

# THE FIVE KEY CHARACTERISTICS OF A TALENTED DEAL SOURCER

By **Arsh Ellahi**

**Hi Arsh**

**I have been toying with the idea of getting into property sourcing and I can see that you are very active within this arena. What would you consider the skill set required to be a successful property sourcer? Is there anything you could suggest?**

**MR HOBBS, CANTERBURY**

There's no hiding the fact that property makes money. When done well, it can make you a lot of money. So I often come across keen young people desperate to break into the world of property asking, "What do I need to do to be good at property?"

The following list comprises the five key characteristics I think a good deal sourcer needs in order to be at the top of their game.

## LISTEN

In the words of the Dalai Lama: **"When you talk, you are only repeating what you know; but when you listen, you learn something new."**

This is my golden rule for being a good property sourcer. If you can listen, and listen well, you're halfway there. Having worked with a huge number of people over the years, the ones who have done well are the ones who can listen to a property owner and pick out the important bits of information to come up with a win/win.

Two of the most important things to look out for are ...

### Pain and motivation

A good deal sourcer will try to get to the root of the problem. For example:

All vendors would like to sell their property, but what is the underlying reason for them to sell? Among other things, they might be be:

- **Upsizing**
- **Downsizing**
- **Facing repossession**
- **Going through a marital breakup**



I am a firm believer that for many vendors, price is not the main motivator. I also believe property investors are far too fixated by price, and sometimes scared by the figure that some owners want to achieve. The price is in fact just a figure; it is not a true reflection of the property or the reason they would like to sell. Consequently, some investors jump straight into negotiating the lowest possible without really understanding the vendor's circumstances.

Sellers will often sell to people they like, and more importantly, people who have taken the time to build rapport and listen to their problems.

## RESTRICTING YOUR BELIEFS

You are only restricted by the things you give power to. If Albert Einstein believed his dyslexia was beyond help, would we know as much as we do about the world of physics? If the Beatles took the rejections they were served up as gospel, would we have ever enjoyed their iconic music?

The same applies to you and property. When you start out, whilst you are still learning your craft you will hear a shedload of NO's. Also, people will tell you that you cannot do it

and that it isn't the traditional way to do property. The key to success is to block out the naysayers and proceed with a belief that you can succeed.

Even to this day, a lot of people tell me that some of the projects I take on will never make money, including solicitors, valuers and in some cases my business partner. This might distract a less experienced investor, leading them to walk away from a good opportunity. A true property entrepreneur, however, will pursue their vision with the project if they truly believe they can make it work.

Over the years, I have purchased many weird and wonderful properties that near enough everyone around me told me to walk away from. I refused to listen ... and they turned out to be some of the most profitable deals we have ever done.

## FIND SOLUTIONS

If someone were to ask me what my day involved, I would have to say it is about finding solutions. Ultimately, the work I do is about coming across problems, perhaps a property where the owner is in negative equity, or which has a structural defect. It is up to me to find the best solution.

## Example

I recently received a phone call from a distressed vendor whose family had owned a property for over 20 years. It was an abandoned mill but it was also listed. The property was dilapidated and ripe for development, but all the developers who looked at the site over the years struggled to make any sense of it. As a result, the vendor was resigned to the fact that no one wanted it.

It was brought to my attention by one of my students, who saw it as an unsold lot in the previous auction and thought it was impossible to make it work.

I saw the solution the moment I saw it. The mill came with a parcel of land alongside, so I asked my architect to create a plot, replicating the mill with a drive-through between the two buildings.

I negotiated an assisted sale with the vendor, on the basis that she



allowed me control of the site for a maximum of four months. In return she would achieve the £100,000 asking price along with a percentage of the uplift, to create a win-win scenario.

The architect created an indicative drawing. The property was put into the next auction and sold prior to going into the room. I received and accepted an offer of £135,000, which meant I made £35,000 from seeing the potential in someone's unwanted asset.

The best deal sourcers / traders are the ones that could quite easily double up as an FBI investigator with the set of skills they possess. You know the type – they don't leave a stone unturned and dig out every scrap of information. It is this trait that makes property work for you.

## PERSISTENCE

No-one ever became successful by giving up. To achieve your goals, you must be persistent and take rejections on the chin. Over the last 18 years in property, many have doubted my ability to make a project work but that only spurred me on to show them that it could be done.

To be a talented deal sourcer, you have to persist with the deal. You have to look at what isn't going your way and see how you can make it work. You have to have that hunger and passion to get what you want. The difference between an average deal sourcer and a great one is that one of them will pursue every opportunity and be relentless in their approach.

Undoubtedly, there will be good bad, bad days and extremely s\*\*t days. But it is the people who consistently dust themselves off, look in the mirror and tell themselves that today will be better than yesterday, who succeed. I see so many taking rejection personally, then starting to question themselves and thinking that the naysayers might be right.

You can only win if you are taking action. A bystander will always be just that – a bystander, watching others succeed from the sidelines.

Have you ever heard the saying ...

**97% of the people who quit too soon are employed by the 3% that never gave up**

In truth, I have thought about giving up thousands of times, questioning whether I'm still able to succeed or whether I've already hit my peak. But ...

Tomorrow Is Another Day!

## BE ADAPTABLE



**Whenever you feel bad, just remember that Coca-Cola only sold 25 bottles the first year. Never give up!**

What does being adaptable mean in property? It's about being flexible in your approach to your daily business; it is when you can think, learn and develop continuously.

The need for being adaptable has never been greater than it is now. The new regulations have forced long-standing property professionals to reassess and evaluate how they do things, and adapt to the changes.

I have said for many years that the most successful investors are the ones who adapt and react to market conditions. Over my time in property, I have seen the rise and fall of lots of strategies, such as BTL, HMOs, serviced accommodation, commercial to residential conversions, R2R, lease options, adverse possession, auction-based strategies ... not to mention Bitcoin!

External influences (the government) have forced us to look at alternative methods of maximising cash flow from our properties after the introduction of new legislation and regulations.

As a deal sourcer, the ability to adapt is almost like do or die. If you are only looking for one style of property, or buying

properties 25%+ BMV, your pool of suitable properties will narrow and your deals will dry up very quickly.

I like to know that I have a number of tools in my box to solve a property problem. I consider angles like whether I could buy it BMV, keep it and rent it out to create cash flow, develop it for a profit, and so on. At the same time, I'm looking for comparables within the vicinity to help guide the decision.

Only then do I come up with a solution to offer the vendor. But to find that solution, I have to adapt my thinking to the property and its local marketplace.

**Being a one trick pony is not an option in a crowded property space. Only the strong-willed and creative-minded will survive.**

If you have a question you would like me to answer in next month's article, please email [arsh@arshellahi.com](mailto:arsh@arshellahi.com) and I'll aim to answer as many as I can over the following months.

## CONTACT

As always, you can connect with me on my social feeds by finding me on:

Mailing List [www.arshellahi.com/deals](http://www.arshellahi.com/deals)

Facebook Profile [www.facebook.com/arsh.ellahi.1](http://www.facebook.com/arsh.ellahi.1)

Facebook Page [www.facebook.com/ArshEllahi123/](http://www.facebook.com/ArshEllahi123/)

Instagram [www.instagram.com/arshellahi/](http://www.instagram.com/arshellahi/)

Youtube [www.youtube.com/c/ArshEllahi](http://www.youtube.com/c/ArshEllahi)

LinkedIn [www.linkedin.com/in/arshellahi/](http://www.linkedin.com/in/arshellahi/)

Twitter [twitter.com/arshellahi](http://twitter.com/arshellahi)

Finally, to get access to all my updates and whereabouts, please sign up to my weekly newsletter at [www.arshellahi.com](http://www.arshellahi.com)

Arsh Ellahi is the author of **"Boom, Bust and Back Again: A Property Investor's Survival Guide"**

