

# O'Donnell THE NEIL LETTER

A monthly publication devoted to providing friends and clients with insight and knowledge of the real estate world based on three core pillars of my business; Philanthropy, Business and Growth.

## 2016 – LESSONS LEARNED – 2017 TMI



By a show of hands, how many people make New Years' resolutions? Come on now, don't be shy! Oh, yeah, I forgot, I can't see you. Anyway, I don't make resolutions. Instead I've switched to asking questions, like how much TMI do I need? (No, it's not Too Much Information, and yes, I will explain it later),

to help figure out how to make my life better and set goals. However, before I jump into that, it is time to reflect on what I've learned from 2016.

I've learned that there is, indeed, only one Niagara. I love this area.

I've learned that the more time I spend with my kids, the better person I become, and the better behaved the kids are, and more fun they seem to have. Work is important as it keeps a roof over our heads, among other benefits, but making time for family must be a priority.

I've learned that most people are inherently generous. They don't always know how to make a difference, but when presented a genuine opportunity, we want to help those around us. Impact is inspiring. Making a difference in your community is awesome.

Intentional living is a game changer.

I've learned that there is never a short cut to achievement. Every "overnight success" that you see has been hustling for years and grinding it out, and we never see that side. Nothing comes easy; it always takes hard work.

I miss my dog. For whatever reason, a dog becomes a

member of the family, and our home just isn't the same without him. Even if he shed a cat size amount of hair a day.

I've learned that time is more valuable than money. You can always get more money.

**Success and Fulfillment are not necessarily the same thing. You need to understand what it takes to make you happy. I know people who many would call successful, but I also know they are not totally happy.**

I've learned I don't much care for being partially handicapped with these herniated discs in my back. I've also learned that no one can change that but me. There is no pill or serum that can make me better, it is up to me to be disciplined enough to do it.

Revamping your business is F\*\*king hard, but baby steps, navigating the learning curve, and no fear of failure will get you through the first year with reasonable success. The best part is, I've learned that no one gets to define what success looks like but you.

Simple is not the same as easy.

I learned that the old saying 'it's better to give than to receive' is absolutely true.

Sometimes in business, (and in life), people will take advantage of your generosity. Give anyway. It will come back to you.

I've learned that becoming the best version of you is a life long journey. I'll be 44 this year - hell, I'm not even half way there yet!!

I've learned that our traditional education system is probably not the best suited for the world we now live in. Our education system really hasn't changed all that much, since it was invented at the end of the industrial revolution. It was designed to produce

factory workers, and in today's world, it is entrepreneurs, inventors and leaders that our society needs, and our school system is not designed to create those types of behaviours.

## ***The right hire will revolutionize your business. And your life. So will the wrong one.***

I've learned that the internet allows you to create your own free MBA if you just want to take the time to research what you want to know, and then commit the time to learning it. There are billionaires and world class experts giving away for free their knowledge and insight to anyone that is willing to listen.

I've learned that in business, being open and showing people your values and beliefs will turn some people away. However, it will also attract like minded people who resonate with those beliefs. The others you didn't need anyway. Congruency matters. True story.

I've learned that there is no greater skill in this life than self awareness. It is also the hardest to acquire. Knowing who you are - what makes you tick, why you think like you do, how you could see the world differently - is rooted in knowing who you are. You were created with a purpose, one that no other could uniquely fulfill. Your personality, talents and skills were intentional, no one else can do what was intended for you to do. This clarity gives you strength to persevere when things get tough.

Humility is the flip side of self awareness. If you can truly figure out who you are, it is easy to become arrogant. Putting others first is how to combat this potential downfall.

I've learned that not only is it possible, but it's quite probable, that the very best years of my life haven't happened yet. I am looking forward to a great 2017 and I wish all the best to you and yours in the New Year.

I would truly love to hear anything you have learned in 2016 and you can send it to me at [Neil@ValueDrivenApproach.ca](mailto:Neil@ValueDrivenApproach.ca)

## **2017 – TMI**

Instead of making resolutions like 'I want to lose weight' or 'I am going to get healthier', I started to ask questions about my life, both personal and professional. I learned this technique from Tim Ferriss who wrote "The 4-hour Work Week". On his podcasts he has gone over these questions a few times, and I won't cover all of them here, but the few that I really like are "What would I do/have/be if I had \$10Million in the bank?" Essentially, what is my real TMI? (Target Monthly Income, see I told you I would explain it ☺) I like this because a lot of us, even if we had a ton of cash, probably wouldn't change all that much.

This is particularly important for business owners, because we often are putting in crazy hours killing ourselves to keep building the business bigger and bigger. Once you know what your ideal lifestyle entails, then you can figure out your TMI, and now you have a target to hit and can plan accordingly. This will allow you to just maybe afford to be happy, and not just 'successful'.

Another question I like to ask myself is "What would this look like if it were easy?" Here is where people normally confuse simple and easy. The goal of almost anything in life should be to make something easy to do/use. Making things simple can sometimes accomplish this, but not always. The standard transmission in your car is a lot simpler in design than an automatic, but which one is easier to use? The old rotary dial phone is simple, but your iphone is a ton more complex and it's a lot easier to use. So, as I look back on 2016 and think about going forward into 2017, I look at those areas where I spend a ton of time and energy, and ask myself "What would this look like if it were simple?". Then I look for ways to do that. Unfortunately, this someone hasn't already invented an easier solution, it is up to you to build it, which can involve a ton of work to build the 'easy' version. However, once it's built, you've just freed up a ton of time and maybe even invented a product you can turn into its own business.

To help keep me focused on the real priorities in my business I like to ask myself "If I could only work 2 hours per week on my business what would I do?" or said another way "If I could only work on 1 thing so that in doing so all the rest is either easier or unnecessary, what would it be?" I know, both questions are crazy, but it forces you to apply the 80/20 rule (basically 80% of your revenue comes from 20% of your business OR 80% of your headaches come from 20% of your business) When you look at your business that way, you can see that perhaps a little less revenue for a lot less grief is worth it.

On a personal note, I like to ask, "Could it be that everything is fine and complete as is?" If I had a Ferrari, would that make me happier than I am now? As a type-A personality, we are often hardwired to keep setting and pursuing goals. As I've gotten older, I have learned that materialistic goals are not going to make me happy. This ties into the TMI question, and it is designed to make you really look at what makes you happy. Hey, the pursuit is sometimes what makes people happy, and in that case, great. Go for it! For others, it's not, you just need to be honest with yourself about what it is for you.

The last question I like to ask is "What is the worst that could happen?" If you are thinking about doing something and it scares you, it really helps to write out what are the absolute worst things that could happen, and then rate the likeliness of that happening on a scale from 1-10. So, if you are thinking about changing

jobs or expanding your business, what is the worst that could happen? Ok, so it could totally fail, you get fired, you lose your house, you get divorced, etc. Now, how likely is that to happen? A 1 or 2 out of 10, and then what are the benefits if it worked out, and how likely is that to happen? Better life for your family, or impacting more people in your community, and shoots an 8 or 9 or maybe even 10 out of 10. Then what happens if you don't take that chance? You stay in same job that you don't like, or your business never grows and you can't impact other people's lives the way you want to. If the worst does happen, (because sometimes it does), what would you have to do to get back to where you are now? Get another job, or close the new expansion or location of your current business. Most risks we fear are not really that big once you dissect them and write them

out. Nothing in life worth having comes without hard work and some risk taking.

With all that said, one of the goals I have this year is I want to help raise \$40,000 dollars for local charities in 2017. Our mission and our goal this year is to help those who help others. Creating an Impact Club in Niagara that can turn small donations into HUGE impact is something that is important to us.

Will we reach our goal? With your help...Hell Yeah! Together we will make an impact in our community that will transform lives and causes.

So, I ask you.....forget resolutions...what are your goals for 2017? Share them with me at [Neil@ValueDrivenApproach.ca](mailto:Neil@ValueDrivenApproach.ca)

*By Neil O'Donnell, author, creator: The Value-Driven Approach To Sell Real Estate: A practical guide to protect yourself from Real Estate Greed & bank an extra \$30,000 by thinking like the great Warren Buffett.*

## BRAVO TV'S MILLION DOLLAR LISTING

*Is A Slap In The Face To The Real Estate Profession.*



**“A brand new Aston Martin for a week’s worth of work. It doesn’t suck to be me!” – Chad Carroll, Million Dollar Listing Miami**

**Ego. Greed. Rude. Disrespectful. Materialistic.**

I don't know why I watch this show, sure, I guess it's entertaining, but it drives me insane to see my profession displayed in this light. And, unlike Dirty Jobs with Mike Rowe, which celebrated some of the hardest working men and women America, for doing the jobs most would never do, Million Dollar Listing paints the profession of real estate agent as a “lifestyle,” and celebrates the “stupidity” and “character flaws” of those in the profession.

On a recent episode of Million Dollar Listing Miami, one of the stars of the show, in the process of bitching about her client, revealed just how little show knows about getting her clients the best result. “We all know the biggest issue, when a home doesn't sell, is price!”

First off, NO, we don't all know that.

In most cases, to blame the seller for unrealistic expectations, in the form of “price,” is only because the agent doesn't know of any other way to sell a home. It is stupid and foolish to focus on price, because price is just a number, beyond that, it doesn't have any meaning. Most agents, including those on Million Dollar Listing—supposedly the best of the best—typically determine

the price of a home by looking at the price of other comparable properties. Meaning, if there are four other “comparable” homes in your neighborhood, they add up the price for each, find the total, then divide by 4 to find the average. This is what's known as a price-driven approach, and heed my warning: It's a terrible way to sell real estate. Because price doesn't determine price, value determines price.

And the sales price displayed in the MLS or on county records can't tell you anything about the value of a home, in relation to price.

If a home sold for \$250K right next to your home, is it really a comparable? Maybe. But if it reeks of cat urine, I would argue it is not. Or what if the homeowner was a heavy cigarette smoker, and always smoked inside. Again, is that property a true comparable? No! – definitely not. The smell of cigarette smoke or cat urine, in my experience, knocks at least \$20,000 right off the top of the purchase price.

So to include this home in a list of comparable homes to yours is either, and you can be the judge, incompetence or negligence.

In my book 'The Warren Buffett Approach To Sell Real Estate: How to protect yourself from Real Estate Greed & bank an extra \$30,000 profit by taking a Value-Driven Approach'—on pages 53 to 58, Chapter 5, I outline the advantages of taking a value-driven approach oppose to the inferior but more common price-driven approach. Why most agents choose the latter, when it's rarely in

the best interest of their client, stymies me. I don't get it. Equally perplexing, though, is why do their clients tolerate it and let them get away with it?

Perhaps they don't know any better, but certainly the agent must, and where is that agent's professional standards, where is their integrity?

The crux of it is this; if you understand how value works, and what creates value, you can manipulate it in a positive manner, to dramatically alter the sales price of a property. This plays on the fact; the human mind is not a rational creature. It is irrational. It desires things based on predictable emotions, for example, exclusivity, whether or not something is rare, creates value. As George H. Ross puts it, Donald Trump's chief negotiator, "It's easy to sell the penthouse, there's only one of them."

And this is just one trigger known to create value, or should I say, perceived value, in the mind of property buyers. There are others too.

But if one doesn't do a comprehensive diagnosis, to know which of those triggers is present in a property, or which can be created, if absent, then whoever your agent is, is setting your profit aflame.

In the medical community there is a saying, "Prescription before diagnosis, is malpractice."

There is another thing that upsets me about this show, Million Dollar Listing, and sadly, it doesn't just happen on the show, it's pandemic throughout the industry. I call it "smoke-and mirrors" negotiating. A lot of agents are professional actors, when it comes time to play "hard-ball." They say they're willing to fight for your extra profit, and they tell you they are, but really, they have just "come to an agreement" with the other agent, to put the deal together. Where, each agent, to fulfill their agreement to each other, becomes an adversary to their client—to either talk them up, if their a buyer, or to talk them down, if they're a seller.

This is something you see repeatedly on Million Dollar Listing, but it happens everywhere else too. And if other agents choose to hate me, because I won't play their little game, so be it. I don't see it as my obligation to make the other side smile. I have a job to do, and I'm paid good-money by my clients to get to the lowest or highest price possible, depending on whether they're buying or selling.

It's not my job to sell a home as "quick as possible", to make a few thousand bucks in a weekend.

And no, I don't begrudge Chad Carroll for selling a \$5 million dollar property in a week, making him enough to purchase a brand new Aston Martin. I begrudge him, because likely he could have gotten his seller more, had he not been so focused on creating his own bottle of wine for the open-house, a total ego play, called "Chad-Teau." Or been so focused on "Getting in, getting out, and getting paid," as fast as possible, regardless of outcome.

I begrudge him, because given the platform to elevate the profession of real estate agent—one I take serious and am

passionate about—his business practices only further deteriorate it. Oh well, I guess.

As long as my clients (and readers of my book) learn to understand the difference between a superior and inferior approach, so they may profit, that is all that truly matters.

I'm thankful to have clients like Dwayne and Nicole, who recently sold their home in Grimsby, and had this to say, "We were a little apprehensive because of the way we and most others perceive Real Estate agents. Neil came into our home, sat down and immediately we were comfortable. It was very informal and we got to know each other. Dwayne said, 'normally I don't really like people but I didn't want to kick this guy out of my house!'

Neil was very helpful with recommendations on how to spruce up our house and was so considerate of our situation with our 3 little ones. We also both read his letters and book and really enjoyed the style of his writings as well as the great information. It was a crazy time but it paid off, our house sold in just over a day and we were all so excited and relieved. Neil got us a great price for our house and the closing date we wanted. Overall it was a great experience and we can't wait to be in our new home!"

The truth is, the real profit is made in the preparation phase of your home sale, before it ever hits the market.

Properly presenting your home as an Asset that a buyer would be willing to pay top dollar for is not easy. I've had some sellers spend up to 6 months getting their house up to my standards, with my guidance, in accord to my checklists, because I knew that is what would be necessary, to hit the sales price that the client had stated.

I don't hide the fact that taking a Value-Driven Approach is more work. It is.

But the rewards are often greater too. Bob and Jennifer Stevens, recent clients of mine, are proof of this fact. In just 2 weeks on the market, after 2 months of intense preparation, we had 4 offers, and the offer we ended up accepting was \$41,000 over asking. Needless to say, these were very happy sellers. And they deserved it, as they worked hard in the preparation phase.

Remember, "A prescription without a diagnosis, is malpractice." Any agent that shows up with a listing presentation, and begins to sell you on his "expertise," is committing real estate malpractice.

It's just a fact. Real expertise is demonstrated, not sold.



For a more in-depth discussion on this topic, go to: [www.FreeBookPayitForward.ca](http://www.FreeBookPayitForward.ca). There you can request a FREE copy of my new book "The Value-Driven Approach To Sell Real Estate: How to protect yourself from Real Estate Greed & bank an extra \$30K in profit by thinking like the great Warren Buffett." Expect delivery in 1-3 business days.