

Martin Welc: Hi, there. Welcome back to another podcast at Saddleback College for part of the Real Estate Education Center. With us, we have the co-director, Brock Schermerhorn...

Brock Schermerhorn.: Hello.

Martin W.: ... myself, Martin Welc, and a returning a speaker with topics to share is Mr. David Rosenthal. David Rosenthal is the owner of Rosenthal Real Estate Advocates. Rosenthal is well-known for developing what he calls his Real Estate Advocacy Model. Proven by case studies and industry praise, Rosenthal uses both science and storytelling to very quickly create value and higher selling prices of the properties they sell. Rosenthal sells commercial properties and high-end homes for his clients throughout California and across the United States. Thank you for joining us again, David. The title of this podcast is How to Quickly Earn Your Client's Trust. David, is that even possible? You were saying that at times it would be almost instantaneous. How so, David?

David Rosenthal: Thank you, Martin. Thank you for having me. I appreciate it. Thank you for that wonderful introduction. Allow me to explain. I believe the real estate industry and others, one thing that we're lacking is advocacy for our clients. Let's take a step back. How do we quickly earn our client's trust? Let's look at the word advocacy. When I use the word advocacy, what comes to your mind?

Martin W.: Someone fighting for your rights, for a cause?

David R.: Exactly. That's the point. One thing about advocacy is it's not about us. It becomes about someone else. When we're thinking and working for someone else, that comes across in a very caring way. It's often perceived as such very, very quickly. The interesting thing about it is when we do care, people sense that, and what happens? Trust can build very quickly. Beyond that, once we have the trust, guess what else? Communication increases between parties, cooperation, collaboration, so things can get done a lot quicker. In fact, most of our deals are done very quick.

David R.: I'm going to give you an example. Two weeks ago, a few weeks ago, a national bank called me up and said, "David, we've got a property in Michigan. It's a 265,000-square-foot building. It's been vacant. It's been sitting there for two years. All we're getting is these low-ball offers. Can you please go out there and tell us what's going on?" I said, "Okay." Before I left, I called up what I call the usual suspects. I called up the city, the city manager, spoke with the city manager, two economic development agencies. I had three people from the state come out as well because it required some remediation, and I think I had a contractor. We get to the site on January 28th. It's 28 degrees, 9:00 in the morning, and they said, "David, why are we all here?"

David R.: I let them know who sent me. "I'm a representative of the bank of the owner," I said. "But more importantly, I'm here because this is a community issue." They

said, "Well..." and kind of looked at me. I said, "Yeah, this has been vacant for two years, and my job is to figure out why. Part of that, I want to talk to you guys. What are the physical conditions of this building? What about the neighborhood? Then two, what could it be? Because if we can do all that, we could probably find an end user."

Martin W.: There you go.

David R.: "If we find out a new purpose." It was interesting talking about this advocacy and caring and building trust. The city manager chimed in almost instantly. He said, "David, you know we can do? We could change the zoning. We could do mixed use or whatever. We're willing to do what we can do to get this thing up and running for the community to create revenues, tax revenue." He said, "That road in the back, we can have that even paved." Then the state chimed in to say, "David, there are some remediation issues here, environmental issues, but you know what? We have what's called a TIF, tax increment financing, that could help cover these costs." I said, "Wow, that's interesting. That's awesome." Then the economic development agencies, for whatever part they said, "David, we would love to work with everyone and you, and we'd come up with new ideas and what the community needs and what would be best here and to attract those people." What was interesting and what that demonstrated was, in a very, very short time, an hour and 15 minutes was the whole meeting...

Martin W.: How about that.

David R.: ... I earned their trust. Why? Because it wasn't about me. I made it about them, and it was legitimate. It was a real concern. It was part their concern. One of the reasons why they were so excited to help, because it's their job too, so we're in line with them in achieving their goals, maximize tax revenue, increase the community living standards, amenities, et cetera. It's interesting. Soon after that, I got a call from the owner. He said, "Okay, David. Well, what did you find? Why is this property sitting here?" I said, "It's interesting. More than ever, there's no one advocating for this property. There's no champion. There's no one doing anything. As a result, nothing's getting done. You're getting low-ball offers. I spent an hour and 15 minutes and won their trust. I know I could work with them. They want to work with us."

Martin W.: Yeah. Nice. Good points. Very good points insofar as a building that trust and the factors that would come in. Were there any railroad tracks nearby?

David R.: There was a railroad track once upon a time, but no more.

Martin W.: Could it be redeveloped or have that capability of having rail capability to the property?

David R.: It's a possibility.

Martin W.: Okay.

David R.: The other thing is, now, this is commercial. Most of your students are probably more interested or geared towards residential.

Martin W.: That's true. We have a growing a chorus of students that want to go commercial, have family that are in commercial, that have family... unlike ever before in 30 years.

David R.: Wow.

Martin W.: We've had more students saying, "What does it take to get into development? What does it take to get into anything with commercial?"

David R.: Wow. Well, that's awesome because this information is equally valid for residential or commercial.

Martin W.: Sure it is, transferable skill.

David R.: Sure. But to bring it down to more of a... I'll give an example of a house. We had a client in the City of Orange. One of my agents, they called them, and they wanted this house sold. When you go read a listing, of course you want to have rapport. You want to build trust as soon as possible. We go in there, and they show us the property. It was nice and everything. We sat down, and I said, "Well, tell me about this house. You've been here now for 25 years. You have three kids. You must have a lot of memories here. There must be a lot of things special." What that allowed them to do is not only tell me about the benefits of this house, but to share their stories.

Martin W.: Sure.

David R.: Right?

Martin W.: Community.

David R.: Yeah.

Martin W.: Yeah.

David R.: They share that, but you learn so much. In a very brief amount of time, I learned a few things that made all the difference in the world. One, it secured the listing, but it helped sell the house very quickly as well. One of the things they said, "Well, David, the way the house is situated in the summer, you leave the door open and the backdoor, you have a beautiful breeze."

Martin W.: Nice.

David R.: I said, "That's nice."

Martin W.: Yeah.

David R.: They said, "David, this house, the roads around here are flat, and there's a big triangle here of a street. The kids could learn how to ride their bikes on a flat surface."

Martin W.: Okay.

David R.: They said, "Also, for some reason, this area and this community has a really strong community."

Martin W.: Nice.

David R.: The interesting thing about it is people could often live somewhere their whole life and sense and know something but not know the reason why.

Martin W.: Right, right.

David R.: But they were saying it very compelling. I said, "Wow." More-so than other communities, that this had a very strong, close-knit community. I decided to do a little investigation. I looked at a map of from an overhead, from a Google Earth, and I realized this whole area... There was a triangle street of a hundred and something houses, but there's only two ways in and out, and they're right next to each other.

Martin W.: Nice.

David R.: You never got through traffic. You'll never have Zillow redirecting through that. What happened is it allowed it and the triangle street created a little racetrack for the kids on the bicycle. You had hardly any traffic. That whole enclave of being somewhat isolated created its own special, unique community that was really enriching. People all spoke of that. The interesting thing is they didn't know that was the reason. What we did was, to gain the trust quickly of the people that were looking at it, we wrote a story about it.

Martin W.: Nice.

David R.: We said, "This is why you should buy this house, and this is what makes it so special." It's about community. It's about the kids riding their bikes. It's about that breeze, things that people crave deep down, universal, being neighborly, but are often overlooked. The interesting thing about that, and I have... the sellers wrote a letter, we put that story out there. Within a week, we had over 3,500 views on Zillow.

Martin W.: Wow.

David R.: Most houses on a week, maybe you got a couple hundred. We had 150 saves. That property, based on that information, people read the story. It resonated. We had multiple offers. We obviously connected in a very fast, caring, trusting manner with them. It sold for way above, and it sold above asking price. It sold way above appraised value.

Martin W.: Wow. [inaudible 00:10:36] good point.

David R.: Yeah. The reason, to the point, were the other agent realized, "It's not going to appraise, but thank goodness they're putting so much down they don't have to get it appraised." But we touched something really deep. We're going to talk next podcast about the story. Just to reiterate, it's really advocate. When we're advocating, it's not about us, it's about them. It shows by what we say, how we act that we care. That could be conveyed almost literally instantly as true examples. Once they know we care, they trust us. Once they trust us, now we're no longer at odds or thinking, "Well, I don't know if I can trust this guy. Maybe I'm not going to let it all out." Now we've become collaborators, and business gets done. Then such a human story, people crave that, and it just shows the amount from the Zillow views. It's interesting. It's awesome.

Martin W.: Well, it's interesting too, with the only two points of ingress and egress, that makes it a very safe community because as a potential robber, you don't want to get in a bottle in terms of... You want a way out of that area and a way in very quickly. That's a great selling point. Let's see. What else were you talking about with the advocacy? And how true it is that many times clients will be reluctant to reveal like, "I didn't want to tell my agent that because I'm afraid he or she might use that against me or accept a low-ball offer if I really share my story, 'Why do we have to sell? What are our particular needs?'" That's a very good point, and it's very true in the marketplace.

David R.: Yeah. No, absolutely. But once you get that, it's amazing, especially when you're working with a larger group of people. Once you have buy-in...

Martin W.: Yes. It's powerful.

David R.: ... it's amazing how fast things can happen. Literally, I've had projects where we sold overnight because what happens... Let's look back at the case in Michigan. What can happen if I was continuing to work on that? That story that they help create becomes their own story, and they share that with everyone they come across. Most of my properties like that, I don't sell. It's somebody on my team, so to speak, from the city or from the community because they're so excited.

Martin W.: Yeah.

David R.: You know?

Martin W.: Okay. Great.

David R.: Yeah.

Martin W.: All right. Anything else on that note? That's a good one. In agent, we trust. Yes. Okay. All righty. Well, thank you. Thank you very much, David, and we're going to have, as you heard, a follow-up podcast coming up on the storytelling aspect. That concludes it for this. Anything else please, David?

David R.: Yes. If people have any questions, any of your students or anyone else...

Martin W.: Yeah. Thank you. Thank you. Yes.

David R.: ... feel free to call me. It's David Rosenthal. The company's Rosenthal Real Estate Advocates. My telephone number is (949) 943-2926, (949) 943-2926, or they could text me at that number as well, or they could email me at David at Rosenthal, R-O-S-E-N-T-H-A-L-R-E-A dot com.

Martin W.: Thank you for making yourself available and sharing that with prospective students that might want to follow up on some of the topics that we've talked about. Okay. We're signing off. Thank you.

David R.: You're welcome. Thank you.