

Equity Marketing - Overview

Times are tough.

True.

On the other hand, times have been tough before. What did people do in financially, fractured markets before? How did the smart owners adjust during previous downturns and convert potential disaster to plentiful profits ... or at the very least, how in the world did they survive?

That is the gist of this series of reports, which incidentally, will be periodically expanded. However, first let me suggest that the methods I am about to detail may require a shift in attitude, a new viewpoint, a change from the traditional methods born of the glory days of easy money to methods that require more deliberation, more experience, more planning, more insight.

Let me introduce this shift in perspective by saying that, traditionally and typically, when sellers decided to sell their property they would call their broker, list their property and wait for the broker to do his marketing magic. Sure, there were a few other steps like arriving at a market price, staging the property both physically and financially, etc., but essentially calling the brokerage you relied upon and then letting them ply their trade was about all there was to it. Then, once a buyer was attracted to the broker's marketing and was convinced that a particular property was the best one available for them, then a banker was called and financing was arranged. Done deal.

From the brokerage point of view this might be called "inventory brokerage". A broker accumulates a stable of clients, lists their properties, markets and sells. I am not suggesting that there is anything wrong with this methodology, after all 95% of the nation's sales have always been, and will continue to be, transacted just this way. However, *there is another way* and that way is equity marketing.

The difference between inventory brokerage and equity marketing is in their intention, their direction, their focus. Inventory brokerage is essentially property oriented while equity marketing is people oriented. With equity marketing, rather than the emphasis being placed on the property, the concentration is on the owners. At InSight REI our entire system, our entire activity is people oriented. As we like to say, people before property. The owners, the investors, the exchangers – the people directly involved in a transaction – are InSight's all encompassing concern. The property is merely the vehicle being used so that the principals can achieve their desired goals. It is only natural then, that we are advocates for equity marketing.

So, this is the necessary shift in perception that I spoke of earlier. At first blush it may seem insignificant, but the ramifications for both the principals and brokers are dramatic. The principals have the responsibility to clearly determine just what the benefits are that they are seeking because they need to communicate those benefits to their brokers so that the broker can

understand exactly what they are hired to achieve for their clients. The brokers, in addition to gaining a firm grasp on the owner's property characteristics – financially, physically and legally – must be able to probe, pleasantly of course, for the owner's true motivations and then have the experience, knowledge, desire and insight to arrive at workable solutions. This is entirely new territory for brokers steeped in the traditional real estate methods of inventory brokerage. It's why we like to think of ourselves as real estate investment counselors.

Following this overview are scenarios that highlight some ways in which countless principals have benefited by transactions that have been structured using people centric techniques. Each method resulted in benefits to *all* the involved parties.

Is this *new* real estate? Not really. These techniques are examples of methodologies that have been actively used since the 1920s. It's just that in periods of easy money the impetus to improvise and come up with alternatives is greatly reduced.

While I'm beating the drum for these people centric financing options, let me also mention another people centric principle of InSight REI's. Our clients are overwhelmingly investors, either buyers or sellers ... or both. It only makes sense to us that just as some property is better than others, some locations are better than others. That is why we only concentrate on the better locations, the much better locations ... like the top one or two percent.

We built the InSight system based on the principle of giving our clients the edge – always. If we are contacting you, it's because you own a property in an area that we have determined to be impeccable, from an investment point of view. I won't go into detail here, after all this is supposed to be an overview, but you can find much of our operating data elsewhere on this website. If you can't find it, or don't want to spend the time searching, call or email us (720.581.2222 or Mike@InSightREI.com). We are eager to tell you about just what we do, how we do it and why.