

# Checklist for Pillar 2 - Negotiate

## Lesson 1 - How to Negotiate on a Property

Prepare acquisition package:

- Introductory Letter
- References
- Credit Report
- Financial Statement
- Insurance Binder
- Blank Lease
- Top 12 Reasons to Rent to Me
- Business Card
- Website
- Letter of introduction to the neighbors

## Lesson 2 - Structuring the Deal

Identify that the property will generate at least two times the monthly rent in revenue:

- Double check estimated average nightly rate
- Double check average occupancy
- Estimate monthly expenses
- Calculate for a straight lease strategy
  
- Negotiate your transaction, taking occupancy 45-120 days from signing (this way you can generate advanced bookings)
- Estimate your expenses for furnishings, supplies and inventory etc.
- Calculate total estimated monthly revenue

Done-For-You Strategy (with data compiled above)

- Assess the upgrades needed in the home (include extra furniture, linens, supplies, surveillance cameras, door locks etc)
- Negotiate your marketing fee (I use 30% in our calculations then can adjust it down as a point in my closing)
- Calculate total estimated revenue

### **Lesson 3 - Use the LuxHome Pro Calculator to Structure a Win-Win Deal**

- Determine Monthly Expenses:
  - Rent or mortgage
  - Insurance
  - Electricity
  - Water
  - Pool and Spa Maintenance
  - Cable
  - Internet
  - Yard
  - Cleaning
  - Trash Removal
  - Internet
  - Monthly Maintenance (\$150 a month)
  - Determine security deposit for lease
  - Estimate cost for setup
  - Include Done-For-You Fee if applicable
  - Estimate average occupancy rates
  - Estimate average nightly rate

- Does property meet your goals? \_\_\_\_Yes \_\_\_\_No  
If yes, meet with homeowner  
If no, move on to a different property

### **Lesson 4 - Prepare and Practice Pitch to a Homeowner**

- Understand the homeowners' circumstances so you can present yourself as the solution to the problem
- Prepare your pitch
- Memorize the 12 Reasons to Rent to Me
- Prepare your acquisition packet



## **Lesson 5 - Negotiate with the Homeowner**

- Build rapport with the owner
- Get to know their situation so you're able to present yourself as an answer to their problem (solve the pain and you win)
- Only discuss details after the walk through (get to know the seller and ask why they are moving, and what seems to be the issues they are facing with the sale of the property)
- Touch on the 12 Reasons several times during the conversation
- Use the soft-close and give them time to think about it
- Follow up with a phone call that emphasizes urgency and scarcity

## **Lesson 6 - Complete Final Checks**

- Double check local laws and regulations regarding short term rentals
- Ask owner to add their pool and spa onto their home warranty policy
- Get a copy of the home warranty policy from owner
- Establish move in date as 45-120 days after you sign the lease
- All agreed-to details are in the final contract including clause that allows you to sublease to guests, as well as a clause that cancels the lease if the laws change

