

i. why commercial real estate?

What a loaded question, with such a rewarding answer. Real estate changes lives.

It will change your personal legacy, along with your families, the community you specialize in, and your clients.

For You-

To really be able to answer this question for your clients, potential clients, or general marketplace, you as an agent must first know to your core exactly why this career path is vital for your own success- not just professionally, but personally. Success is not just earnings- it's life fulfillment, daily happiness, and the ability you have to aid others. Many agents get into commercial brokerage with a dreamy vision of a laid back life of leisure, incredible income, and a be your own boss environment. There's a catch though- nothing is really that simple. Sure, baller brokers who work hard on the foundations of their business get there, and are the poster child rockstars we all have the ability to follow- but do you bring to the table the same tenacity, dedication, creativity, and unwillingness to surrender that they do?

They can show up daily in their business as leaders, because their **WHY** is really clear. Beyond crystal- it's their vital backbone to their deal flow, team building, business operations, client interactions, and ultimately the fibers from which they weave their success.

You may know your **WHY**, but if not, before you read another word about commercial real estate, you have to get clear on it. Being a business owner, business builder, and power commercial broker come with difficult days. Without a vital **WHY**- you're done before you even start. It can be as simple as a word, but **-Energy Follows Energy**. How you show up in this process, is going to dictate the result. That being said, even if you think you KNOW your **WHY**... give yourself the gift of digging a little deeper into it. Go get the most clarity from it that you can. Your **WHY**, should inspire you forward every single day, and give you purpose behind your actions. It has you eagerly working daily to better yourself, your business- your very existence. We will talk daily through out the program, specifically this first week, about the energy behind your business, and the critical partnership role it plays.

For Your Clients-

Real Estate changes lives- but commercial real estate, when done right, can change an entire family's lineage. Jon Swire, a UCLA teacher, and incredibly successful investor and agent, opens his semester with a new class with a really simple example.

"I begin each quarter with this simple but powerful question: if you had \$60,000 to invest, what asset class would provide you with the best return over a 30 year period? The obvious (or soon to be obvious) answer is real estate. The reason - all of the benefits a person gets from owning real estate, including depreciation, appreciation, passive income, and leverage" He then walks them through an exercise with the funds placed in three arenas: Real estate, Stock Mutual Funds, and Bonds. He demonstrates for them the power of time and compounding when applied to real estate. Compounding is when you allow your annual returns to be reinvested so that your total, interest-earning principal continues to grow each year. The exercise quickly shows a vast acceleration in the earnings with real estate. Bonds over a 30 year period created just shy of \$200,000 of wealth, stocks an impressive \$523,000, but these numbers are fractions of the success through real estate. That initial investment in real estate swelled to an astounding \$6.6 million in wealth, when you capture all of the benefits real estate provides. **THAT** type of wealth building- is an overwhelming game changer for an investor- not to mention the impact it will have for their lineage.

ii. get real, get ready: mindset & action

You are just starting a career in brokerage, or perhaps you are workshopping an existing career. Part of the Keller Williams library includes a phenomenal read about rolling your sleeves up, tightening up the economics around your business, and finding prosperity- even in a downward shifting commercial market. The awesome news, is these tactics are **EQUALLY** useful at the start of your brokerage career. Get this KW book on your reading list, and put it close to the top.

I want to focus in on your mindset, and this book offers a great read on it, in Tactic #1: Get Real, Get Right- Mindset & Action. The tactic is explained as , “You can’t control the market but you can control your outlook and your response to it. Get real about the market and get right in your action.”

The following is an excerpt from Shift Commercial, Tactic #1:

“The story is more than 2,500 years old, but it still has relevance. In Aesop’s Fable “Hercules and the Wagoner,” a driver hauling a heavy load comes to a muddy place where his wagon wheels sink to the axles in the muck. Seeing this, the wagoner throws down his horse whip and prays to Hercules for help “in this my hour of distress.” Hercules appears, but not to lend his mythic muscle to the task. Instead, he gives the wagoner a 650 BC piece of his mind, “Tut, man, don’t sprawl there! Get up and put your shoulder to the wheel ... Never more pray to me for help until you have done your best to help yourself!” The moral: Help comes to those who help themselves.

Don’t judge the driver too quickly. Unless you’re truly extraordinary, you’ve probably been there too. When the wagoner found himself in a bad circumstance, instead of looking for his own solution, he looked for someone to make the problem go away. He looked outside instead of inside. His reward? A telling off from a mythical Arnold Schwarzenegger type!

We’ve seen it again and again. When markets shift, brokers practically go through the five stages of grief—denial, anger, bargaining, depression, and acceptance—before they can pick themselves up and get after it again. In our experience, the faster you can move through that process and accept your circumstances, the greater your advantage. The longer you sit and worry about the market or complain about what the banks are or are not doing, the more behind you will be in implementing the tactics in this book that can propel you forward. As the proverb goes, “You can’t change the wind; you can, however, adjust your sails.”

In short, nothing happens until you acknowledge where you are. I’m stuck. Change begins when you own the solution. Now, what am I going to do about it! It’s a two-step process of mindset and action. First you get real and then you get right. Don’t confuse owning the solution with going it alone. As Gary constantly reminds us, no one succeeds alone—in fact, you will almost certainly need help. Just remember that help begins with self-help. When you are doing all you can, you may even be surprised at the help that will arrive from unexpected quarters. It’s human nature. It’s a lonely wait for the tow truck for the guy who runs out of gas and calls AAA on his cell. But when a driver is pushing his car down the road, there is clarity and urgency about his need for help, and total strangers will block traffic to lend a hand. “Hey, you steer and I’ll push!”

Once you’ve got your head on straight and you are ready to attack the problem, it becomes imperative that you focus, focus, focus on the basics. Of the many things you could be doing, there are only a vital few you should be doing. We believe the twelve tactics identified in this book are the vital few. Chances are you knew them long before you read them here. But if knowing what to do and doing it were easy, the weight loss industry would go belly-up, right? One of the best ways to bridge knowing and doing is urgency. The stark economic reality of a shift can be an immense source of this. A shift narrows your options; sometimes it only gives you one. And, actually, that may be a gift in disguise; when you only have one option, it’s no longer a question of identifying what to do. You must simply do....”

(continued from Sift Commercial, by Buddy Norman)

The tactics that immediately follow are the most vital and urgent of the few. If you haven't yet done the tough work for remargining your business, that comes next. You can no longer afford to waste a nickel. Hand-in-hand with remargining is the top-grading of people and systems. Both cost you money, either because you've invested poorly in your business or because you're losing revenue to inefficiency or lack of commitment. You can't afford to accept anything less than excellence when you're trying to do more with less. Then, you personally will drive the business by spending the majority of your time and energy on lead generation and lead conversion—what you should have been doing all along! Often forgotten, sometimes abandoned, and rarely respected, the basics are never outdated. Ultimately, getting real and getting right requires you to make a commitment to personal and professional growth. "Opposition is a natural part of life," writes Stephen R. Covey. "Just as we develop our physical muscles through overcoming opposition—such as lifting weights—we develop our character muscles by overcoming challenges and adversity." This may be the most challenging time in your business life, and what you do now will say volumes about who you are and who you are willing to become."

This honest advice of how agents should approach difficult markets (which are a part of any brokerage career) is beyond sage- it's foundational. What I mean by that, is that if you start your business with the right approach, the proper mindset, and the same resilience and tenacity you are going to need in those tough markets- tough markets wont be nearly as difficult for you.

A piece of Mindset honesty: You are not entering the job of being a commercial real estate agent. **You are becoming a business owner, and entrepreneur, of your brand- that happens to function through commercial real estate.** What's the big difference? **You have to RUN your business, like a business. It will care for you, the same way you care for it.**

iii. the critical components of mindset

"Your attitude will determine your future..."

Mindset can be a tricky thing- specifically in sales, where you may daily engage with rejection. Developing and maintaining a strong, positive mindset about yourself and your business will be a critical step to your survival in a difficult industry, and reaching every ounce of success you are capable of- with the right mindset, there is no limit to the success and experience you can have in most industries- but specifically in commercial real estate. There is so much negativity around us at times, that it can be easy to tune in to that mode of thinking. Here are a few of my top check-in's, when my mindset starts to waiver. I'll run through this list, and ask "which one applies to my negativity, right now?"

Get out of focusing on the problem, and get brilliant at finding SOLUTIONS

To change negative attitude, take a 180 degree spin and start focusing your thoughts on solutions. The longer you think about the problem, the longer it will be before you discover solutions. We only think one thought at a time, so it's important for your success that you make a choice, and make it a positive one. Rather than dwelling on the problem of not enough leads, or a negotiation running off the rails, focus on the solution of which networking event you will attend next week- or where you can aid your client to see the best path forward.

Change your thought station

There's a **WEALTH** of negative messaging in the world, and what rocks- **there is ALSO a wealth of positive messaging.** Changing the station of information you surround yourself with is a game changer. If your thoughts are negative, one of the keys to controlling your mind is to read a positive quote, affirmation or book, or talk to positive people to reset your path. Many, but not all, sales people are right brained: creative, colorful, talkative and enjoy being with people. If visual aids are more appealing- use visual aids. Personally, I keep a vision board in my office at ALL times. That board helps me focus in on my **WHY**, when the speakers around me try to dig in with a negative message

Don't Sit in One Place for Too Long

You can stay in a comfortable, perhaps even successful place, for too long. While it may be comfortable, you are likely not learning new skills or instead, repeating the same mistakes. Even when things are going fine, this could mean you are 'stuck' in a rut. The other option, if your business is feeling boring with no new adventures and challenges- you may be playing small, and are ready to **LEVEL UP!** An easy way to start this movement, is to start embracing new skills and then move forward (AKA *upwards*) in your life. When you learn one skill, integrate that skill into your daily life, you remain at that point for as long as you choose. You either get stuck again, or progress forward, as you learn another new skill. By learning the next skill needed for your success, you master another challenge and move onwards and upwards in your life again. With each challenge you overcome, you achieve success and gain momentum in your quest to be who you want to be – the master of your life! Overcome the fear of your rut by trying something new, or in a different way.

Blueprint Your Dreams, and Get Them!

If you are achieving your level of personal success, are happy with your present net income, business structure, partner, lifestyle or financial situation, you have no urge to lift yourself to your next level of triumphs. Don't allow the goals and desires you have be passing thoughts. Write them out, give them detail, give them color, and make daily purposeful steps toward them. It's amazing the vitality we show up with daily, when we see our actions taking steps toward our wildest dreams and aspirations. Get it everywhere you look daily- Your office, your car, your closet door- make it routine that you read it! By making your goals accessible to your daily thoughts, positive energy you will start to flow toward them. When you embrace that energy, not only will your business flourish, and your joy in your business will as well.

Always Grow- Love Your Edges

When we are growing, and building things, we will as a consequence need to grow personally and professionally. With that growth may come some discomfort, funk, even frustration and anger. Growth is change- the sooner you acknowledge your created change and treat it with the higher truth that you are going somewhere new, the sooner you will have access to the new knowledge you need. If growth is happening, try to treat yourself with love and compassion, rather than negative emotions. Feeling anger or a critical inner voice creep up? **That's OK-** as these emotions are there to guide us to what we need to know next. Throughout this program, we will acknowledge these moments together, making sure that we really take a moment to utilize them in our growth, rather than shove them down. Repressing them never serves you, and never really works. When doubt, or your inner critic kicks up with negative messaging- acknowledge what it is trying to tell you, and remind it what you are working toward.

It's all or Nothing- All Parts In Agreement

You have to take care of yourself! If you are in a negative space, and can't pinpoint the issue, turn inward. How does your body feel? Are you getting good rest, exercise, and a healthy diet/lifestyle? How about mentally? Is your mind in a positive place, or is there something blocking your path to positively engaging in your business? The third place to check in is your spirit. Are you happy? If the answer is not very quickly yes, check in to see what can get you there.

Do More- Talk less about what you are going to do

Do Not Play Small- It serves nobody. Don't play below your potential. You are destined-AND DESERVING- to live a great life!

When we are determined to succeed, we generally do. If you want something for yourself, or business, start creating it. Write it down, give it tangibility, and start incorporating it into your actions. The longer you allow your vision to sit on the sidelines for "the right time," the longer you delay yourself from having it. Talk less about what you are going to do, and get serious about doing it. Again, positive action is very closely connected to positive energy, and the marriage of these two will get you to a positive result.

iv. principles of an entrepreneur

"I have not failed. I've just found 10,000 ways that won't work."

— Thomas Edison

It will be said more than once in this program, you are not just an agent- you are entering this path as an entrepreneur. Even if you are on a team that has someone else as the lead agent, your best efforts working with clients (and ideally closing with them) will come from you getting right with the idea that you are working with a brand, that takes dedication and commitment to have success through. The same principles applied to a solo agent are critical to a team- if not more so in some ways. If you don't personally "buy in" to the brand you are working through- or personally building, nobody else will either. To be bought in, you have to fully commit to being the builder of it's success... that sounds like entrepreneurship to me.

Real entrepreneurs, not just the people who say they want the freedom of working for themselves, connect back to their business through six key ways, pictured below. Become a master of these actions- make them your daily practice in how you navigate your to do, should do, and must do lists. Fold it into your client communications, your team building, and your forward business planning.



Find the chart above, and more great tools, by Jack Canfield, at:
<http://www.thesuccessprinciplesbook.com/>

Jack creates GREAT content to keep your mindset in the inspirational space of an entrepreneur.

v. what is commercial real estate?

Product Types

There are several product types in commercial real estate, many times one or two key product types are selected by an agent for their product specialization. It is critical for an agent to specialize, specifically early on, as the many moving parts of investment real estate alter between product types. Before you can become an expert at everything, focus in on being the master of your chosen product type.

Major Product Types

While each product type has subsets of specializations, commercial real estate is comprised of several major product types.

Multi-Family- Residential buildings with 5 or more units, with 2-4 unit buildings being referred to as duplex, triplex, and quadraplex.

Affordable Housing- Getting deeper into the multifamily realm, with a specific focus on the transaction of affordable housing projects & communities.

Student Housing- Deeper specialization of residential housing offered to students in various forms.

Office-Office buildings, typically located in commercially zoned areas.

Retail-Strip center or stand alone buildings, generating income from businesses with a point of sale.

NNN- Often called Triple Net and meaning that a property is net, net, net. This can be any type of property with a commercial lease in place where the tenant is responsible for all expenses, including real estate taxes, maintenance, and insurance. The only expense an investor is responsible for is typically debt service on any loans obtained by the landlord.

Single Tenant NNN- Will many times be a freestanding building with a single tenant, under a NNN lease. Examples of this may be fast food, or drive through locations- many times with a national brand as the tenant.

Industrial- Industrial land and buildings are either utilized or suited for industrial activities. These properties could be used for production, manufacturing, assembly, warehousing, research, light storage, distribution and some related Office requirements of tangible goods rather than service-related users.

Hospitality- The hospitality field of commercial real estate consists of a wide range of product types including hotels, travel centers, water parks, amusement facilities, golf courses, cruise ships and restaurants.

Land- Is many times vacant, though not always, land that can be sold in various states for the purpose of land banking, development, agricultural use, etc.

Self Storage- Properties that are utilized as storage rental spaces.

Income Earning Arenas in Commercial Real Estate

- Sales-** Listing and selling properties between private parties, investment groups, and on the highest levels with institutional level organizations.
- Leasing-** Representing the space in properties to be leased, aiding in the negotiation of lease rate and terms.
- Management-** Aiding clients in all aspects of the management process of properties, including rent collection and maintenance, tenant communications, meeting local housing laws, supervising staff, and monthly organizing, collecting, and reporting monetary records.
- Syndication-** Aiding investors to pool their financial and intellectual resources to invest in properties and projects much bigger than they could afford or manage on their own.
- Financing-** The brokerage and sourcing of equity to aid clients in the acquisition, or refinancing of commercial properties.
- Investing-** The smartest commercial brokers become investors in the industry as quickly as possible.

When beginning your career in commercial brokerage, the key to your most rapid path to success will be through specialization. Specialize in a service, specialize in a product, and specialize in a community. Get really good at being the broker with ownership in the community you serve, and that community will continue to serve you back.

This Week's Focus:

This first week, it is time to roll up your sleeves and get into the details of what your business is going to be. That answer comes from three main arenas:

