 hours to about 15 minutes — very useful.

This kind of responsiveness sets you apart from the vast majority of real estate syndicators.

The next question is, how do you analyze a deal that fast? Use the most popular apartment building analysis tool on the planet, the [Syndicated Deal Analyzer](#), to evaluate a deal in minutes.

You might also want to read:

[How to Make an Offer on a Multifamily Deal in 10 Minutes](#)

TIP #4

USE VIDEO FOR PROVIDING FEEDBACK TO THE BROKER

One challenge is that you rarely get the chance to negotiate with a seller face-to-face because it's normally done through a broker and typically over the phone or email.

Therefore, you have to get good at communicating your rationale (i.e. how you “underwrote” the deal to arrive at your offer price) to both the broker and the seller, without the luxury of doing so in person. If they can follow your underwriting process then you have a better chance at getting agreement on your offer price.

A great way to do this is email the broker and/or seller a video recording of your analysis and assumptions.

I use a free program called Loom which lets me do a video capture of all or part of my screen. It's an easy way to create a personal approach to connect with the broker.

Using the video analysis adds a certain level of professionalism which will set you apart from other buyers.

You may also want to read:

[Use Video to Provide Feedback to the Broker](#)

TIP #5

ASSURE THE BROKER THEY'LL GET PAID

Brokers want to know they're going to get their cash money when they put a deal under contract.

Reassure them by demonstrating that you're serious, you're educated, and you've got a strong team and investors behind you.

For a little extra incentive, consider paying the broker an additional 1% fee. As Robert Kiyosaki says, you have to BE before you can HAVE, so try BEING generous first and see if it leads to off-market deals!

TIP #6

NETWORK LIKE CRAZY

Take brokers to lunch, drinks, or sporting events.

Spending time with people is the only way to build the kind of relationship that leads to off-market deals.

Michael Becker has a whopping 6K multifamily units, and he attributes his success to constant networking. ([Listen to my conversation with him on the podcast and learn more about the right way to work with brokers!](#))

TIP #7

HOP ON A PLANE BEFORE YOU HAVE A DEAL UNDER CONTRACT

Conventional wisdom tells us to wait until we have a deal under contract before we spend our money on airline tickets. But I've observed that the syndicators who break this rule build relationships with brokers more quickly—and that leads to off-market deals.

To be clear, I'm not recommending that you go in blind. Do the up front work first, and plan your trip in advance. Spend one or two days in the market. Schedule meetups with multiple brokers.

Spend time with your property manager. Tour several properties. **This face-to-face contact accelerates the relationship-building process. And that translates to off-market deals.**

You may also want to read:

[Insider Tip: How To Do Your First Deal Faster](#)

TIP #8

DO WHAT YOU SAY

You can tell a lot about a person's character based on their follow-through.

Brokers want to do business with sponsors they can count on, so if you say you're going to do something—DO IT.

If you promise to send an email by 5pm on Friday, send the email by 5pm on Friday. It seems obvious, but you'd be surprised how much you can differentiate yourself by being a man or woman of your word.

TIP #9

BE PERSISTENT AND CONSISTENT

Brokers are busy, and they aren't always going to return your calls or emails. It's your job to stay in contact with them on a regular basis.

Check in and see what off-market deals they have. Provide value. Come up with reasons to stay in touch. **Brokers won't know you're serious unless you show it by connecting with them consistently.**

TIP #10

PARTNER WITH A SENIOR OPERATOR

If this is your first rodeo, it's smart to partner with a more experienced operator. **A joint venture of this kind is a shortcut to credibility, and it puts you in a much stronger position with brokers.** The kind of position that leads to off-market deals.

At [Nighthawk Equity](#), the investing arm of the Michael Blank organization, we partner with aspiring syndicators on their first multifamily deals. To date, we have helped new sponsors close nine deals for a total of 1,100 units across the US through our [Deal Maker's Mastermind](#).

TIP #11

TRACK "LOST DEALS"

When you lose a deal, track it in a spreadsheet or Google Doc and follow up with your broker every 30 days. You'll be amazed by how many deals don't close, and when you call the broker when that happens, he'll be glad you called. Oftentimes, you don't just get the deal back but you get better terms because now the seller is more motivated to sell!

So always track your lost deals and stay in touch with your brokers!

You may also want to read:

[Get Off-Market Deals By Tracking Lost Ones](#)

TIP #12

THE THROWAWAY MARKET STRATEGY

One way to put into practice what you've been learning is with the idea of a **throwaway market**.

The throwaway market is, is a market that you have no intention of buying deals in. You essentially use this market to practice. A great throwaway market is a market that's actually close to where you live because, typically you will not be buying properties where you live.

The advantage of that is that you can call brokers and visit properties without having to hop on a plane, without fear of making a bad first impression or appearing as a newbie. And if you do appear as a newbie? Just move on to the next broker and continue to hone your skills and build confidence. This is key because people will react to you based on how confident you appear.

FINAL THOUGHTS

FINDING DEALS

The bottom line is this: if you want to find off market deals you have to put in the work. Educate yourself, whether it be taking a course, reading books, or attending seminars.

Learn the language and basic financial concepts.

In fact, one of the best things you can do is learn how to analyze apartment building deals. The more you do, the less you sound like a newbie and the higher your confidence grows. Build strong relationships with brokers, earn their trust, and before you know it, you'll be on the receiving end of quality off market multifamily deals!



THANKS FOR READING!

EVERYTHING YOU NEED TO KNOW ABOUT FINDING DEALS

Hi There! - Nice to meet you.

I hope you enjoyed this ebook and it opened your eyes to the possibilities of getting started with multifamily investing – regardless of your previous experience or financial resources.

I wanted to quickly introduce myself. I'm a full-time entrepreneur, investor and coach and I'm passionate about helping others become financially free in 3-5 years by investing in apartment building deals with a special focus on raising money. Through my company Nighthawk Equity, I control over \$90 million in performing multifamily assets all over the United States.

In addition to investing nationwide, I teach others how to do their first apartment building deal through tons of free content on TheMichaelBlank.com as well as additional training programs. I've helped people like you purchase 7,300 multifamily units valued at \$330MM through my content and training programs. I'm the author of the Amazon bestseller "Financial Freedom with Real Estate Investing" and host of the popular *Apartment Buildings Investing Podcast*.

www.TheMichaelBlank.com

I'm the "Crash-Test Dummy" of Financial Freedom My road to financial freedom has been rocky to say the least. I've tried everything from software, restaurants, and trading options to flipping houses, landlording, and apartments. I made a ton of money with software, lost it all with restaurants and clawed my way back with real estate. But like so many people, I did it with single family houses – in my case, with flipping. I flipped three dozen houses and bought my first small apartment building. I was making good money (which was good, because I was bleeding money with the restaurants). But I realized that while I was making money with the houses, it was a TON of work.

Meanwhile, the apartment building was sending me mailbox money, and so I decided to focus on apartments – which proved to be the best road to financial freedom – not only for me but many others since then. Of all the stuff I've done to become financially free, apartment investing is the most learnable, repeatable and fastest way to financial freedom than any other way.

While I continue to expand my own portfolio through my investment company Nighthawk Equity, what's much more exciting to me is helping others do their first deal. To date, we've helped people purchase 7,300 multifamily units valued at \$330MM through our content and training programs. And a good number of them have already quit their jobs – which is great – but my goal is to help 1,000 people become financially free, and so we have more work to do.

Are you going to be next? If you've read this far, then I think the answer to that question is a resounding YES. You can do this! You might be saying to yourself "This is great Michael, but what should I do next?" Glad you asked 😊

Here's what you can expect from me and some suggestions of what to do next ... Each week I'm going to publish fresh apartment building investing articles, videos and/or podcasts – designed to help guide your journey to financial freedom. Once the content is live I'll send you an email with a short description of the new article and a link plus share why I think it's important for you to read the full article.

From time to time I might recommend some resources that require an investment – but only because I think it might help you achieve your goal of financial freedom. Sound good? GOOD! To keep the momentum, here is ONE thing to do next:

I'd like to walk you through **How to Analyze Deals from A to Z** - I've put together this training series for you.

When you download it, we'll go over:

- Introduction and Basic Financial Concepts
- The 10-Minute Offer
- How to Structure the Deal and Pay Yourself
- Fine Tuning the P&L For Value-Add Deals
- Estimating Acquisition and Closing Costs
- Determining the Most Profitable Exit Strategy
- Creating the Investor Deal Package to Raise Money
- Syndicated Deal Analyzer

[Click here to download How to Analyze Deals from A to Z](#) so you can start understanding and using the language of the industry to help you make connections and start finding deals!

Thanks so much, and I look forward to staying connected!

To your success!

Michael

COUPON CODE

Get \$30 OFF How to Analyze Deals from A to Z
with coupon code 30off37