Angela: Okay, great. I got that right. So we are recording. Okay, Dave. My very first question that I have for you here came in from Marcia Ferrante. The question is, "Does the insurance from CBIZ just cover the liability, and if so, what insurance would we get to cover the furnishings against a natural disaster like a hurricane or a flood?"

Dave: CBIZ will cover more than just liability. It's designed to cover everything from your liability to your contents, the structure, and also loss of income. You'd have to check with CBIZ on the provisions for tornadoes, hurricanes, earthquakes, that type of thing, because that's per location and sometimes there's additional riders that need to be put on, but for the most part, CBIZ will cover almost everything that is under that roof, provided it was not an ongoing problem that was with the house, and it's because that normally is covered under the homeowner's policy.

Angela: Okay, great. Thanks.

Dave: Sure.

Angela: Great, so then, the second part of her question would be, "Would that be a straight renter's insurance, even if we're doing a done for you and you don't have a lease but yet use your own furnishings?"

Dave: Yeah, you could use it for either or, but because it is a short term rental, most rental policies don't cover short term rentals. They cover long term rentals in a totally different category because you have different occupants coming in, in and out, in and out. Be sure that any policy you do get, you'll let the agent know this is a short term rental and you can have rentals anywhere from one day to thirty days or longer.

Speaker 3: [inaudible 00:02:15]

Dave: If anyone is on that's not going to ask a question, they can hit *6 just to mute themselves, that way everyone else can just hear clear questions and answers.

Angela: A bit of a party going on in the background there. Okay, great. Our next set of questions comes from Lynn Cooper, and she is asking, "I'm talking to an owner in Scottsdale about amortizing his property, and this is a friend referral, and I wanted to get some banks numbers on VR[inaudible 00:02:57] can take a look at your successful properties that you and other students have. Is this easier than going through all the listings to find them?"

Dave: No, and I think we addressed that last week. That we are going to be unveiling the new site where you'll be able to go directly to them and access those properties next week. We're going to be unveiling that live at our event. So if you can hold on three or four days, we're going to be getting that information out to everybody.

Speaker 3: Know what I mean? I mean, I'll make it 'cause I'm down.

Angela: Sorry, Dave, I've got some interference coming in on the line. If people could please use themselves on star six if they're not... Yeah, if you're just on the line, can you please just use yourself on star six. You finished that question, Dave?

Dave: Yeah. Lynn, if you have an urgent request for that, hit up Gary at LuxHomePro.com and ask him for a few links. He'd be more than happy to do that.

Angela: She had another question. Was, "What are some of the mistakes you've made that you can share so that she can avoid those mistakes?"

Dave: Well, this is an hour phone call. What are the mistakes I've made? The first mistake I made was I didn't link my calendar and caused three double bookings. Second mistake I made was I opened up the calendar and didn't adjust prices and caused a bunch of a giveaways. They almost got the property for next to nothing. Very, very critical that you don't do that mistake, because it's easy to set prices up. If you're in the summer, you're probably low. It's a slow season if you're summer. If you lower them, then you forget and you copy those through, you may be giving away some of your best days. As soon as you get one booking and see that it's still low, you're going to say, "Oh my god. How do I get out of this?" That did happen. It was Christmas. Unfortunately, I had a double booking. I made the executive decision to cancel one of the bookings, the lower one, and take the higher one. That one was for like two grand. The other one was for almost 13,000. You just have to make those decisions for the wellbeing of your business.

The bottom line is, definitely do that. You want to verify people that do come in. If they're an instant booking, I look at those a lot closer than I look at the ones that ask a bunch of questions. Make sure they're at least 25 or 30 years of age to make sure their credit card is the one that's used to pay for the event, if they're the ones that signed for it. If it's not theirs and they use their mom's, they can easily get it reversed and there's nothing you can do about it. Those are probably the majors one that I would definitely make sure that I didn't have happen again.

Angela: Great. Her last question here is, "What are some of the most successful extras that have set your property apart from other choices, i.e, setting up golf times/courses, discounts, specials for your guests, that type of thing?"

Dave: Well, the golf was immediately the big hit. When I came on, no one was doing the golf package. It was setting it up outside of going together with those golf programs that offered the whole turnkey solution. I was one of the first ones there. That one was definitely my biggest hit, as everyone has done. Another key thing that really could help set you aside and I just thought would be common knowledge but it's not, in the slow period, what you want to do is you definitely want to get the good realtor on your side. Put it on the MLS and rent it out for a period of two, three months or they rent it out one month at a time but it's not fully furnished. This will save your butt, because you'll be able to make just about everything you're spending during your slow season. You won't have to worry about the constant turnover and you can worry about focusing [inaudible 00:08:36] in the rest of your yearbook.

The second thing that I would do is make sure you reach out to claim departments, get together with some of your coworkers or the people you work with, and this is not at your regular job, and reach out to claim adjusters, claim companies, the ones that are the ones that place people when they're displaced because of a fire, a flood, mold, whatever the case may be for their house. This can also be a real big moneymaker for you where you can have a person placed in your home for a period of three months, six months while their whole home is being repaired. Generally, those claims are between 15 and $30,000 a month, so you've got [inaudible 00:09:41]. I think those two components, if you use them and use them correctly, you'll help turn your properties from losers into massive winners.

Angela: Fantastic. Those are great questions. Then we're moving onto Margaret [inaudible 00:58:14]. Asks, "What is the range of investment that I can expect to realize when leasing a home, both furnished and unfurnished?"

Dave: There's no particular range. Well, I guess 0 to 5,000%. That varies all across the board, because when you put nothing in, then you're gaining stuff and gaining money on something you didn't put any money into. It's impossible not to make great money or thousands of percent return. If you have to furnish it, it's going to be your most costly and your lowest rate of return because you're talking putting in 30, 40, 50, $60,000 to just put together a property. That's okay. That's okay when you do that, but keep in mind, if you compare it to buying a property, you would not only have to buy it but furnish it. Here, you're only furnishing it. Your returns on that are based upon your area, how you manage it, if you stick your guns.

If you lower your prices too often, you'll find yourself quickly giving away your profit. If you don't rent your place out for two to three months during the slow season, then you're probably going to lose a lot of your profit during those months. Always get out there. Get a realtor that will rent your property, because they have access to so many more people, the transients that are just coming in and need a place. If they can stay at the [inaudible 00:11:59] Marriott, [inaudible 00:11:59] a day or $400 a day. As opposed to staying at your place, where they're spending $7,000, $8,000, $9,000 a month, and they have a full house. So keep that in mind, because there's so many people that do come in and out of these areas. If you do that, you'll definitely end up saving your shirt on those rentals during that slow time.

Angela: The second part of her question, which I think is going to weave into what you've already been covering, but she elaborates a little bit further, saying, "You discuss items such as virtual staging, pictures, furniture, mattresses, bedding, bedsprings, floor recreation equipment, accessories, [inaudible 00:12:52] supplies, welcome amenities, cameras, insurance, and fees. While these all broken down singularly may not be daunting, when they add up, it seems like they could be a pretty healthy expense." So she's just trying to nail down some numbers as an ROI. She's wondering what the average total investment, all-in, on your lease properties is.

Dave: Let's talk about one in particular. The average where you get a fully furnished home. Fully furnished, and that's paying for the lease, whatever the first month is, security deposit, whatever that might be. If you have it fully furnished, you'll probably have to have incidentals and all sorts of accessories that generally account for roughly five grand, maybe seven to cover those extra features. You might have to get a used pool table, you may have to paint a wall or two. You're definitely getting all of the amenities for the house. That's your extra blankets, pillows, bringing in another six, seven beds. All this stuff just adds up. 300 here, 400 there. I know exactly what these people are thinking, but by the time everything's said and done, you're putting another 5 to $7,000 into it. All in with a furnished home, you're probably, again with the lease and the security deposit, at about seven grand. If you work with the homeowners, the homeowners may be up for paying for everything. If they do pay for everything, then you can get away with virtually nothing.

One of the things I'm doing today is going through and looking at the top three management companies, what they do, how they do it. Then the promotional companies. They don't put in much. They might add in the cameras, the door locks, but very insignificant what one of those manager might do, like [inaudible 00:15:18] or turnkey or [inaudible 00:15:21]. They get the homeowners, basically, to do everything, and they still are charging anywhere between the low of 10% to your turnkey between 18 to 25% [inaudible 00:15:38] between 20 and 35%, all depending on what type of service you get.

So keep that in mind that there are a lot of people out there that are just getting properties and they're not doing anything but trying to manage or promote that particular home and give them a little bit of revenue. In our case, we're doing so much more, which makes our service so much more valuable. Those are companies are [inaudible 00:16:16], so keep that in mind.

Angela: Okay. Fantastic. Moving on to Tom [inaudible 00:16:26], has a question on insurance. He says, "I am buying a house in Scottsdale for [inaudible 00:16:31], which will be my first B&B property, and the FTR policy does not cover for workers coming onto the property who do not have their own worker's comp. Typically, a homeowner's policy does. CBIZ answer is to only hire contractors with insurance, but that doesn't work for gardeners, handymen, sometimes cleaning people. How are you managing this?"

Dave: Great question. That came up this past weekend, and I was talking to another agent that does his own management. He gets every one of the homeowners to put an umbrella policy that covers all those individuals that come over and work on the property, and it ends up costing him. What he does is he has every one of them to tie that extra policy on to their existing homeowner's, and it costs him about another 12 to $1,500.

He labels it as just a cost of doing business. He said, "Dave, you guys are crazy for paying for that CBIZ policy, because I've never paid for a policy, and I charge 25, 30% on every one of mine. You guys give so much more service, and I never pay for the policy."

So something to consider: It is your business. You can rent it any way you want, but if CBIZ doesn't cover that, and you need a separate policy, you may consider asking or letting the homeowner know that they have to take out a separate umbrella policy.

Angela: Okay, great, so this may be covered in what you just said, but he said, "I'd like to avoid having both homeowner and CBIZ FTR policy concurrently. If your homeowner cancels their homeowner policy, and you're using CBIZ, how are you protecting yourself and the owner for these types of workers?"

Dave: If CBIZ tells you emphatically they do not cover, and something does happen, then you're flying by the seat of your pants. Never do that. If you know about it, you certainly want to go ahead and cover yourself. I would not recommend ... If you're going to do this, let your homeowner know that they're going to have to take out a separate policy to cover these types of individuals when they come on the property.

Angela: Okay.

Dave: They have to do it anyway, right now, because-

Angela: Great. Okay, so Rochelle Ray has a question, location question and is asking, "Which is better?" She says she travels full time, so "I do not have a local area. I go to a location that has other luxury sites with proven methods, like Scottsdale which may be" ... Hmm. That didn't come through, the rest of that question with competition or option two, which may be "over run." Mm. The way that [inaudible 00:19:58] came through in some kind of weird coding. With competition or option two, which would be to find a location that may have a few, like a Florida beach town, i.e. Tampa, that may have a few, but not as pressured, or option three: be a trail blazer in a new are that doesn't have any comps.

So basically, it's a location question on ... Yeah. Those two options.

Dave: The way I would go after it, and if you look at every area, it's the same way, is reach out to three, four different property management type of groups and sit down with them or call them on the phone. Interview them, ask them, tell them you're interested in the area, but before you do, before you come out there and start looking at properties, give me a little bit of insight. Which ares would be the best? Could you help steer me in the right direction? And then could you utilize your service? Whatever the case may be. Your job is just to dig deep and find out just how profitable it is. Ask them questions. What's the most profitable home you have? Is it a million dollar home? Is it bringing in $150,000+ a year? Or are they managing 2 or $300,000 condos or smaller homes?

Once you start getting these questions answered, you'll quickly find exactly where your niche will be, or you'll exclude that particular town altogether.

Angela: Great. Okay. Now we've got a question from Mark Sullivan, or maybe a couple questions. "Hey guys. We moved to Indiana and it looks like there are not the best markets around us to sustain luxury rentals." "So," he says. "No problem. However, logically speaking, that condenses the market that these properties are sustainable. Since one of the strategies is to price at 15% lower than the other homes, it seems we'll be competing with many others that are doing this also." He says, "So pricing could be driven down by these limited areas quite easily it seems. Any thoughts on that?"

Dave: Well, if it starts off low anyway and then people are all pushing to the same dollar, the first thing for everyone to do is let's go ahead and drop those rates, because we want to get somewhere in there. I don't want to be in that marketplace.

One way you can see, and validate, is are there a number of properties out in that area that are charging $800 plus a night? If everyone's charging 4, $500 a night, you know prices will be pushed down a little bit, so if they are pushed down, where are they going? $200? $300?

Think about it this way. If you got 70% [inaudible 00:23:22]. $300,000, 355 days [inaudible 00:23:25]. That's going to end up ... Let's call it 250 nights. That's a little bit more than 70%. 250 nights at $500 a night would be $125,000.

So you have to start asking yourself, if I back out now all of my expense, how much money's left over? And if you take what your lease is per year, about $2,000, $3,000 extra a month, that will give you how much you will spend. In some areas, you might be spending more, depending on the size of the home.

And then you can subtract that out from 125 and you'll see how just about how much money you'll make. So if you end up spending about $90,000 all-in on taking care of the home: cleaning, electric, water, the lease, all that stuff, now it's 90 minus 120, or 125, you're making about $30,000 a year.

So if that's at the top end, and you're at 70%, count yourself for some shortage, now you might be working for about 10, $15,000, and I don't want to see you guys working so hard for 10 and $15,000, because if you make a mistake, you're working for free. Granted, you can stay there maybe two weeks out of the month, but at the end of the day, we're here to make money, and we're here to make 60, 70, 80, $100,000 per property, so I would probably steer away from that type of area that's only bringing in 4, $500 on those nicer properties.

Angela: Great. I've got a couple question here that are basically website-based, so if those people are on the line, just know that Dave won't be the person to answer those questions. Our team will answer those by E-mail to you directly, but I do have another question here from Marcia Ferrante, asking, "We were given a [inaudible 00:25:51] suggestion to find a property on Airbnb or HomeAway that only comes up after scrolling way down after we answer our [inaudible 00:25:59] criteria. Once we have found them, can you walk us through possible conversation we would use to get in front of them and what we would say during the meeting as to why they would want to work with us, especially if we don't have a house yet?"

Dave: So are you calling individuals out of the blue, or are you calling individuals already on Airbnb? That would be my first clarification. This is why it's so critical, you guys. Start formating your A-team. If you start formatting an A-team, that means going and meeting lots of people that are in the [inaudible 00:26:45], and that's going to your people that are your short term rental managers.

Talk to them. Get to know what the area is. Get to know them. Get to know their type of property. Get to know all of this stuff, 'cause at the end of the day, you can just name drop when you're at appointments. You've been working with Mark over here at such and such, because it adds in added credibility. It is your first property, so any time it's your first of anything, you're always in that Catch 22. "How do I get past my first one, because I don't have a property yet?"

Here's how I did it, and it was a simple strategy for me. I ended up getting a couple timeshares and put those timeshares together and I got the timeshares from [inaudible 00:27:50], and but it's a powerful story. Once you understand where some of these timeshares are, then you can utilize some of their sister properties and utilize some of their bonus weeks and you can utilize the power of allowing you to use their other properties.

Then all of a sudden, those two properties that you may have or the one property that you may have might turn into four different properties that you have access to, and you can put those on your website as, "These are my luxury condos." Because you do have full access and you do have a full [inaudible 00:28:35] price on that, and you can't put them up on Airbnb to make money. You're not making a big spread on those. You might make 25, 30, 45 dollars, 50 dollars, a hundred dollars [inaudible 00:28:50], but at the end of the day, once you start doing luxury homes, you won't be working those anymore, because they're a lot more trouble than they're worth, and you'll find you don't need that.

But that's the way I quickly got some credibility out there, but to be honest with you, people, if you present it correctly, a lot of them aren't going to ask for it.

Today, I did have an appointment. I went on and they said, "Look. I like what you're doing. I love your concept. I love how everything sounds. All I need is the name of one person. And I want to drive over to the property, walk over the property, and if I could talk to the homeowner, I'm in."

So a lot of you wouldn't be able to pull that one off, because it's your first one, so how do you get around that? That's why it's important to work with individuals. Talk to short term rental specialists. We have some programs, when you get to the boot camp, we'll talk about those, so I'm really looking forward to meeting with a lot of you, because we're going to unveil some special things that we do with you. But we won't talk to them on this call, but in the end, if I was just starting, and I had interviewed four seasoned managers out there, I would probably team up with one of them. Matter fact, I know I would to help me close the first deal, because it's about getting your first deal, but at what cost?

I'd much rather work with a professional, help me get past the finish line and now I got one on my belt, even though I might not be physically managing the whole thing, I could have worked out a deal with him or her and now I got my first property. And then you could spring board from there, so there's a number of different ways. It's just how bad you want to do it, how bad you want to get it, because once you have one, you won't need more than one or two.

One good one, and you're gone. As I told the gentleman this morning when I met with him, he was probably one of the tougher guys I've met, but after everything was said and done, he was one of the easiest, because he didn't have much. He just said, "Look. I love how you answered the questions, but I need to walk one of the properties," and, "Just one referral, so I can talk to the homeowner. I don't care about the operator, because it's more about the homeowner, and I just want to get his opinion on how much he enjoys it and how often he gets a late payment of something."

So that one was an easy one to overcome.

Angela: Great. So we do have some time to open up the line for questions, so if people have questions, just please push *6, unmute yourself, and introduce yourself, maybe let us know where you're from and ask Dave, ask away.

Speaker 4: Hello.

Dave: Hello?

Angela: Does anybody have questions?

Tricia: Hey, Dave. It's Tricia. Can you hear me?

Dave: Yeah. Hey, Tricia. How you doing?

Tricia: Good. You said to hit *6, ask a question, and I did that, and it says that your line is now muted. Maybe it was just me. I don't know if I muted everybody, but anyway-

Angela: No.

Tricia: I was wondering when you're going to call on some homes, say expired listings or whatever, and you want to set up an appointment with the owner, I know it's really short. You say your name, saw your property online. I'm interested in possible making an offer. What do you do if the answering machine comes on when you're calling?

Dave: Why waste a call?

Tricia: Okay.

Dave: If you're calling on an expired listing, I would probably call and say something like, "Hey, this is Dave. I was calling, I'm looking here at Zillow and I noticed that your property fell off market. I'm very interested. I wanted to see about maybe taking a look at it this week. If you could call me, I'm not a Realtor. Looking to get a property in this area. And I'd like if you could call me and we could set up a time where I could come out and meet with you and walk the property."

That's really all you need to say and let them call you. That's exactly how I got one of my properties. I knew it was getting ready to expire, and I got into the house and noticed that the guy had for sale signs in his garage, and I grabbed the for sale and got his phone number off of it and literally, at the end of the month, it expired and I called up, and I said, "Hey, this is Dave. I'd like to come over and take a look at your property." And he called me back within three hours. I went over there. Took about a week and a half, two weeks to put the whole thing together, and not only did I pick it up, but I sold the property all within probably about a month and a half, so really good deal for me, but at the end of the day, just be a little more creative.

This is an opportune time, because when I walk the home, I noticed the phone number and it was a for sale sign, so I knew the guy was probably going to start marketing this house on his own.

So just always keep your eyes and ears open, because you never know what you're going to hear or you're going to see.

Tricia: Okay. And also, too, about finding places. What do you do if it's a gated community? Like [inaudible 00:35:50]-

Dave: Normally, I stay out of gated communities, unless I feel that it is a profitable area, and that they're allowed. Gated communities are a little bit harder to work in, especially if you're going to try to cold call. You just have to wait there at the gate until someone drives up, and then you follow them through. That's the natural way.

Other than that, I would probably stay away from a gated community, unless I really knew that this was an area that is conducive for short term rentals and I wanted to work that area.

Tricia: Okay.

Dave: And also use open houses as a good lead-in, too, because it's a great way. These guys and girls are sitting all by themselves. They're not doing anything but waiting and doing research anyway when people come in through the door, so I would take that time and just let them know what you do and let them know that, Hey, if you ever have someone that comes in that is looking for an investment property and they want someone to take care of it, maximum revenue, have them call you.

Do that a bunch of times and come across professional. You'll start having people call you. These are the people that are going to buy the house, furnish the house, [inaudible 00:37:24].

Tricia: Yeah. Okay. One other question, I think. You were talking about earlier about you were renting your place like during the slow season. How would you work that if you were in a Done for You Model?

Dave: If you're in a Done for You Model, and you're working with a homeowner, and they know what's going on, I would let them know. I'd say, "Hey, we're going to get ready to go in a slow time of year, and instead of hustling and really working hard and paying all the electric and this, this and this, what I would like to do is I'm going to go ahead and a short term renter is going to rent it for two, three months, four months." And then we would go ahead and get it listed for that period of time."

Tricia: Okay. And do you see the same split with that? [inaudible 00:38:30].

Dave: You work it out any way that you want, but that's the whole object of the game is if you're bringing it in, you get a piece of the deal. I would also, if you're going to rent it, make sure you turn the utilities over into the new peoples' name for the period of three months, because you don't want to go ahead and have them blow up air conditioning and end up paying $1,500 a month for an AC bill."

Tricia: Yeah, that's a really good point.

And then the last question I have is, and I know I asked this before, but for some reason, I don't remember the answer.

You had talked about that one situation. You had a place and then you sold it a month and a half later.

How do you sell something if you're not a realtor?

Dave: LoopNet.

Tricia: What's that?

Dave: LoopNet. You can go ahead and start advertising some properties on LoopNet. Cash flow, cash [inaudible 00:39:34] properties, and there's a lot of other properties, a lot of sites that we teach, but LoopNet is one of the easiest ones to get on.

You can just put any investment property on there, and have the call go directly to you.

Tricia: Wouldn't I need a real estate agent to close it?

Dave: No. You're selling your property, because you're getting an option on it. You're basically flipping your property.

Tricia: Oh. Okay. I get it. Cool. All right. Thanks. Perfect.

Dave: All right.

Tricia: Thank you.

Dave: Thank you so much.

We have any other questions?

Angela: Great.

Rachelle Ray: Hey, Dave. This is Rochelle Ray.

Dave: Hey.

Rachelle Ray: Hi. I'm the one that asked a question earlier that I guess didn't go through right.

I don't think that the question was answered the way I intended the question to come through, so I just want to re-phrase it a little bit.

Dave: Perfect.

Rachelle Ray: Basically, I travel full time, and I'm on the move constantly, so no matter where I go, I'll be doing this business basically from a distance, so I can pick anywhere in the United States, I choose to stay in the United States, to do my business.

And I am basically spending way too much time researching where I want to do this business, and it seems like every time I think I've got a location I want to do it, I research it and there's too much regulation, so just for instance, it's not a specific location that I'm interested in right now, but say Austin, Texas. They have a ton of regulations.

I've got a LLC in four different states for my investment business. I've got one in Hawaii. I did research. Hawaii's great. They just recently started regulations on Airbnbs on the Big Island, so I can't do it there.

Everywhere, it seems like I keep running into different headaches, and I'm constantly just spinning my wheels. It's almost like I have a problem, that I have too many options to narrow down. How do I pick a city that I know would be profitable in the luxury home market? How do you pick Scottsdale? How did you know?

Dave: When you're living [inaudible 00:42:12]. It kind of fell in my lap. It was luck [inaudible 00:42:17], but-

Rachelle Ray: Okay.

Dave: So that's how it really worked out for me. I didn't know that I was in a hot area until I started looking around in other areas, and it turns out the gold is right in your backyard, so that's how I was able to really accelerate my learning curve, because I happened to be in one of the best locations.

Rachelle Ray: So I can do Scottsdale, but I'm just worried that it's kind of already, because you and your business are already there, that it's kind of maybe too much competition, so that's where my question lied is, is it better to go to an area maybe that's not as over seeded but also like you said has some competition 'cause you need it, but maybe not too much?

And how on Earth do I even begin to find that?

Dave: I went out to a brand new area. No one knows about it. For those that don't [inaudible 00:43:26], property in Fort Lauderdale. I've never been in Fort Lauderdale except on spring break, 30 years ago, so I went out there and I did everything that I thought I would do before I went out there but I never did what I teach people to do, and that's fairly self horrible, because this is what I teach.

After the first two appointments, I said you know what? We're going back to the basics, and we spent the next sit hours reaching out and going out and meeting with the short term rental specialists, okay, property management groups.

[inaudible 00:44:18] so much that I included that every single day that we went out, that we had to do at least one. I had three different groups that I went out with.

All in all, we met with six different property management groups and learned a ton, and it was invaluable, because when we walked out of there, all in all I think we dug up between the eight days, I think we dug up between us all probably around 11, 12 properties that liked what we do, wanted to move forward, get more information, and felt like they were going to move toward the close, but I had to slam on the brakes, because I was like a fish out of the water, because it wasn't the same type of client that I'm used to.

The best thing that I could have done was stop and do what I did, and it ended up working out so well because it steered us right where we needed to be. It steered us away from where we were looking, and that's what you need to do in any area that you look for.

Rachelle Ray: Okay. And as far as [inaudible 00:45:48] the area, how did you know Fort Lauderdale? Just 'cause you've been there before and you liked it?

Dave: Well, you can go on different sites, and AirDNA is one you can go and you can look at-

Rachelle Ray: Right. I use if often.

Dave: You can look at some of the areas that they recommend, and I use that as a starting point. A place like [inaudible 00:46:13] or you can go on to a place like Rented.com, you can go on to a [inaudible 00:46:22] site and get an idea of some of the best performing areas, and those are the ones you focus in on. You can narrow it down to five or six, and then you say, "Okay. Which one would I want to go to?"

Rachelle Ray: Okay.

Dave: And then, that's where I'm going to put my stake in the ground and I'm going to do some research. That's how I would handle it, because if they're being touted as a top five, six spots in the United States, my vote is buck the trend. Pick out the one that you like and then start there. Scottsdale isn't one of the top places rated, if you really look at it, it's not. It's never there. I know that we're crushing it, and the numbers don't lie.

I'm so happy that one of the new girls that came on, she is killing it. She went out and got her first property to close on it yesterday, or actually got the keys to the place yesterday, had a first guest check in yesterday. I believe she's almost $100,000 in booking. I was like, "Oh my God. That is [inaudible 00:47:39] some bank." All it was because negotiated two months, way ahead, she got a great property, and that's what you really look for is really, wow property, and by doing that and setting up a hybrid [inaudible 00:48:03] with the homeowner, she was able to get in the house for I think right at $15,000.

And just is really killing it. Not to mention, she'll probably make about 400 grand, because the numbers that she's hitting right now, and if she's hitting the numbers in the summertime.

Rachelle Ray: Okay.

Dave: So, that's how I would look at it, and if you don't find one right away, it's okay, because there's so many more out there. You just have to just keep on digging. I see the properties out in Fort Lauderdale. Some managers, they're making a hundred, $125,000 a property, but then I look at others that really have nice properties, they're hitting 275, 350 [inaudible 00:49:05], so it's a big difference.

Some people, some operators, are just bottom feeders, and so you have to look at that, too. It's what type of properties are you going after? If they're going after the middle of the road, lower class properties, you're going to get different answers, so keep an eye out for that as well.

Rachelle Ray: Okay. All right. Thank you.

Dave: All right. Good luck, ma'am.

Hey I guess this might be a good time to [inaudible 00:49:42] we have 10 minutes, but we are having our Lux Home Pro boot camp here starting next week on Monday, Tuesday, Wednesday and Thursday, and we have about five more sports available. Anybody who's got the course, [inaudible 00:50:05], wants to come to the boot camp, let us know. Also, the first three that come on, I will give a special 20-minute one-on-one consultation with to help them get their business off on the right foot after they've gone to the boot camp.

This way, they're focused, and they know exactly what to go for, so that again is next week. Starts on Monday. Starts at 5 o'clock in the evening, and it will go until Thursday about 4 o'clock, and it's being held here in Phoenix at the Grand, which is about 15 minutes from the airport here in Phoenix.

Angela: Fantastic.

Tricia: Can you share what's going to be going on at the boot camp?

This is Tricia again.

I was wondering, can you share what's going to be going on at the boot camp?

Dave: Yeah. We're going to have an all-star lineup with individuals that can definitely steer you in the right direction. We're going to go over everything from locating your property, negotiating your property, setting up your property and how to automate your property. We're going to talk about packaging up your property and selling them off. We're going to have partners in the room that you might be able to partner with on properties. We're going to set up really as a very close knit type of family style, where you're going to be working a teams. We're going to have different strategies, breakout sessions. We'll have contests where people can go in and strategize and come up with the right answers that we look for in getting a property and how to set it up.

We'll be going on a bus tour, so you'll see exactly what we look for, and how we would modify the home to get the best results, and how we go ahead and run the numbers, so you can see exactly how we come out with the numbers as opposed to what you might have come up with to help really nail down your properties.

So all that stuff and a lot, lot more will be going on at the event, and we have lot of entertainment, food, cocktail hour on Monday night, so it will be a blast. We not only work hard, but we certainly like to have fun, too.

Angela: That's great. So thank you very much, Dave. Last call, if anybody's got one last question. We have time for one more question, and then we'll be closing up the Lux Q&A call for today.

Speaker 3: Hey this is-

Angela: Okay.

Hi. Go ahead.

So just press *6 if you want to unmute yourself.

Lewis: Hey, can you hear me?

Dave: *6 or *4?

Angela: Nope. It's *6. There we go. We've got somebody on the line there.

Lewis: Hey, can you hear me?

Angela: Yep.

Lewis: Hey, Dave. Louis. How are you?

Dave: Hey, Louis. How you doing buddy?

Lewis: I'm good. I'm good. I had someone ask me this, and I'm going to paint a little scenario and then the question really is about protecting yourself a little bit. The scenario might be where you meet someone, and they're not necessarily interested in selling the house, so you don't have the lease option possibility, but they don't mind if you were to manage the home. I don't know, 70/30 split for example, where that seller collects all of the revenue that's coming in.

The question is what happens if they see that that money's coming in and they decide that they want to break off with what you're doing and they just would rather run it themselves and keep all the money while you still have an obligation, or you're still tied in with them, to provide that service for them.

You know what I mean? Hey, this is easy. I can do it, too. They see the money coming in, and they want to try to just [inaudible 00:54:43] a little unscrupulous about taking off [inaudible 00:54:50].

Dave: Well, that's a chance that all of us take when we go into business with people in our lives. You just get everyone to sign a contract. The way I look at contracts, they're only as good a the people who are behind them, and if someone is out there really to get you to operate the property, and they're not paying, you're going to quickly find that out.

They still are legally obligated, and if you wanted to push it to that level, they're obligated to pay you.

However, you are in the driver's seat as well, because just because you set it up doesn't mean that you can get out, that your first month, you're far from set up, because it's an ongoing process. You're going to tying them in with many, many other channels. You're going to be tying them in to the way you do business, the way you respond, the way you handle things. You're going to be working with the guests, you're going to be working with the way you set up and run the property, you're going to be working with the insurance claims, and so [inaudible 00:56:06] allow those sets of individuals to come into the home if we have openings, then you're going to be cross marking with your [inaudible 00:56:14] and your team is a valuable asset because they do bring in extra bookings to you each and every year if you work them properly.

All of that stuff really ties in. At the end of the day, if the homeowner is out there to screw you, he might be able to shut down the account, but shame on him, because he's going to be losing out a lot more and you have him legally tied in anyway, so any bookings, that you come in and if you wanted to push it and have your attorney address it, you would certainly have a legal stand to get the money.

Lewis: Okay. But we don't have any documentation that we present for that that would have some kind of a clause that would protect, do we?

Dave: We do. We do have a [inaudible 00:57:08] contract you'll have them sign.

Lewis: Okay.

Dave: Okay? And that will be ... All those documents are being re-underwritten by the attorney, and they'll be up in the back office at the end of our event this week.

Lewis: Okay.

Tricia: Oh, okay.

Lewis: Thank you.

Dave: All right, Lewis. Good talking to you.

Angela: Okay, well that looks like it's a great time wrap up the call. We're right at 4:00 on the hour, and so we just want to thank everybody for showing up today, and thank you for your questions. Thank you to the people that E-mailed their questions in, and have a wonderful day, and thanks for joining us today. And thank you, Dave, for your time.

Dave: Okay. Thank you. Thank you so much, everyone. Have a great night.

Tricia: Thanks.

Rachelle Ray: Thank you.

Angela: Thank you.

Speaker 3: Thank you.

Lewis: Thank you.