

Dave: I'm going to go ahead and just get started. This is Dave with LuxHomePro. It is now Friday at three o'clock [crosstalk 00:00:11]. We're going to go ahead and get started with the questions, so if you jump online, I'm going to review the questions that we have in hand right now, and then we'll open up the line and we'll take some from the audience.

The first question is, is AirDNA listing all rentals or just occasion rentals and how important is the city's percentage rate? First of all, AirDNA is designed to recently they've added on from other listings, but it is mostly the Airbnb data and they're trying to pull in some of the VRBO data because in some areas it's more prevalent than others.

When I look at AirDNA I try to take that with a grain of salt, okay. As with most data that you do get, unless it's real data, you've got to use it as more of a gauge and then you need to just particular down your information by looking deeper into your conversation you have with your short-term rental managers and also looking at some of the current listings that are in that particular area. That'll help you to dial into who's making the money, which properties are really performing, which ones aren't. At the end of the day if you make a decision whether or not that's a great area for you to jump in or that type of home is a good area for you to jump on, as well.

Next question.

Angela: Hey, Dave?

Dave: Yes?

Angela: Oh hi, it's Angela, yeah, hi. I'm just going to, if you don't mind, I'll read the questions for you.

Dave: Absolutely, that'd be great, Angela. Thank you.

Angela: Okay, great. Next question is, "Hi Dave, I'm working on a couple potential luxury properties helping the owners. I'm looking to emulate the best you. I want to take a look at your listings for picture ideas, lead pictures, headlines, and copies. Also, your opening prices and how you do your adds, add-ons for guests. I'm having a hard time finding them."

Dave: Okay, great question. First of all, when looking at, and every area is totally different, okay and looking at different listings you're going to be able to go off to our site and find those.

In the end, it is very, very important that you follow the seven steps that we run through, okay? I try to whatever area that I'm working in, I try to see what's working in that area because different areas people relate to different type of verbiage, et cetera.

If I'm in California, I'm looking at the top listings that are performing in California. I look at their headlines, I look at the body, the way they're talking to the guests that may be looking at their listings. I can quickly come up with or I can copy that and then quickly modify it so it's a perfect ad copy for my listing.

It doesn't always have to be your listing, okay, but you can utilize that copy. Don't plagiarize. Certainly you want to go in and modify. At the end, I know a lot of people get the deer in headlights when they first start and they just say, "My gosh, I don't even know what to say." That's rule of thumb.

I usually take a look at what's working and if you do that, you're going to pick up some of the best headlines and you're going to modify those. You'll change them up a little bit. You'll pick up your body and then you'll also look at the way each person has added on and how far away some of these key strategic points are, which is that's very important.

Most people, the first thing you get asked are, "How far away are you from the airport?" "How far are you to the beach?" "Can you see the water?" All these things are wonderful, and these things are items that you should put on, but when you do the question regarding adding the per person, they'll give you a base rate. Then in [AB&B 00:04:57] and VRBO, they'll raise it in the setup. It will ask you how much for each additional person. You put in \$20, \$30, \$40, and it will note that right on your listing. It's very, very simple to do.

If you haven't done a listing I would go ahead and just do a mock listing. You can even do your house on Airbnb, just so you know exactly how you do it. Once you've done it once, it's so much easier the second time. You know your house inside and out, you might want to try doing a different sample on yours. That doesn't mean you need to make it go live. Doesn't mean you need to start taking bookings, but you can put up a mock site and be ready so you know exactly what you're doing.

Angela: Dave, I've got one of your Airbnb links if you want me to give the URL to that?

Dave: Yeah, you can do that or you could actually, I'd prefer they have plenty of different ideas as well, but you can do that, as well. That's fine.

Angela: Okay. The one that I've got here just in front of me is your [dove 00:06:15], dove, dove, and then Airbnb.com, and then rooms, slash, 20958993?@=51. Can I please just ask that everybody mute their line by pressing star six, because there's a lot of feedback coming through, so if everybody can mute, star six, that would be greatly appreciated. Thank you. Again, that's that link, you can hear all this click, click, click, click, click, click, everybody's muting.

Dave: [inaudible 00:06:56]

Angela: Yeah, I'll just give you a minute, okay. The link again was Airbnb.com/room/20958993?F=51. That's one of your great listings, sir.

Dave: Okay. [crosstalk 00:07:16]

Angela: Yeah?

Lynn: Angela?

Angela: Yeah?

Lynn: This is Lynn. I'm the one who asked the question. Thank you [crosstalk 00:07:27].

Angela: Oh hi, Lynn.

Lynn: Thank you for that number. I'd like to get an overview. I know you guys have a lot of listings. I wanted to find a place I could just go to a lot of them and get some ideas from them.

Dave: [crosstalk 00:07:43] What we'll do is why don't you send out our website has all the links on all the different properties.

Angela: Okay, sure. So sure, we can [crosstalk 00:07:58] together.

Dave: [crosstalk 00:08:00] building that or paid for all of [crosstalk 00:08:04].

Cindy: Hey Dave, Dave this is Cindy.

Dave: Yeah, hey.

Cindy: You sent me, I've got the link right now in front of me for your website that isn't online yet. Do you want me to [crosstalk 00:08:16]-

Dave: Yeah, yeah, absolutely.

Cindy: [crosstalk 00:08:20]

Dave: Absolutely.

Cindy: Okay, well that [crosstalk 00:08:22].

Angela: Why don't you guys send it to Angela@LuxHomePro.com. Cindy that would be great if you could send me that, and then anybody [crosstalk 00:08:35] who's on the call who wants a copy of the Airbnb links and the links that we're talking

about, just email me, Angela@LuxHomePro.com and ask me for it. That way I'll know who's looking for it and I can send you a bundled link.

Dave: All good?

Angela: Great. Next question. Who is or how do I get an A-team realtor for my team?

Dave: That's a great question.

Angela: [crosstalk 00:09:15] Again, sorry guys, we just need to star six, lots of feedback coming through. Thank you.

Dave: What I would do to find an A-team realtor, all dependent on what area you live in. I would go ahead and Google luxury realtor, luxury home realtor and look at some of the various individuals that have listings, the ones that do promotions. I like the ones that come up organically because they're the ones that spend time to put the website together, and the ones that are spending the money. You can see the ones spending the money because they're the ones that are paying for the advertising.

You can make your phone calls off those and the first thing I would ask them is will you specialize in the review work with homeowners or work with investors that are looking for short-term rentals in the luxury space, and if so, can you tell me how many you've done and point me to a few of those listings that you've sold so I know you're the real deal.

It's important that you don't get a bunch of people that just come there and start talking the game because you want to make sure that you're dealing with a real person. Then once they've opened up to you and they've given you some information a few times, then you can tell them hey, you're an investor, you're really looking for someone that knows the business and can point you in the right direction of the legalities, knows exactly where the top performing properties would be located, et cetera, et cetera.

It is important that when you go through that, that you're not wasting your time, okay, and he's going to ask you a bunch of questions, you're going to have a bunch of questions, withdrawal in the back office on interviewing a realtor. At that point you can make a decision if he's worthy or if she's worthy of getting together and getting down and taking it to the next level.

I try not to go over the business all completely until I sit down in front of him, but after you sit, when you do get in front of him, you're able to sit down, you're able to show that you're a real person, you're then you're willing to go through a process which I like to go over, is how can we work together? You can help me and I can help you, okay?

That generally brings it down to the particulars at the end or Plan B where I'm going to be your Plan B go-to person. They're going to say, "Well what does that mean?" I'm going to say, "Have you ever had those listings which are gorgeous but they just sit on the market and don't sell?" "Oh yeah." "Have you ever had those properties where you just feel the unreal expectations from the homeowners, they want to get three, and it's really only worth a million, and you just can't get it sold?" "Sure."

"Have you ever dealt with those listings that just don't sell?" "Absolutely." "Well we're your Plan B. We're the people that are going to come in and we'll work with that homeowner and well go and put together a program so you don't lose them, and here's how we can structure it." Then you talk to them like that and before you know it, they're on board, they love the concept, and if you only need one or two to really help grow your business, you don't want to have many more if you're going to be working directly with realtors, because they'll get upset with you because they'll trip over themselves when they're trying to show you properties.

"Oh no, I saw that yesterday from John," right? You don't want to do that but you want to work with someone that really has an insider's knowledge because they've got listings. They've got listings that they're working with people that they know that they can't get it sold, and then they'll go ahead and make an appointment for you, okay? Or they'll go ahead and try to explain.

I try not to let the realtor explain it because I like to think I can explain it a little bit better than they can, and I can certainly answer all the questions that their homeowner may have. Very important, the quicker you can learn as much as you can about it, that you are able to control the situation, as well.

Angela: Great. That was some great information. Welcome everybody that's just newly popped onto the call. If you could please star six your line because there's feedback coming through and then we have a hard time hearing Dave answer the question, so thank you very much. Just star six. Thank you.

Dave, this next questions is a two-part question. The first part of it is, how do I sell the landlord if I don't have a landlord letter, references and previous SDR properties to show as proof of concept?

Dave: Well, the key ingredient is putting up your whole presentation package before you've gotten to see them, so put it together website, exactly what you do, a business card is something, reference letter from maybe someone that you know from work, someone that knows your character, someone from church. If you don't have a reference from a landlord then you need to reach out to your circle of influence around you and try to get someone to back you and support you.

If you start from ground zero like I did, I didn't have the landlord letter. I didn't have the credit, and I didn't have the money. The first thing I did was reached out to a private homeowner. The reason why I was a private homeowner is because I couldn't work with a realtor because the first thing the realtors want to do is what? Pull your credit, right? I certainly didn't want to be in that hoop initially right out of the gate. I decided I would start making phone calls on Craig's List.

As luck would have it, there were five listings out there that fit exactly what I was looking for and I was able to make the phone calls and set the appointments up. First one I met was one in La Jolla and I did that over the phone. I normally don't do it but I did. They ended up loving the idea so much that they took it for themselves and they turned it into [inaudible 00:16:36] for the company, session one.

It was an agent that owned several different condos and he gave me all three of them, right? The third one I called was a homeowner that they had just had someone walk out on them that didn't pay the rent, and so that's... I actually scheduled an appointment to meet with them, told them all the good news about why I would want to rent the home, what I was going to do with it, and she loved it because it was a breath of fresh air. Making the payments as well would be on time, we would insure the property, blah, blah, blah. The whole nine yards.

She as well maybe wrote up a lease. She didn't ask for credit, she didn't ask for a reference letter, but I did have a business card and a mock-up website, okay? I think she bought more into the personality and my attitude about taking care of the home and thought that it was a good idea to give me a try.

Where there's a will there's a way. It may be a little bit harder for you to begin without all the tools that you might want, but if you really think about it and work, you will succeed if you get up in flames enough times.

Angela: What?

Dave: I was there, three people had called, they were all excited about the whole opportunity. Again, it's up to you to make it work but if you follow that direction, if you put together your presentation, it works so much easier.

Angela: Great, so just welcome again everybody that's newly joining the call. If you can please star six yourself so that it mutes yourself so we don't have the noise coming in from the background. Star [crosstalk 00:18:53].

Lynn: Hello? Real quick, you could also your cell phone, and mute everybody else at one time and then if they want to come back in they can get back in. [crosstalk 00:19:05]

Angela: Then I mute Dave, too.

Lynn: Oh, really? Oh.

Dave: I can do star six to unmute myself.

Angela: Okay, so how do I [crosstalk 00:19:14].

Lynn: I think just, I think it's star six.

Angela: Okay, I just star sixed myself.

Lynn: I know there's a way to do it. [crosstalk 00:19:27] Dave maybe you can do it from your phone.

Dave: I didn't sign in as the originator.

Lynn: Oh, okay.

Cindy: I think star four gives you instructions, Angela. Star four, I think. Star four, star five, or star six.

Angela: I just tried star six, that didn't work. Hang on one sec.

Cindy: [inaudible 00:20:00]

Dave: Not yet.

Lynn: Got your C-pap going.

Dave: Angela, we can go ahead with the questions. Angela? Okay, while we wait for Angela to get back on the line, if anyone has a question, let's go ahead and I'll take one at a time.

Speaker 5: Hey Dave, I have a question about what you just said.

Dave: Sure.

Speaker 5: It's about the security deposit. When you first started, did you provide a security deposit?

Dave: Yes, I did, okay? What did I do? I went out and before I did the business, before I got important, I got a few people excited about it. As soon as I did get the first property I had a couple people that were interested in putting up the money. I ended up putting down a \$2,500 security deposit and two-thirds of the month of rent, all in. I was in it for a little over 7,000.

Then I borrowed another three grand to finish up the gamification and put in cameras and all that good stuff. I did, I borrowed 12 grand up front and spent 10 of it to get started with the house.

Speaker 5: There's no way around the security deposit, there's no way around it?

Dave: No, I mean yeah if you're in a home, if you're in a luxury home, most people want to have a security deposit, some securable interest because if they're giving you a million-dollar home, they're going to want to see something, okay? As good as one might be, it's hard to get away with not paying that down.

Then they'll want the first month's rent generally up front, as well. The best bet is to deal directly with the homeowner and structure the deal. Now, is there a way around it? Surely. The way around it is doing a done-for-you deal where a done-for-you deal is you aren't paying any rent, okay? You are going to go ahead and love that property and maximize the vicissitudes of the property. The homeowner is going to have it all furnished. You're just basically marketing it and all the money is going directly to the homeowner and you're getting paid once a month. If you set it up that way and structure it that way, you can get in for nothing.

Speaker 5: Thank you so much, Dave. I really appreciate it.

Dave: Sure.

Angela: Hey, Dave?

Dave: Hey.

Angela: Sorry, I'm just, so I just, I tried to call. You guys if we could please do the star six, I'm sorry, yeah star six to mute yourself. I pressed the star four and it ran, it ran through a whole bunch of options for me, so sorry about that.

Dave: Okay, no worries.

Angela: You know what, I'm just going to do the star five right now Dave so that we can get rid of this background noise.

Dave: Alrighty.

Angela: Can you hear me, Dave? Dave, can you hear me?

Dave: I can hear.

Angela: Okay.

Dave: Okay, I'm here, I'm here, I'm back.

Angela: [crosstalk 00:24:03] both are muted. Excellent. Sorry about that, everybody. I just wanted to jump back to the second part of that question. I believe it was [crosstalk 00:24:10] that had submitted it. The first part was how do I tell the landlord.

The second part is as well as proof of funds for a high-end property if I'm planning on using pre-booking to acquire those funds?

Dave: I don't know if that's who I just spoke to but pre-booking. Here's the deal. If you can negotiate, and this is something you might want to consider because it's the cheapest way to get in if you're going to be doing a lease, okay?

If you are able to reach out to a realtor and get them or even to a homeowner, and you knew that the property was coming due maybe four months from now and you're able to sign a contract or lease that says you're going to take it over in four months, and you give them a small deposit, maybe a thousand dollars or something, just and the lease if you're going to say two weeks, three weeks before you actually move in you're going to pay another \$4,000 towards your deposit, another \$5,000 for the first month's rent. Whatever that case may be.

Now you get the lease signed, you put your listings up and start doing pre-bookings. Now you can earn enough in revenue so you'll be able to pay, maybe pay even when you first move in. The problem is unless you're booking those direct, Airbnb and VRBO aren't going to release any money until the client actually checks in.

By having all this revenue built up and it could be quite large, it could be 50, 60, 70, 80, \$100,000 in pre-bookings if you do it right and with the right properties. Now you would go to an event or you go to a bank or you go to someone that would have the money and say, "Look, I've got \$100,000 worth of pre-bookings, I take over the lease on 10/1 and I'll have you paid back within two weeks," three weeks, four weeks, whatever the case may be. Now it's a little easier to get some money from your friends, family, or from other vendors.

There is a way to do it, you just have to be a little more crafty, a little more... Just it's one of those things that there are tons of opportunity out there, you've just got to know how to search for it. If I were going to do it that way the thing I would look for is leases that I can go ahead and take over properties in three to four months that the tenants are moving out and they already know that they need to go and fill it within that four-month period. I hope that helps.

Angela: Great. I have a quick question. I have a quick question here that actually I'll be able to answer. Somebody's asking us do we have our August dates for our August bootcamp? That is going to be from August 26th to 29th, and that's going to be in Nashville. August 26th to 29th.

The next question I have for you Dave is, so this has got about five parts to it. The first question is what's your exit strategy at the end of a lease-option period? Do you exercise the option not to purchase and get the deposit back?

Dave: Mm-hmm (affirmative). [crosstalk 00:28:04] If you put a lease option on there, okay it depends how you write up your option. The option could be refundable or it could not be refundable, okay?

Based upon what we try to do is set up your option where our target is to bring in X amount of dollars in revenue. If we can do that, then we can exercise our options and exit out of that. If we can't, then we're going to have to either restructure the deal or extend the deal.

Typically, you like to go ahead and have that one-year renewal at least once, one-year renewal on that lease so it turns into a two-year lease or pop lease, and it's for a third year. That gives you plenty of time to go ahead and bring in the revenues needed, to go ahead and justify to an investor to take over or buy that property with that income.

Sometimes operators, especially when you're first starting off, you don't start off with a bang and you start building. The second year revenues really start to roll and that's when you can justify a premium for the property. It's not all the time, some of the students and myself have had taken off right away and had generated well over 100 to almost \$200,000 within a six-month period on one property.

I've got one student who just began what, May 1st, which was not too long ago, a little over a month ago. I believe they have revenues that have come in just shy of \$150,000. It's possible, okay? It depends on the property, it depends on the area. That's variable number one. Let's go to the next one.

Angela: Are the monthly rent payments that I pay the owner, tax-deductible?

Dave: Tax-deductible? Well I'm not an accountant so I'm going to have to defer that to whoever your accountant is and the way you set up your business. You could utilize it as a business expense, that's something you'd have to discuss directly with your accountant.

Angela: Who holds the titles to the house during the lease?

Dave: Well, the owner does. The owner is your leasing is like a renting of the home, you're renting the home for a period of time. It's not yours until you exercise your option on the lease, so the title is still in the homeowner's name.

Angela: Can I get a line of credit or a home loan with the leased property of collateral?

Dave: No, no, because you have no official interest in the property until you exercise your right to own it.

Angela: Right, okay, so then the next question on that was can I co-sell or sign the contract to another end buyer anytime, and obviously that question would be no too, because you have no legal right to it.

Dave: Well you can, if you have an option on the property [crosstalk 00:31:32] and you have an option on it as a signed or maybe you put it into an entity, sell that entity, it would allow an additional person to come in and buy it, so yes, you could do it that way.

Angela: Oh, okay, great. Then their last question is don't I need to incorporate a clause that says owner will sell off property to a buyer while I'm on the lease, and don't I need to do a title search to make sure the property is in his name, and if so, there are no extra liens on the property that will pass on to me once I sign the lease?

Dave: Okay, well typically we don't do... I've never heard of someone that when they're renting a home, renting or leasing a home, it's the same, you don't typically do a title search to make sure it's free and clear of all encumbrances. It's not yours, and you're not taking it over at this point. You're not wrapping the note.

You can do a title search if that's your option. I mean with people not paying their rent or not paying their mortgage to the bank and pocketing the harvest and the money, those are issues that could come up down the road, but typically when we're most of us in America here, if we rent a home, we don't go ahead and pull a title search.

We work with our realtors, we sign a lease, or we work with the homeowner, sign a lease for 12 months and X amount of dollars that's due on the first of every month, and that's what we do. We don't go through title, we don't pull a title search.

On an option, you will definitely want to do what I do on every option, is make sure the property is what it says it is. I'll go ahead and have an inspection done on the home, make sure the electrical inspection, the roof inspection, just to make sure everything is in order so I can note it before I take over the lease. If there are issues, I know it and I can either have them take care of them immediately or before I close.

Angela: Great. Next question I have here is how do you determine the occupancy rate for a home on each site? I don't see any reserved dates when I'm looking at the calendars and the available days change depending on the date you click on.

Dave: Just taking a drink. What you need to do, occupancy. You'll never be able to tell occupancy by looking at the Airbnb or VRBO calendar. A, you don't know if it was rented or just blocked off, okay?

The only way you're going to be able to do that is by doing research. What I do is try to research it by thing with short-term rental specialists that I can get with and I can quickly talk to them about occupancy rates, talk about daily rates, talk about people that have a consistently renting their home.

An easy trick, and this is something you may want to consider, is go on Craig's List, okay? Go on to the vacation rental section under housing. You might be able to talk directly to a couple homeowners, or even property managers there. You might find, in my area I know they're all over, there are people that own 10, 15, 20 homes. It's quite possible you can get in touch with one of them.

Call them up and talk to them and they'll tell you, yeah, we're averaging about X amount of dollars per day and this is what our real occupancy rates are and this is what our daily rates are. Then you get a good understanding.

Don't expect just to jump in, call someone up without talking to them. Get to know them a little bit. Introduce yourself and let them know what you're doing, let them know you're an investor, you'd like to find whether or not this is an area that you'd like to invest in real estate or set up a short-term rental business.

Talk to them about the legalities, talk to them about occupancy rates, talk to them about properties that are producing over \$700 a day on average. Some people don't dabble in that space because it's a little bit too high on the market and it scares people.

Understand you might talk to three short-term property rental managers and none of them are making any more than maybe 80, \$90,000 a year for a property. All of a sudden you say to yourself, "This is not an area I want to work in."

Well when you ask them, "Do you have any high-end homes, ones that are in these particular areas that are six, seven, 8,000 square feet, they've got seven, eight bedrooms, they sleep 20, 25 people," they'll say, "Oh no, I don't deal with those properties." Make sure before you discount an area that you go through and ask those questions.

Angela: Great. How do you get a bank to reduce the amount owed on somebody's mortgage and lower the payments, and what is the negotiation tactic used and how successful has it been?

Dave: Okay, that's a great question and that's something that it is more advanced, but I'll give you exactly how to do that. If you're in an area that you do short sales or

you want to do short sales, Google people that are [inaudible 00:38:34] at short sales, and interview two or three of them and talk to them about how many they've done, what their record is, and how successful have they been working with these particular events.

You probably would even know the bank that you're dealing with so you might say, "Hey Jim, by the way, I'm dealing with Bank of America," you know? "Have you ever dealt with their short sale department?" They're going to say, "Oh yeah, I know Tim over at the back office, we talk all the time." That's the person you want to hire, right, to do that short sale, okay, and get that loan recasted and discount the mortgage and discount the payments that need to be made and have a settlement offer.

Those are the things you want to do. You don't want to do them yourself. You're not an expert. I'm not an expert, but I know how to get the experts and so I'll Google and I'll make a few phone calls. Ask the right questions, you'll get the right answers and someone will be able to jump in and take over for you.

Angela: Great, so Victoria has a question. She's just joined LuxHomePro, she's very excited. She's wondering about Southern California was mentioned as a good fit for this program since the property value is so high versus the rental program, what is the ratio of success versus another area of the country, and can this program be done via long distance?

Dave: First there's a couple big caveats there. Your only deal is the deal you negotiate, no matter where it is, California, Scottsdale, whatever. Could be down in Florida. The bottom line is there are very profitable deals everywhere. You just have to seek those out and if you're going to be in an area that has very high rent, you're going to have to work with clients that you can work with that you're not going to be paying full rent, that you're going to maybe do a done for you deal, or negotiation a done for you deal.

The done for you deals are a lot easier to do in person than they are long distance. Because you're trying to build a relationship and a rapport doesn't mean it can't be done, okay? How do you go after those type of deals? Well again, you can use Craig's List at the start because it's an easy way to get to owners that you might not be able to get through Airbnb or VRBO.

The reality is most owners get frustrated after a year or two years of managing their own property, so if you know that going in and you know that 83% of all the homeowners out there use no form of automation, it's a good probability once you really understand the business that you might be able to help them and assist them and do promotions for them and start promoting their property. It might be as quickly and as easy as, "Hey, Mrs. Smith, I saw your ad here in Craig's List. How are things going?" She may say, "Well, not as good as I would like." "Well that's why I was calling, because I'd love to promote your house and see you get a lot more bookings. Would you have any problems if I

sent you over some bookings?" How do you think that call might go? "Oh, I'd love it."

"Here's how I work," and now you go over the details. Now you might take over the promotion on her Airbnb and might set up her VRBO account, might set up the booking.com account, and then you might get it all automated and get the systems in place. Before you know it, you just took over a property and you may have never even been there, right?

It's all about getting out and doing something that no one else is doing, and just knowing where to go. Knowing that you can do a little bit of research and find these hidden jewels out there that just because you know how to Google something over someone else, now you can quickly get to a homeowner and talk to them and start building up their business, essentially taking over.

Angela: Great, and so I'm sorry, did you cover the being able to do the program long distance?

Dave: Oh, as far as, well I did because I said you didn't have to even meet with them, but you can't do this business long distance. It does require you to go to the locations several times to get your roots established, to get your team established. Before you settle on a property you need to be there.

If you're going to go there you definitely want to establish a good foundation with a realtor that will help you get a property. That way you may never have to meet with a homeowner. But it's critical if you do that, you get an A-plus realtor that understands what we're doing and understands how he's going to get paid.

Angela: Great. If we can just get everybody that's new to the call to please star six so that we don't have the background noise coming in. Okay, Dave.

Dave: Hello?

Angela: There we go, there we go.

Dave: Hello?

Lynn: Hello?

Speaker 6: Yes, what would you charge on something like that, if you have somebody get their luxury home, get it started or increase their business? What would be the baseline charge of something like that?

Dave: Well, I mean I'm doing it because I want to get paid, okay? I want to be paid anywhere between 15 and 30%. The baseline charge can be any combination. It could be some cash up front and it could be a percent.

I had a client that called me [crosstalk 00:45:25]. He said, "Dave, I'm next door to one of your rentals. I was wondering if you could help me out." I did. I charged \$1,500 up front and I charged 15% of the future booking. I told them I did not want to manage the property, all I wanted to do was show them how to do it and I'd only do it for a period of six months. That's the way we structure the deal. It took me about four hours to do everything, so.

Angela: Great, and so you guys if we could just star six, that would be great.

Dave: Okay, thanks.

Angela: Thank you. I'm not sure if Carol's on the call and Carol, you might want to try and help me clarify your question, here. I've got one last question, but it doesn't really come through as a question. Dave, you might be able to figure it out. [crosstalk 00:46:34] It says costs for an entity creation from your referral is Nevada Corps. recommended with a resident agent setup?

Dave: I would imagine that means that we may have referred you to a company to help you get your corporation set up and they're charging you a fee to get it set up and if you want, they will also be the resident's agent or assign a resident's agent for you that would be compliant. That's what I'm guessing. I have no idea.

Carol: I'm on the call, Dave. This is Carol. Hi.

Dave: Hello.

Carol: This is Carol.

Dave: Hi Carol.

Carol: This is my question. Hi. I'm going to do a workshop on Monday in Scottsdale but I was just trying to get ahead of the game a little bit and get set up business-wise. I was wondering if [inaudible 00:47:47] I haven't heard anybody yet, but I was wondering if that's what the company's, kind of the business model now, to use a Nevada corporation or not.

Dave: You know what? It all depends on your situation. Everybody's in a different situation and you might want to go with a limited liability company, you may want to go with a C-Corp, S-Corp. I have no idea how [crosstalk 00:48:16]-

Lisa Gordon: Excuse me, my name is Lisa Gordon. I have a law firm in Los Angeles. I do not recommend going to Nevada, it's too expensive. Go to Legalzoom.com and then go to a state. You can have any state that you want, but Wyoming is the cheapest state for renewal. [crosstalk 00:48:33]

Dave: Well thank you very much, but we don't [crosstalk 00:48:41].

Lisa Gordon: Wyoming and Florida and Delaware.

Dave: Right.

Lisa Gordon: It costs \$900 in the state of Nevada for renewal. It's a waste of money.
[crosstalk 00:48:57]

Dave: Carol, you know we don't advocate any type of corporation, the way you set it up, that's something just like accountants. We don't want to get in the business of practicing law or practicing your finance on your finances, it's totally up to you.

Carol: Okay, okay. Thank you.

Angela: Dave? I'm just going to star five everybody again so if you could star six yourself.

Dave: Okay.

Angela: Can you hear me, Dave? [crosstalk 00:49:50]

Dave: Hello? Hi Angela, I'm back. Hello?

Fred: Hi Dave, can I ask a question in the meantime?

Dave: Absolutely. Who's this?

Fred: This is Freddy. How are you doing?

Dave: Good, Fred. How are you doing?

Fred: Okay, great. I just the question I had I submitted it, as well. I was wondering in terms of optimization not coming up on rankings pretty well, on properties that I have. They're not luxury properties just yet but was wondering how to go about getting a better ranking, get a better listing. I know that you can get reviews but is there any short-term service that they recommend?

Dave: Here's the thing. Short-term services, the real trick is getting all your ducks in a row with having your seven cue points all clear and concise. The response rate has a lot to do with it. If you become super host or premiere agent, then that has a bunch to do with it, as well.

If you have multiple properties that are consistently being sought after, that has a lot to do with it. There's a ton of variables to get you to where you need to be. When you initially start any one of your properties, they quickly will go ahead and promote you first right out of the gate. It's imperative that when you do

launch your listings, or your first listings, that you get book-ins, you need a quick reprise, and if you do this right, it'll continue on, okay?

If you've had a bunch of properties for a while and you've got some five-star reviews, there's certain things that you probably want to do is get more bookings, number one. How do you get more bookings if you're 80 pages deep, right? There are some tricks to getting there.

If you do come to an event we'll share some of those with you because we try to share some of the stuff at the event, so when people do come they get a lot more than they anticipate. Are you going to be out there? Are you coming to our event this weekend?

Fred: You know I'm not coming to this one but maybe to the next one. There's no service out there that you would recommend that would help a little bit with getting your rankings up?

Dave: No, no particular... I mean you've got SEO services that can help you with that, you've got some other organizations that have services that they can help push up the rankings on Airbnb or on VRBO. Really, it's a combination of all this, and getting back to customers quickly. It's about the number of people who click on your listing and how long they stay there.

It's about your pictures, it's about things that really make people want to stick on your site. The longer people stay on your site, the more they save into their favorites, the quicker your site is going to start ranking on Airbnb and VRBO. Once you get there you don't want to leave, so you want to do that.

I've had people that see how quickly they respond, and we have people taking days to respond. Some respond in hours, some respond in minutes. Like I said, the early bird gets the worm and the more you respond, the things that you do to get people to save your listing, put them as their favorites, are really some big indicators.

You want to set up your Google listings tied together so set up your Google business listing. Make sure it's tied there. Tied to your properties so you link back. You start doing these type of things, you're going to find yourself, your listings will start sticking at the top.

Lincoln: Hey Dave.

Dave: Hey, sir.

Lincoln: My name is Lincoln. I got a question. I got a quick question. I was just [crosstalk 00:55:04] this, right? My thing is I really want to do this but that security deposit, you know, the up-front security deposit. What if there's some

problems, you know, just producing the up-front cash? What's a solution for that?

Dave: Friends, family, doing a done-for-you deal instead of a straight leaf. Done-for-you is an easy way to do it because you never have to come up with any money.

Lincoln: Oh you say like the [coho 00:55:38]?

Dave: Yeah, the Coho model, the done-for-you strategy because that certainly, it's a lot easier to get the ball rolling, and it's easier to [crosstalk 00:55:49] the property.

If I didn't have any money and I didn't have any friends, family that had money they could lend me, that's probably the way I would start.

Lincoln: Okay, okay, okay.

Dave: Okay?

Lincoln: Okay, that sounds good. Thank you.

Dave: Sure, no problem.

Lincoln: All right.

Dave: It looks like we're coming up to the top of the hour, Angela.

Speaker 11: Hi, Dave.

Dave: Hey.

Speaker 11: Hi.

Dave: How are you doing? [crosstalk 00:56:28]

Speaker 11: I'm good, how are you?

Dave: I'm doing good.

Speaker 11: Yes, this is really wonderful, so thank you, and I'm very new to this. I'd like to know if you have some listings already on that you can give us links to so we can check out and get an idea of how to list and things like that?

Dave: Sure, sure. Go ahead and if you'd like that, send an email to angela@luxhomepro and she'll go ahead and send that out to you.

Speaker 11: Okay, thank you.

Dave: Angela@luxhomepro, yes.

John: Hey, [crosstalk 00:57:06] this is John. This is John in El Paso, Texas.

Dave: Hey, John.

John: Can you hear me?

Dave: Yeah.

John: Oh, okay. I looked on VRBO the other day on a particular property and I went out about 12 months into the future and they had different rates into the calendar. You're telling me that those rates really don't mean anything. I'm just wondering how they got generated? I mean I thought maybe they might've been based upon prior experience?

Dave: [crosstalk 00:57:36] Oh no, no, no. Those rates, they do mean something, okay? You do want to go ahead. If you're going to open up your calendar, you've got to set your rates up for as long as you're opening your calendar. If you're opening your calendar up for a year, better make sure you've got your rates set for a year.

I mean when I first started, I didn't realize the magnitude of that but you can lose revenue so fast if you set up... Let's say you set up your site in the summer or during a non-peak time and you set your rates low because you want to go ahead and capture the market, and you manage to keep those rates throughout the rest of the year, you'll find people that will pre-book six months, nine months, 12 months in advance because they see a screaming deal, okay? If they can lock in those deals, they just fill your property. You want to be very, very cognizant of that.

You want to make sure that the way you price your home, so you price your home high in non-peak business, if it's six months, seven months, nine months away, you want to make sure your price is sitting right where you want it to be. You allow a seven-day minimum. You don't allow them to come in and book as a three-day minimum.

What will happen is people will come and start booking your property six months in advance, take Thursday, Friday, and Saturday, and now the rest of your week is wide open and you won't get it booked. If you stretch your calendar out and keep the minimum days at seven for those particular months, then when people book they're booking weeks at a time and it will absolutely increase your revenue by probably 20% over the course of a year by doing that.

John: Okay, but my question is how do these rates generate? I mean [crosstalk 00:59:57].

Dave: You go into your calendar and you can generate those or you can auto-generate those through PriceLabs or you can go through Wheelhouse and you connect them to your calendar. Basically, it will ask you a series of questions. You don't put in a base rate, they'll automatically adjust it.

John: Okay, so I don't have to just start from scratch and [crosstalk 01:00:23].

Dave: What I do is I take Wheelhouse, I add it to my Airbnb listing when I first start a listing, and then I'll go ahead and follow the Wheelhouse instructions for pricing. Also, I will then with in minutes, all of my pricing is preset, okay?

John: Okay.

Dave: I don't have to even keep Wheelhouse on for more than a day or two and I could cancel the service if I wanted to. Otherwise, I'm paying too much for every one of my bookings. Every time they quote, you're paying a percentage on them. I don't believe in that. I believe in paying your fair share, but not once [crosstalk 01:01:05], it's not worth it.

John: The property I looked at, their rates vary anywheres from \$600 on up to \$2,500 around Christmastime.

Dave: Sure.

John: I'm asking myself who generates those rates. You're saying Wheelhouse, after a series of questions they'll go ahead and populate the calendar. Is that right?

Dave: Yeah, based on the way you answer it or sometimes even a homeowner will go and say, "You know what, I want \$2,500 a night for the 24th, 25th, and 26th," or the Phoenix Open is in town, or the Kentucky Derby is going on, or whatever, and I know people are paying \$2,000 a night so I'm going to go ahead and bump my rates up for \$2,000 a night for two or three days or four days the event is in town.

John: It helps a lot.

Dave: You want to make sure you do that.

John: That helps a lot. Thank you. Thank you.

Dave: Sure, no problem. Okay, well I think that's about it. We're at the top of the hour. I want to thank everyone for coming to the call and I look forward to meeting a ton of you next week if you're going to be at the bootcamp. If not, we're going

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to hold our next Q & A call in another 10 days and it'll be the same time, at 3:00 p.m.

Our next event is in Tennessee, I believe 26th, 27th, 28th, and 29th. We have not secure a location, we're doing that this week and we'll announce that on the next Q & A call. Thanks again for joining us on today's call and we'll talk to you soon. Have a great day. [crosstalk 01:03:00] Take care, guys.