

How to Do a Bus Tour



Gary Wilson



AS SEEN ON



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Bus tours are generally not something you do right out of the gate. A bus tour is something you do after you have built a following. If you're already serving a few hundred people or your database includes a few hundred people, then you might want to consider offering a bus tour.

For me, personally, I didn't lead a bus tour until I had already been presenting workshops for a year. My agency averaged 200 people per month and that's when we started doing bus tours, though not every single month—more like once per one quarter, or even just twice a year. It also depends on the climate—both economic and the weather. It's something you create as a special event.

Set a goal

The first thing you want to do is to set a goal for yourself of what you want to accomplish with a bus tour. In other words, do you want to have a bus tour with 12 people looking at properties—maybe you get six deals out of it—or do you want to do a bus tour with 36 people where you actually rent a charter bus and get perhaps 12 or 18 deals? You have to determine what your goals are.

Now, I'm pretty conservative. I always say, "Start small, learn small, then grow big." I'm not saying don't set a small goal, but rather, like Og Mandino says, Aim for the stars and maybe you'll hit the moon, because it's better than aiming for the moon and only hitting a rock.

When it comes to the practical application of this technique, don't go spending a bunch of money renting charter buses in the beginning. Maybe everybody carpools. It saves money and still qualifies as a bus tour.

The bottom line is to determine your goals. Do you want this to be an annual thing, a monthly thing or quarterly thing? Do you want an average of four transactions per bus tour? Do you want to go big? Whatever it is, write it down.

Who will you serve?

There are different bus tours for different purposes. You might do one just for flippers and another for people buying rentals. Now, on both types of tours, you will likely attract wholesalers. Wholesalers will wholesale anything once they figure out how to do it and make money, but for your purposes I would separate the two groups.

Yes, there are investors who want to participate in a bus tour as well. They want to buy flips and they want to buy rentals, but really it's two different strategies and two different methodologies, so we learn to actually separate the two tours. One tour will be just for flips, one tour just for rentals—which by the way doubles your frequency of these events.

Also, you want to determine if there's a particular group of people you want to cater to. Maybe you're a former engineer. If so, I would start with the engineers. Or maybe you're a former nurse ideally suited to attract nurses into your business. We've had people do this for photographers

and runners and all kinds of careers. You can niche it down to only catering to a specific group of people by vocation and/or hobby.

Letting people know

Now, in order to do this, I'm going to assume you are already leading a monthly workshop. You don't have to be doing a workshop to do the bus tour, but I will tell you this: the two work well together and I think you should be doing a monthly workshop for investors. Here's why. Two months in advance of your bus tour, announce that you're having a bus tour coming up. That's the latest you want to announce it. Maybe you should do three workshops in advance, but basically you're letting people know so they can start making plans.

Thirty days in advance, you want to secure transportation. I would suggest you don't spend money on getting big vans and buses and things like that. Have everybody carpool at first. At your monthly meeting, you can say, "Can I have any carpool volunteers?" and people will raise their hands and volunteer.

The morning of the tour, you all meet at a certain location. Make it strategic, somewhere around the properties you're going to tour. Meet there at 8:30, always a half-hour in advance of when you want to get on the road, and everybody meets and gets their carpools together. Carpooling keeps the cost down. Of course, you should be a driver, too, and you should have a helper attend as well.

During the workshop the month prior, you want to discuss the logistics of the bus tour. Let people know what to expect. You also want to start identifying the types of properties you'll show. Get specific. You should be doing the letter campaign to drum up properties to look at. Don't just look at properties on the MLS or LoopNet or CoStar. You want to identify properties under the radar and approaching owners of these properties directly and getting that property under contract to sell. You can let these owners know that one of the things you're planning is a bus tour, not on every property, but the ones that make sense. Let the owners know a bus tour is going to work. They're going to sell the property, and all the showing is going to be done in one day. That's a huge benefit to the seller, and chances are pretty good they're going to get that home sold. In any case, you want to identify properties a month in advance.

Now, you should do the actual bus tour on a Saturday after the next monthly meeting. I know there are people who do them on Sundays or Fridays, but I'll tell you that Saturday is the most likely scenario for people to show up. Just schedule it for a Saturday.

Other professionals on the bus

Lender

Next, you want to have some people with you on your team. One of those people should be a lender, and could be there on the bus with you. As you're writing offers, the lender is going to be able to step in and start getting paperwork done on their end, too. The lender you choose should definitely be one you already know is investor-friendly. You should have a relationship with them, and already have clients doing business with them.

Ideally, a month prior to the bus tour, you should have the lender qualify those who want to participate. Here's where you start separating the wheat from the chaff. The only people you want on your bus tour are the ones who qualify. You don't want tire kickers or people who can't pull the trigger. You want people who are qualified, pre-approved, and have proof of funds and are ready to rock and roll, so let the lender take care of that. If someone doesn't qualify, you can politely tell them, "There's only so many seats on the bus. We really need to reserve those for people who are qualified, but you can get on another bus tour once we've got you qualified." So make sure you have a lender on board.

Assistant

Another person you want on your team is an assistant, because you're going to be going through properties pretty fast and your clients will have a lot of questions. "Hey, Gary, come look at this!" Just have somebody with you to help out, preferably another agent or someone knowledgeable who can talk to people about flipping or rentals. Remember, this person doesn't have to be a licensee, but they can't conduct brokerage business if they're not—so this is one of the things you've got to make a judgment call on. You want somebody with you who will split commissions and carry half the load, but you also want an assistant who's not going to split the commissions—but then you'll have to pay them for their time.

Contractor

You may want to consider having a contractor on your tour. Notice I didn't say "inspector." I just said "contractor," and here's why. I love inspectors, but they're going to want to go through the properties with a fine-tooth comb and there's no way they can do that in the 20 allotted minutes. That would need more like two hours per property. A contractor, however, can go through at a high level, because it's going to be pretty obvious if the property needs a new kitchen. That contractor can do a quick measurement and say, "This is a 12' by 12', so here is what it would take, based on my experience, to redo this kitchen: flooring, cabinetry, appliances, lighting, countertops, and the sink base and faucet." An inspector, on the other hand, would want to check out all the plumbing underneath and it would take forever. A contractor is the more valuable asset for your tour.

Along with the lender, the contractor will get business out of this. It literally is win-win, and the customers who need or want to sell or buy properties are likely to use their services.

Promotions

In the beginning, I would suggest you only promote the tour to your existing contacts—those on Facebook, LinkedIn, Twitter, Instagram, YouTube, and of course your database. You can use email to market to these folks. You can also issue a press release for \$50–80.

Here are some examples of ways to share your event. Let's say you're doing your monthly workshop and your database has 300 people in it, yet only 30 people attend your monthly workshop. That's okay. You can still market to the other 270 by email, so at least a month out, you should start sending them information.

Provide Testimonials

Google “bus tours” and find examples of testimonials other people have provided after being on bus tours where they actually bought properties. Of course the realtor earned commissions and the lender got a deal out of it, too, and maybe the contractor as well. You want to provide as much testimonial material as you possibly can when you begin marketing your event. That’s the number one thing you want to provide—testimonials, from people who’ve already been on your bus tours before or other bus tours.

Provide Case Studies

The next thing you want to provide is case studies. You can provide them for flips before a flipping tour, or rentals in the case of a rental tour. You can provide a case study showing a property’s purchase price, the remodeling that was done, and what it sold for. Case studies are a big thing to help promote your tour.

Provide Property Analyses

Also, talk about the properties that you will look at, and do an analysis on them. Let them know you’ll have contractors there, and a lender who can preapprove them in advance for free. Talk about all the benefits they’re going to get, plus all the legwork that’s done in advance. You’re selecting properties, you’re narrowing the field based on analysis, and then they’re only looking at the best of the best properties, which leads to the next most critical thing.

Always do financial analysis first to the degree that you can on the properties selected to view. Now, you might be thinking, “Well, how do I know what all the numbers are if I haven’t seen the property?” You’re going to look at the property, but you’re only going to physically look at properties that already on paper have the highest probability of working out as an investment.

Remember, your time is more efficiently spent doing desktop analysis. You don’t have to drive anywhere. You don’t have to look at anything. The most expensive use of your time is out in the field, driving around, looking at properties. If you’re on a property, you’re taking notes, you’re taking pictures, you’re recording things, and it takes time to do that. You don’t want to spend time out on the road if not necessary. You only want to spend time on the best properties that are predetermined to make the most sense for investing. That’s one of the most critical things you could ever learn with this.

One student asks: “Are the sellers our personal clients or someone else’s? Are we just focusing on the category of buyers.” Yes. In a bus tour, the primary function is to bring your buyers around to look at an assortment of properties that you already know have the highest probability of making sense for an investment. Now, having said that, if you have the time and energy, you definitely want to get your own listings, and not just rely on properties that are listed on LoopNet, CoStar and MLS. Use the letter campaign to go out there and find properties owned by people who need or want to sell. I would suggest you list them.

You can also do pocket listings, but I’m not a big fan right now because if people typecast you as the out-of-pocket guy, chances are, when it comes time for them to sell a property later on, they won’t use you. They’ll want a real estate agent who’s going to get their property out there on listing services to get the most traffic.

Timeline

Always announce your bus tour at your workshop, assuming you're doing a workshop. If not, send emails to your database. Again, give testimonials. The first wave of marketing is always testimonials. The second wave is case studies, or you can interchange those two. You can also double up and do two postings per week, but in the beginning, focus on one per week just to get started.

The third week, share the benefits—why they should do this. Remind folks they will get everything done in one day. They can participate in property selection. The lender is going to be there. The contractor is going to be there. They can also meet other investors with whom they can do joint ventures, so that's another big benefit.

Let's say you've done your email marketing and maybe some Facebook and LinkedIn posts—same post, just different media. About a week in advance, you want to nail down commitments. Get those RSVPs a week in advance, and then a few days ahead of time, email them again, reconfirming and reminding them. Two days before, send them a text or some kind of message through LinkedIn or Facebook.

One day before, if there is someone you have not received confirmation from during the last two days, call them and say, “Look, we've got this thing coming up. You reserved a seat. I'm expecting you'll be there. If you're no longer able to attend, I need to know right away because there are other people who want to be on that bus.” You want to confirm. You want to increase your show rate by confirming participation.

If you're a newer agent and you don't think you have a large enough following to make a good bus tour, but you really want to do one, you should definitely be using the booklet technique first, then the workshop technique and then the bus tour. When you do the bus tour, it's best if people already know you from your monthly workshop, or from booklets they have received from you. You want to already have established yourself with them to the degree they “know you, like you, and trust you.” You need that level of trust for them to be able to pull the trigger and work with you.

So... if you're a newer agent, hold off on the bus tour. Instead focus on the booklet first and build up your database, then do the workshop. If you don't want to do the workshop, you can move right in to the bus tour. Just know that your bus tour, simply based on a non-workshop marketing program, will generally not get as much interest as will those of agents who are doing a workshop.

Let's assume you've followed the instructions, did your booklet technique for three months, did a workshop for two months, then now you're ready for the bus tour. That's how you have a successful bus tour.

Financials

Where do we get the financials? You want to obtain the financials from the property owner if you're going under the radar with properties using the letter campaign. If you're locating properties on LoopNet, CoStar, or MLS, in those cases, go to their agent. You don't want to go directly to the seller. If it is not your listing, you should not contact the seller directly. You

should contact the listing agent and let them know you're going to be viewing the property and you need the financials.

In some cases, listing agents do include the financials on the listing. I used to do that myself. I hated when I saw listings of investment properties where the listing agent didn't provide any data. There was nothing to go by and I would not call them.

What's interesting is most agents will say, "Well, I don't put the financials on there because then people have to call me." Well, guess what? That may be true for some people, but a lot of those are folks you probably don't want calling you, because they're not qualified. They're not ready. They don't have the ability or timing or motivation in most cases. If I look on listing services, I only look for listings that show financials already there. If it looks appealing to me, I'll call and get historical data with me making an offer, too.

Your clients are not going to come look at a property without having some kind of data. They're not going to waste their time. We need data first, and good agents will know this. If you look at my old listings, they had everything I could squeeze on that listing: the rents, summary of expenses, etc. The detailed expenses would be provided once you start making an offer or what's called a "letter of intent."

Getting ready for the event

In preparation for the bus tour, make copies of all the worksheets. Visit our course website and click on the "Members Area." Select the Silver Level, which brings up the Members Area. Log in, and click on "My Dashboard." Scroll down the left-hand side and go to "Forms and Calculators." In there, you'll see "Cash Flow Analysis." You can also select "Property Inspection Report," and "Property Rehab Analysis." The "Rental Profit Calculator" is an Excel spreadsheet. You can do the link to the online calculator, but download the forms.

Edit those forms to put your name and phone number and email address at a minimum. You might want to list your physical office address, but at a minimum include your name, phone number, and email address. You're branding these forms, which I'm gifting to you to brand and give to your clients. You're going to hand these out at the beginning of the bus tour.

Make sure you remind participants to bring a clipboard that they can write on, pens and pencils, a calculator and a spreadsheet, and a flashlight—because sometimes you're going into a property, down in the basement, and it might be dark in the corner where the furnace is located.

I also like to have them bring a pair of binoculars so we can look up at the roofs. I'm not climbing any ladders. Also, nowadays our phones do a lot of work for us. These things can do everything that computers could do 10 years ago. I used to tell people to bring a video camera with them. They could walk through the property, recording everything they see and also talking about what they see, and then later they can fill out the information forms. The best investors always did. Brilliant. Nowadays you just use your phone.

Make sure your participants are prepared with those basic, raw materials.

Now, for the properties you're going to tour, have the listing sheets (if they're listed), or if they're out-of-pocket deals, you want to have the basic financials already down. Create that

yourself for your investors on any properties that are not listed. You've got to give them some information forms. Give them a picture of the property, the address and the basic rundown on the property. Make sure these folks are prepared ahead of time.

The day of the event

At 8:00 A.M., send participants a text message. Tell them, "8:00 in the morning reminder. Weather's good. We're meeting at 8:30. Be on time. Do not be late."

Everybody's going to show up and meet at 8:30 at either the first property or your office or somewhere that makes sense to start commuting to the properties. In the beginning, you want to get everybody assembled. This is going to be like herding cats. Everybody is going to be talking to each other, hovering around the cars. You've got to get them in the cars fast and get going to the first property.

Now, before you do that, huddle them together. "Hey, guys! We're going to get started here. Please come gather around for instructions." You've got to belt it out there. You'll probably have a dozen people on your first one, so your own voice should do the job, but with more people, consider a foghorn.

Gather them around and give just five minutes of instructions. "Here's what we're going to do, and here's how we're going to do it." Hand out your forms. Make sure they all have a driver and everybody's assigned to a car, then let them know their first property.

You should already know who the drivers are because you're going to give them the itinerary—the driving route—in advance. You do it the week prior at your monthly meeting or just in an email the day before, so every driver knows the sequence of stops in the right order.

Every driver should have a co-pilot, somebody actually fielding questions or whatever, keeping you on track, because it can be busy. People ask lots of questions or get distracted and it's easy to get separated in traffic, so have a co-pilot. Somebody could volunteer the morning of the event.

You always want to make sure you arrive at the first property no later than 9 A.M. You're probably going to be looking at a dozen properties. You want to go until 3:00, literally just nonstop. I know you're thinking, "What about lunch?" I'm not suggesting you don't stop for lunch, but be prepared if you do, because you'll need to corral the group, get them back together again and not lose anybody, because some people will say, "Well, hey, I've got an hour. I'm going to go to Walmart and get my toothpaste and soap." If you have a lunch break like that, it's going to happen.

If you decide to have a lunch break, let people know ahead of time that you've preselected the restaurant, and everybody will pay Dutch. Get a roped-off area where your group will sit. Just remember, if you plan a lunch, you've got another layer of pain to deal with.

Instead I used to tell people, "Bring a brown-bag lunch—an apple, banana, sandwich. Eat en route, because we're going to keep rolling." I said, "This is serious business. We're rocking and rolling. Eat on the fly." I didn't have to worry about lunch breaks and all the extra layer of coordination.

You want to wrap up at 3:00 P.M. because you want to have time for everybody to work with the lender to start writing offers before going home for dinner. That gives you 2–3 hours to get all your offers written, get people lined up and basically get the ball rolling.

The offers

Now, by the end of the day, chances are that half or more participants have already selected the properties they want. This is one of the greatest advantages of having a bus tour. Subconsciously, it's called "engagement." They're engaging with you and the properties. They're comparing properties side-by-side, apples to apples. They're determining which ones they want. They're saying, "I'm going to. I want this one." This is one of the biggest reasons why bus tours work, because at the end of the day they see 11 other people there, looking to make offers, and the early bird gets the gold. The people who take action get results, so it's a perfect environment for you to allow and empower people to take action and write offers on these properties.

Every person there should be writing an offer. That's the goal. You may have a situation where you have more than one offer on a property. That's going to happen. Get used to it. It happens in the real world anyway, so you might as well get used to it. But you can't let them see each other's offers. That's obviously unethical. What you do is present them at the same time. That way nobody gets favoritism. The seller gets to respond or accept which offer they want, or simply counteroffer. Then you're in what's called a "highest best offer" scenario.

I'm just giving you examples of things that are going to happen. In most cases, if you take out 12 people to look at 12 properties, you will probably have six deals. We got to the point of doing the big charter bus with 36 people. We segmented the flipping group one month and the rental group the next month. We never did two in the same day because there were only so many of us to go around.

We held them every quarter because in most cases, within 90 days, whatever properties the investors had bought the first time were now up in service. They'd been refinanced, or remodeled and sold, so investors had pulled their money back out and were ready for the next round. Quarterly was a good approach.

Now, you want to make sure the offers are written in their entirety and complete. Buyers should have already been pre-approved for financing, and they need to have proof of funds if they're using cash to any degree, like a down payment, for example.

When you go home after the event, you submit those offers. At a minimum, you should have all your offers written and submitted by the next day, which is Sunday, but I like to do it all on Saturday. If you finish up at 3:00 you have time for wrap-up conversations since people will have questions. You can spend the next 2–3 hours helping them finalize their offers. You can do that back at the office, at the last property, or right there on the hood of your car or the tailgate of your truck.

The point is this. Do not leave the scene until you've spoken to every single person there and you've got offers, if not already completely written, then definitely started for every single person. You'll have a rare occasion where somebody says, "I just didn't see anything I like." Quite frankly, if 11 other people made offers and one person didn't, that one is a tire kicker and isn't serious about investing yet.

A word about attorneys

You might be asking, “Whose real estate lawyers would you use for a seller and buyer?” If there’s a lender involved, they will have already selected an attorney. They have one who works for the bank. If you’re a realtor, chances are the office you work from is going to have an attorney or a settlement company they’re aligned with. However, in most states and provinces, legally speaking, the buyer has the right to choose a title company or settlement company. Very rarely have I seen it be the seller’s responsibility or the seller’s right.

Just know this. If you or your buyer are using a lender, even if you use your own attorney or your own settlement company, the lender is going to say, “We’re still going to charge you because our guy needs to look at this deal... so you might as well just use our guy.”