



NARPM™
BROKER/OWNER
Conference & Expo

March 28-30
 Hyatt Regency
 Hill Country
 San Antonio, TX

Monetizing Your New Door Acquisition: Turning Business Development into a Profit Center

REAL PROPERTY MANAGEMENT
 RICHMOND METRO
 a neighborhood company

1



Ralph Reahard

- Broker / Owner 2 RPM Offices
- 2014 – RPM Richmond Metro
- 2021 – RPM Summit
- 1,200 – Units Under Management
- 315 – Units Owned
- 50 + Investor Partners
- 9 Different Employee Partnerships

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We Spend and Spend to Get New Doors

- Software – CRM's such as Leadsimple
- Sales Training Courses
- Pay Per Click
- BDM's
- Referral Fees to Other Agents
- Direct Mail
- Acquisitions – Buying accounts from others

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Traditional Marketing and BD Activity

2021 Business Development + 246 Doors

- 158 Doors from Existing Clients
- 88 Doors from Bus. Dev. Activities
- \$105,000 Spent on Marketing
- \$426 Per New Door - Customer Acquisition Cost
- 3 Years * Annual Profit Per Door
- ROI on Business Development activity = X

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**Seriously though-
How can you
get paid to
bring on new
doors?**

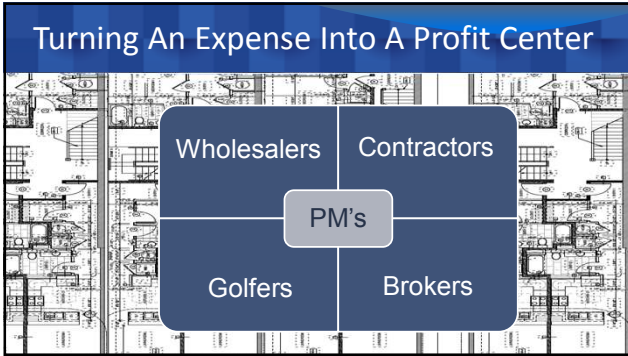


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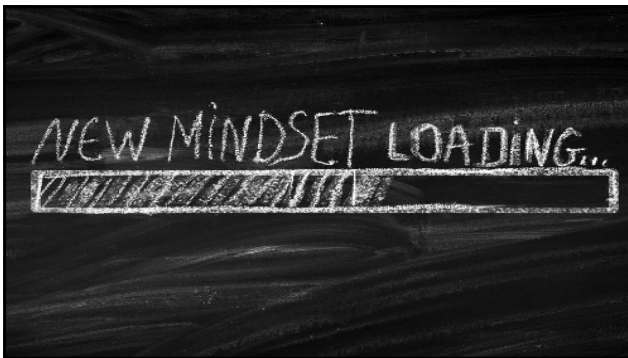
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“This _____ is Such a Pain in the Butt,
I’ll Pay You to Take These Doors From Me!!!”

6



7



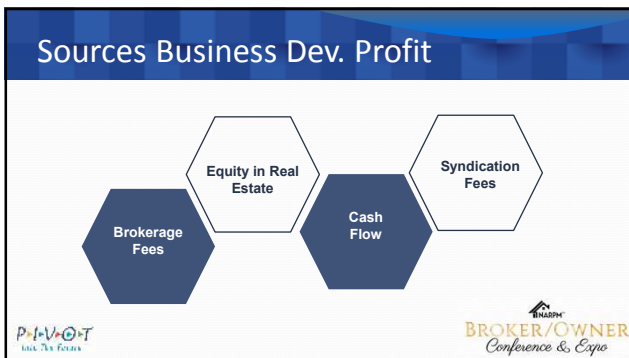
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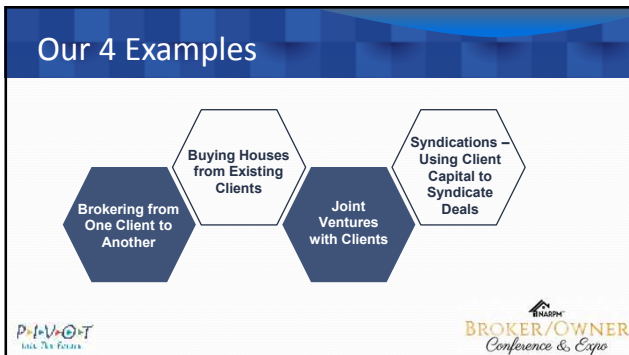
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10



11



12

1: Sell A Property To Existing Client

- Duplex in Richmond VA
- 4 bd Units / 2 ba Primarily Student Rental
- \$4,800 / Month – 5 Years of Management

Management Agreement and Leases Convey
Co-broker with Staff Member
Retained Door = New Door



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Market To Your Best Customers

Clients who own \$1mm +

- Average SFH in Richmond = \$300k
- 4-5 SFR or 1 Multi Family Building
- Incentivize owners to bring other doors under management
- Shows other clients you have buyers
- You can bring off market deals
- Create Value / Educational Opportunities



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2: Buy SFR From Client

Retaining a Door is Cheaper Than Finding a New One


- Have a client Looking To Sell?
- Why not Buy It?
 - Pay 80% of Appraised Value
- Win-Win.
 - Use BRRR Strategy and Line of Credit
- Refi to Permanent Debt



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BRRRR - Existing Clients House



1815 Convair Lane	3br / 1 ba - 1100 Sq Ft.
Purchase:	\$161,000
Renovation:	\$32,000
All In:	\$193,000
ARV Appraisal:	\$230,000
85% LTV:	\$195,500
Equity:	=\$34,500

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3: Joint Venture

- Purchase a SFH with Client
 - \$225,000
- Brokerage Fee
 - \$6,750
- Win. Win. Win. Win. Win.
 - "Quintuple Win."



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Client / Broker JV - "The Quintuple Win"

Brokerage Fee

Management Fee

Appreciation

Cash Flow

Debt Curtailment

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Simple 60/40 Client JV + \$67k On An SFR

- Brokerage: \$6,700**
 - Not Counting Brokerage at Sale
- Management: \$15,000**
 - Higher Lifetime Value (5 years)
- Appreciation: \$100k**
 - My 40% Share = \$40k
- Cash Flow: \$4,800**
 - \$200 / Month * 40 * 60 Months
- Debt Curtailment: \$5,000**
 - Cash-out Refi in 2021, Investor Paid back Principal + Interest



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4: Enter New Market Via Acquisition

- Cold Call Offices** • Virtual Assistant: \$2,000
- Negotiate Purchase** • \$1,000 / Account * 100 Doors = \$100,000
- Finance Acquisition** • 5% Over 2 Years: \$5,000
- Accounting /Closing /Legal** • \$3,000 All In



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Open New Office

- Total Costs: \$110,000**
 - Cost Per Account: \$1,100
- Customer Lifetime Value:**
 - 3.5 Years = \$500 Profit / Year
 - \$1,750
- Churn: 20% in Year 1**
 - 80 Doors for \$110,000
 - \$1,375 Cost Per Door



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Syndication Expansion Strategy

Pool Capital

Buy Properties

Control the Assets
- Don't Fire Yourself

Earn Fees!

- 1-2% Acquisition Fee
- Buy-Side Brokerage Fee
- Get equity
- Add value to your clients and partners









22

Syndication Case Study


88 Units | \$6.3mm
Seller self managed with one agent.

- Capital Raise \$2mm
- Preferred Return 8%
- IRR – Upper Teens
- Apartments were rented at 15-20% below market
- Bad debt north of \$100k



23




Acquisition Profit / Unit:

Brokerage:	Acquisition Fee:
\$110,250 – Buy Side	\$63,000
Debt Placement Fee:	Total Cash to Sponsors / Broker:
\$46,720	\$219,970
Total Doors Added:	Estimated Customer Acquisition Profit (CAP):
88	\$2,499

24

Cost Center Into Profit Center

- Buying Accounts - \$1,375 Cash Outlay Per Door
 - Buying Properties - \$2,499 Cash INFLUX Per Door
- Buying 88 Accounts - \$121,000 Cash Outlay
 - Buying Properties - \$219,912 Cash INFLUX
- Zero Churn for 7 Years vs. 20% Churn Annually
 - Consolidated Owner Relationship = Higher Profits



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Syndicate Deals - "The Quintuple Win"

Brokerage Fee

Management Fee

Appreciation

Cash Flow


Debt Curtailment

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Growth Roadmap



Broker Deals With Clients

Buy Properties From Clients

Buy Properties With Clients

Raise Capital From Clients

Expand Exponentially Without Being Capital Constrained

Retain More Business - Be Your Best Customer

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27
