

Audio MARKETING SECRETS



How To Make Astonishing Monthly Income
For Very Little Work Buying And Selling
Beat-up Trailer Homes

by Michael Senoff

Dear Student,

I'm Michael Senoff, founder and CEO of HardToFindSeminars.com.

For the last five years, I've interviewed the world's best business and marketing minds.

And along the way, I've created a successful home-based publishing business all from my two-car garage.

When my first child was born, he was very sick, and it was then that I knew I had to have a business that I could operate from home.

Now, my challenge is to build the world's largest free resource for online, downloadable audio business interviews.

I knew that I needed a site that contained strategies, solutions, and inside information to help you operate more efficiently

I've learned a lot in the last five years, and today I'm going to show you the skills that you need to survive.

It is my mission, to assist those that are very busy with their careers

And to really make my site different from every other audio content site on the web, I have decided to give you access to this information in a downloadable format.

Now, let's get going.

Michael Senoff

Michael Senoff

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How To Make Astonishing Monthly Income For Very Little Work Buying And Selling Beat-up Trailer Homes.

This conversation is wild!. Allan Milner has discovered a secret way to make huge money buying and selling low-end trailer homes. This niche market is virtually untapped. Learn to print money at will with the residual income you make after you buy and resell (in 7 days) your first low end trailer home in your town. Don't confuse this with the complicated time consuming field of real estate. Buying real estate is totally different and 100 times easier. The market is huge. There are thousands of deals right in your town. There are a unique combination of circumstances that make this system embarrassingly simple and devastatingly profitable. If you don't get a tingling sensation deep in your gut after hearing this information, I'll be shocked. Get ready to listen how Allen road over to the worst trailer park in town in his old beat up pickup truck and paid \$1200 cash on his first trailer and resold it the same day for \$1200 down and \$100 per month for 39 months. This interview is packed full step-by-step instructions on exactly how to do the same in your area. The conversation starts off a bit slow but heats up two to three minutes in-to the talk. It runs about 55 minutes. Sit back relax and take some notes.

Michael: Hi, Allan. I was running a little late. It was my son's first day at school so we had the first day at school ceremony. I was telling my wife it's the first day of many years of school! Do you have grown kids?

Allan: No kids.

Michael: Are you married?

Allan: No wife!

Michael: No wife, no kids.

Allan: Just a broken heart.

Michael: Were you ever married?

Allan: No.

Michael: Well, you know what? There are some advantages to that believe it or not.

Allan: I'm going to get married soon I'm sure.

Michael: How old are you?

Allan: I'm forty-one.

Michael: You've got plenty of time.

Allan: No, it's time. I'm tired of just chasing it.

Michael: It's probably pretty rough, huh?

Allan: Well, you're not stable enough; you need a wife, a partner.

Michael: Believe it or not I found mine by putting an ad in the paper.

Allan: That's what I'm going to do.

Michael: There are some incredible Internet services for meeting women. Some of my single friends are dating all the time; my sister is a pro at it. She hasn't met anyone yet.

Allan: I'm getting into that now.

Michael: I am recording so you know that, so let's just shoot the shit and see what you've got going. You bought some Bill Meyers stuff from me, didn't you?

Allan: Yes.

Michael: How do you like that?

Allan: I haven't watched it yet.

Michael: He's great.

Allan: I know; that's why I bought it. I've been after him.

- Michael: Tell me, Allan, when we were talking, I asked you what you had been doing, and you told me that you were doing something with mobile homes.
- Allan: What I do for a number of reasons, it's kind of like paper trading in the stock market. This is like paper trading real estate. It's not really real estate, but it's so little money that it's equivalent to paper trading. You buy an old beat up, bottom tier mobile home.
- Michael: Now when we say mobile home, we don't want anyone listening to get confused with a motor home, like a Winnebago. A mobile home is a trailer. Are they usually in a trailer park?
- Allan: Yes, all of mine always are.
- Michael: Are there mobile homes that aren't in any kind of parks?
- Allan: Yes but you have to buy the land.
- Michael: So in a trailer park, the park owner owns the land and the person in the mobile home may own the home but he pays a rental to the owner of the land.
- Allan: Right and the owner of the land then pays the water, sewer, and taxes and makes a profit.
- Michael: Does the person who owns the home on the land also pay part of that water and sewer?
- Allan: Not usually, although some do. Most don't because there is no way to individually meter the trailers. Some trailer parks have gone to taking the number of lots there and dividing the water bills because it gets out of hand when people don't have to conserve by paying themselves.
- Michael: Before we get into what you do with these things, how many of them are there around the country?
- Allan: There are thousands, maybe millions of them.
- Michael: Most people, when they hear trailer parks, think of tornadoes always hitting those things. Why is that?
- Allan: I think it's because of the low-lying areas they're in. The old joke around here in Virginia, although we're not in West Virginia, I want

to make that clear, is how are a tornado and a divorce in West Virginia similar? Somebody is going to lose a trailer.

Michael: So it's more because they're in low-lying areas.

Allan: I think so.

Michael: There are hundreds of thousands of these things all over the country.

Allan: Clearly, and you're going to find a lot of trailer parks and trailers in areas that are typically lower income.

Michael: What would you say are the demographics of the people who live in the trailers?

Allan: They're on the bottom of the totem pole when it comes to income.

Michael: Because they're able to rent some sort of a home. What do you do with these things? How do you make money with them?

Allan: What I've done is, because they're so inexpensive and because these people have no credit and generally not a lot of money, you go in and buy a mobile home. The first one I bought was \$1,200, and I sold it two days later for \$1,200 down and \$100 a month for 39 months.

Michael: How long ago was the first one?

Allan: It was about three years ago.

Michael: How did you get into this?

Allan: I had read and sent for and paid for and went to seminars and made just about every investment, especially in real estate, courses that there were, from \$29 to \$199 dollar to \$7,500.

Michael: You were a seminar junky; you were just looking for something to work.

Allan: I was reading some quotes, I love quotes, and I'll never forget this one, I don't even know who said it, but it said, "To know and not to do is not to know." That kind of pissed me off, so I woke up one morning kind of hung over and in a bad mood and dissatisfied with everything in general and I knew where the worst trailer park in

4

town was here in Richmond, Virginia is on Government Road. I rode over there in my old pickup truck and lo and behold, there was a “for sale” sign in one of the trailers. I stopped and the guy came out and I said, “Hey I noticed your “for sale” sign; he said, “\$1,200 – not a penny less”. So I immediately bought it.

Michael: What did it look like? Was it a dump?

Allan: No, I didn’t have to do anything to it, although I painted the kitchen.

Michael: Did you go in and look at it before you bought it?

Allan: Just barely!

Michael: You knew that for that price, you could do something with it.

Allan: I said, “I’m going to take \$1,200 and if I throw it out the window, it won’t hurt.”

Michael: Was it complicated to buy it?

Allan: No, it’s personal property; it’s not even real estate. It’s not on a permanent foundation. None of them in the trailer park are on a permanent foundation. It’s just a title, like a car, its personal property. He had the title through DMV and I had the \$1,200; he signed it over to me and I handed him the cash and he left.

Michael: So it’s no harder to buy a trailer than it is a car.

Allan: It’s probably easier.

Michael: You gave him the money; he gave you the trailer, then what? Did you have to check to see if he was up on his rent and stuff?

Allan: I didn’t, but I should have. I did ask him, but I didn’t check with the park owner.

Michael: How much was he paying per month for the lot on the trailer?

Allan: The lot rent on that trailer park is one of the highest unfortunately, and that was \$215 a month. I subsequently found one cheaper but I had no confidence and didn’t really know what I was doing.

Michael: Okay, so he gave you the money, you said, “See you later,” and you now own a trailer; then what?

- Allan: Then I found the park manager who was especially hard to deal with because she lived at the trailer park and had an attitude because she had a little power. Anyway, I paid the lot rent for the month and I started painting and this woman came by, and I got \$1,200 down and \$100 a month for 39 months. While I was fixing that one up, the guy across the street said, "I want to sell this trailer."
- Michael: When you were fixing it up, a woman came by interested in buying it and you sold it to her for \$1,200 down and \$100 a month. That \$100 a month was all net after whatever paint you put on it. When you did that, did you have to structure a rental agreement?
- Allan: I structured a promissory note, a sales agreement and I've refined those since then so they are really tight and really strong. At the initial stage, people will sign anything. But don't try to go back even an hour later with anything because then they'll question everything. At the beginning, it's the honeymoon and they'll sign anything.
- Michael: They signed it, then how did you feel after that first deal?
- Allan: I felt sky high. I said, "Man this is unbelievable. I can't even calculate my rate of return hardly because I didn't have \$1,200 in it but for a day."
- Michael: You said the manager was giving you a hard time. What did you need from her after you bought it? Why was she giving you a hard time?
- Allan: She wasn't giving me a hard time; she was just playing the role of big shot with me, and I did everything she asked for because I didn't know any differently. She wasn't asking for anything unreasonable, she was just unpleasant and I had no cards to play.
- Michael: So you being the new owner of that, you're going to have to deal with management, whoever lives in these places? Do they have to register you as the new owner?
- Allan: Yes and you have to sign a lot lease.
- Michael: Did you sign the lot lease after you did the deal, after you owned it?
- Allan: I had already signed the lot lease before I resold it.

Michael: But you did that after you bought it.

Allan: Yes.

Michael: Okay, so you don't have to deal with management before you buy one. You can buy one from anyone then you deal with management.

Allan: It depends; I have a trailer park now and I set it up so I have to approve all the sales. It's really a good idea to talk to management and they can tell you a lot of stuff about the trailer and the people in it and the situation with the people you're trying to buy from.

Michael: Okay, we'll get into that, but you bought and sold your first one, you were sky high, then what?

Allan: Then the guy across the street said "I want to sell my trailer," well I was out of money! He wanted \$1,000 and his was more of a fix-up, so I said, "Would you take \$500 now and \$500 in 45 days?" He said, "Yes," and I said to myself "Where am I going to find \$500?" I scrambled and put it together and then I made my first mistake. I decided to try to fix the trailer up so it would be in A-1 condition so I could resell it. That was a big mistake.

Michael: Why?

Allan: Because if you sell them as-is, if you want \$1,500 you say, "It's \$2,000 but if you'll do the repairs, it's \$1,500." That way, because if you make the repairs, they may never be satisfied with them and if they leave without making all the payments, you're going to get a trailer back, if you made the repairs, probably in worse repair than when you gave it to them. If you do it the other way where they make the repairs and you give them a discount by inflating the price originally, you might get the trailer back in better condition but they'll never complain about the repairs because they're responsible for them.

Michael: That's right, so they'll do the repairs. That's smart. That's rule number one, never do the repairs, always buy as-is, right?

Allan: Yes, with some notable exceptions; the plumbing and the electrical I found that if I try to sell a trailer to some people with plumbing and electrical not operable or not in good repair, they never can seem to

make it happen. They don't have the contacts or they can't get it done.

Michael: You're going to have to do that.

Allan: Then they try to live in there and they have no water and they have no electricity, and if it goes too far and the trailer gets condemned then you have to have an engineer okay the trailer. They haven't invented an engineer yet that's going to okay an old trailer for occupancy.

Michael: You never want to let it get to that point.

Allan: You have to have it so the utilities work, but as far as holes in the walls, broken windows, needing paint and needing carpet, forget it.

Michael: You got \$500 together, you fixed it up, and then how long did it take you to sell it?

Allan: That afternoon a guy came through, and the guy that I bought it from wanted to back out because we had the deal on paper but I hadn't given him the \$500. I sold it to a guy for \$1,500 down and gave the guy \$1,000 real quickly. Then I had to go to work making repairs and I didn't know what I was doing. I can't make repairs myself, so I had to hire someone. I felt like I had to know everything about the trailer. I needed to see how the joists looked, how the plywood looked, what type of plywood it was and what kind of cabinets were there. The less you know about it, the better. Just take your time.

Michael: The bottom line is someone needs a roof over their heads. Are most of these people in pretty desperate situations?

Allan: Not all of them, but these first two were, and I didn't know any better. Then I went across town, this is in the east part of town, then I went to the south side and got a trailer. If you ride through a trailer park looking for trailers for sale, you probably won't see many. You have to get out and talk to the tenants and say "Hey, who is thinking about moving?" You act like maybe you're going to move in. Address that low key and become one with the trailer park! If you go in there with any other attitude, like you're going to be buying trailers and renting them out, they resent that because they are the have-not's. I got a trailer in there and then it dawned on me "I'm not making enough per month."

Michael: You bought your third one?

Allan: I bought my third one.

Michael: How much?

Allan: A thousand dollars.

Michael: How did you find out about it? Just talking to someone?

Allan: Just talking to someone there in the trailer park.

Michael: Someone referred you the sale.

Allan: Now I'm thinking to myself "All these people, everybody's hot button is rent to own." They feel like being an owner is better than renting. Mentally it's better to think that your money is going towards a purchase. I wanted to tie into that from my real estate courses. I said, "Wait a minute. Forget about talking to these people about price. Let's concentrate on them owning it and a monthly payment." Like a rent to own center does, they don't talk about the price, they say "Hey, for \$25 a week for the next hundred years you can own this washer." So I said, "The prevailing rent is \$550 for the trailers that are being rented." The lot rent on this trailer park was \$195. That left me \$300 to go up to \$495, which was below what people were renting trailers for, and they could put \$1,000 down, pay me \$300 a month and after three years, I made it 39 months, but in just a little over three years, like a car payment they could own the trailer. I said, "Think back over three years about all those rent payments and you don't have anything but rent receipts."

Michael: Do these people know that they could actually go out and buy a trailer for \$2,000?

Allan: Yes, but they don't have the money, and they don't have the discipline. There's a reason that people are in trailer parks and typically it's drugs and/or alcohol, or they can't hold a job, or they make money dealing, or they're doing odd jobs, or they're buying a car and reselling it, but there's a reason that they're there. They even know at the rental center what the price is after they see everything, but they know they don't have \$1,500 for the big-screen TV.

- Michael: So instead of paying rent, they could pay a payment and own the thing after three years. They also will probably treat it a little bit better.
- Allan: And you still get your \$1,000 down. Now you don't have to talk about the price because 39 months times \$300, with \$1,000 down, now you have a 1965 trailer that you sold for \$12,000 - \$14,000.
- Michael: So you just financed it and you sold the trailer home that you bought for \$1,000 for \$13,000.
- Allan: Right, and I have no money in it because I paid the \$1,000 when I got the \$1,000 down.
- Michael: Is that what you did with the third one?
- Allan: That's what I did with the third one.
- Michael: How did you find your buyer on that one?
- Allan: I ran an ad in the *Trading Post*, a little penny saver.
- Michael: What did it say?
- Allan: "No credit, \$1,000 down, \$495 a month including lot, rent, water, and sewer. Rent to own, two bedrooms, 1-1/2 baths."
- Michael: How many calls did you get on it?
- Allan: I was swamped.
- Michael: Did you hold on to these people's names?
- Allan: No, because they're impulse calls. If you have a trailer and you structure it like this, you don't need to call anybody back.
- Michael: You'll never have a problem.
- Allan: There's something about the dynamics of them calling you versus you calling them.
- Michael: I agree.
- Allan: You just run a new ad, big deal. Here it's four weeks for \$10.

- Michael: That goes in what section of the paper?
- Allan: Mobile homes.
- Michael: In that section, did you see other ads structured that way?
- Allan: Some, but very few.
- Michael: Let's move on to the next deal, the fourth one.
- Allan: The fourth one, I bought a trailer for \$700, but it had to be moved. There was a lot in the same trailer park, so I had to get a guy to move it and that cost \$250. Now I have \$950 in this thing; it's not set up on blocks, the water and sewer are not connected, and the electricity is not connected, so that takes time and money. I've only done two more like that since then because of the aggravation of it and because I bought a trailer park shortly thereafter. They kept on rolling about like that, and the girl that I did the third one with, after about six months she skipped out. I immediately ran another ad, and I got \$1,500 down and the same deal. I waited about a year and then I did it again.
- Michael: That lasted a year, and they skipped out and you did it again?
- Allan: Yes.
- Michael: So you sold the same trailer three times.
- Allan: Yes.
- Michael: That was never really a problem.
- Allan: It was never really a problem. I went to the park manager and I said, "Look, nobody is living in it and I'm going to clean it up and secure it. I'm running an ad," and he gave me a break on the lot rent.
- Michael: The payments were coming to you?
- Allan: Yes.
- Michael: What kind of hassles did you have, either you got the money or you didn't? Did you have to chase money?

Allan: Sometimes I did and I still do today up until the last couple of months, and that's the biggest tip I can give anyone. Don't try to manage it yourself. Don't be the manager; dynamics change when they're talking to the decision maker, and they can say, "I'm just doing my job."

Michael: Did you have somebody managing it?

Allan: I do now.

Michael: Soon after you did four deals, you decided you might just want to buy the whole trailer park, right?

Allan: Yes.

Michael: How did that come about?

Allan: I made a flyer where I gave a bonus for anyone who told me about a house that I could buy at the right price and terms; if I ever bought it, I'd pay \$1,000. I've only paid it out twice, but I've gotten a lot of leads. Somebody said, "This trailer park up here is for sale," and I said, "How much?" and they said "\$22,000" I said "That seems awfully cheap," and they said "Yeah, but the husband died, and the wife is tired of fooling with it." I had 35 lots on it.

Michael: Did they all have trailer on them?

Allan: Not all the lots had trailers on them.

Michael: Would you have owned the land?

Allan: I'm buying the land, an acre of land. I didn't have \$22,000 but I entered into a contract immediately and eventually got them down to \$16,000. I went to an insurance agent buddy of mine and told him that I wanted to buy the trailer park for \$22,000. He gave me the \$22,000, and I paid them \$16,000, then I put the other \$6,000 in my pocket. Now I had 25 trailers, the lot rent was \$125, and the lowest one around was across the street for \$195. I raised the lot rent to \$225.

Michael: Then you were going to sell those homes like you did the third one.

Allan: Right, but now I have 25 lots that are paying me \$225 a month, and since then I've raised it to \$255.

- Michael: You paid \$22,000 for it, but what was your expense per month?
- Allan: I paid the guy back at \$600 a month.
- Michael: Oh, man! So you had 25 lots?
- Allan: I have 35 lots and 25 trailers, and then I bought eight of the trailers from a guy who owned eight of them and didn't want to stay when I increased the lot rent that much; it blew his mind.
- Michael: So you were pulling in \$5,000 a month net after you bought it. That's beautiful, Allan. Since then, how many more do you have on there?
- Allan: I've filled it up, so I have thirty-five. I'm talking to a guy now who wants to buy it, and I didn't think he was serious, but I told him \$210,000, which is a lot less than it's worth, from the income it's producing, and he's seriously considering it. I own eleven of the trailers now and I'll sell them to him for a couple thousand. Ten times your money in about a year and a half, plus the money that I've made owning it, and then I can go do houses without having to borrow money. I'm just over the moon. I believe in trailer parks too, even these cheap ones. It's just whatever level you're at. Now I waste, from inefficiencies and not wanting to bother with stuff, more money than I like to admit. Three years ago, I would have been screaming at me because I would have wanted to pick up all the crumbs. I used to be like the sea/land prey that follows the great white shark, and when he attacks something, they get all the little pieces. But now I can go get the bigger pieces; I don't want to mess with the smaller pieces any more. If I had to do it all over again, I'd be right back buying \$1,200 trailers.
- Michael: Well, you have to start from the beginning.
- Allan: If you get 10, 15, or 20 of them, and it's not a problem because you don't have any money tied up in them, then you're making \$200 - \$300 on each one.
- Michael: What about insurance and stuff like that? What kind of responsibilities do you have owning the trailer park?
- Allan: On the trailer park, I have a liability policy that costs me about \$1,500 a year.
- Michael: That's not too bad; that's it?

Allan: No too bad at all, it just covers my butt. Then I put it in a trust and let a limited liability company own it. \$125 a month when you're bringing in \$5,000 - \$7,000 a month, they collect the trash it's \$120, the water bill is \$600, who cares?

Michael: Do you deal with all those people?

Allan: No, I don't any more. I used to, and it took all my time. I got somebody to manage.

Michael: How did you find somebody to manage it?

Allan: Just about any real estate company will manage residential real estate for six percent of the earnings. This is a trailer park and everybody looks down on a trailer park and trailer trash and all the jokes, tin can alley and all that. I can't argue with them, but the point is, they want more to manage it. I'm paying them ten percent, and they don't go collect. They have an office with bullet-proof glass, because they have a bunch of slum property, and the way my lease is, the lot rent is \$305 but if you pay on the first or before, it's \$255. If you don't pay on the first, it's \$305 and on the fifth, there's a \$25 late fee. Invariably, I pick up that \$50 discount that I offer and a late fee of four or five of them. They have to go by that office by the first and pay, or this management company just sends a notice filed through the court to pay or quit, and if they don't come to court, we get possession again of the lot and the trailer and resell it and get those people out.

Michael: So your life changed once you got a management company and you pay them the ten percent, you don't have the headaches.

Allan: It was a big mistake to go and collect as the owner, because they would all come out with problems other than paying me rent.

Michael: If someone was to look for a management company, do you look in the Yellow Pages under "Management Companies"?

Allan: You want to ask around and find out who manages a lot of properties. Every city is going to have somebody who is famous for managing a whole bunch of apartments in the south or east part of the town. It won't be hard to find them if you ask around.

Michael: There was no manager on the property. The property is there, there's a management company, and it's all done through the mail.

- Allan: That's right, because of the size of it, I don't want to use one of the lots. A lot is \$255 times 12 months plus maybe a trailer payment would be expensive, and I don't want to be there anyway.
- Michael: Talk about what you did with other eight trailers since there were people already living in the original twenty-five. If someone moved out of one of the twenty-five, did you try to do your sell deal where you put an ad in the paper to sell it?
- Allan: Oh absolutely; people move out all the time. They get a couple of months behind on the rent with the late fees, that is \$600 - \$700, and they want to move out, if I end up getting the trailer for free or for \$300, there's always somebody who wants it.
- Michael: This opportunity is available probably for anyone in any town or city in the country.
- Allan: It absolutely is.
- Michael: It doesn't sound like it was too difficult; it sounds like the biggest thing you had to overcome was your confidence level.
- Allan: Absolutely; I could ride down to Jeff Davis turnpike right now where all the trailer parks are and I could buy a trailer for \$1,000 and have it sold by next weekend for more than \$1,000 with a monthly income for 39 months; I know I can because I've done it fifty times.
- Michael: When I had called you several times and you told me what you were doing, you've got really a system that's like a license to print money.
- Allan: That's exactly what I'm doing; I'm printing money. When I get them to sign that promissory note, I have basically printed money because there is a guy in town that will buy it. It's a promissory note for \$12,000 depending on how good or bad the person's credit is, he'll pay me fifty percent to sixty percent right on the spot.
- Michael: Do you do that often?
- Allan: I've only done it once.
- Michael: That's like a bank; that's what banks do, they buy paper, and they buy promissory notes. A mortgage on a house is nothing but a promissory note, isn't it?

- Allan: Yes, the secondary market is huge for mortgages like Fanny Mae.
- Michael: You can spend a week, go buy ten homes, have ten contracts with ten promissory notes worth \$120,000 and the next day go sell them for \$60,000, and it will cost you maybe \$6,000 or \$7,000, or maybe \$10,000.
- Allan: Well, it wouldn't cost you anything because you get the down payment.
- Michael: That's right, you get the down payment.
- Allan: It doesn't cost you anything.
- Michael: When you meet with these people, where are you usually transacting the business?
- Allan: Right on the hood of my car! That's why I like it so much better than real estate. Real estate, you have to get the appraisal, the lender, the inspections, the property insurance, and the lawyer. This is personal property, so there's just a title. There's no mortgage; you're financing it so if they have \$1,000 and you only have \$1,000 in it, they're approved!
- Michael: So when you're dealing in business, how much are you always dealing in cash?
- Allan: Cash. When they pay the lot rent, they can pay in money orders.
- Michael: Do you accept checks?
- Allan: They don't have checks.
- Michael: So they go get a money order and they pay cash.
- Allan: It's great, but it's not for everyone. Not everybody wants to get this hands-on, and it's hands-on.
- Michael: I had a good buddy who had a trailer out here, and some of these things are pretty sharp. There are some beautiful trailer homes.
- Allan: Yeah, but see here's the deal You buy a 20 or 30 year old trailer for \$1,200 and you can rent it for \$495. I can buy a \$50,000 house here in Richmond and rent it for not much more. And now there's a

big mortgage, real estate to upkeep, taxes, property taxes and I'm a lot more scrutinized.

Michael: So we're dealing in the bottom rung of the trailer market.

Allan: So far, at the bottom, there'll be no appreciation, but there'll be depreciation. It will always rent for \$495 and go up every year. You can't get hurt. If you have a tenant in a \$50,000 house, and they decide to have dogs and cattle and repair, and don't laugh, it's all happened to me, they can depreciate a house, break out the windows, ruin the Sheetrock, and now you do have major repairs and major money. There's hardly anything about a trailer that can't be fixed for \$1,000. There's no down side, but they're cash flow machines, because you can rent a trailer for almost as much as a low-priced house anyway.

Michael: In the trailer market, if you drive around town there are some trailer parks that aren't going to be your market.

Allan: Oh absolutely, nicer ones because they cost as much as a small house.

Michael: What percentage of the trailers in your town are the bottom end? Are there plenty of them?

Allan: There are plenty of them.

Michael: Ten times more than the nicer ones?

Allan: At least two or three times. Here's what I was going to tell you about the other day. Here I am with those eleven lots in the trailer park that are vacant, and I'm going, "Damn, I've got to buy the trailers, move them, get the permits, have them on the block, get the water and sewer, get the electrical and then have somebody move into them. That's going to take time, money, and effort. What am I going to do?" So I went to these nicer trailer parks and I'm talking to one of the property managers. In the nicer trailer parks, you have nicer managers, nicer people, and nicer levels of income. He said, "We have three back here that are just too old for our park. We're going to have to pay somebody to tear them down, take them to the dump, and haul them away. We're going to have to pay about \$1,700".

Michael: They wanted to get rid of the trailers?

Allan: They wanted to get rid of the trailers. They're trying to upgrade. "I know a guy that will move one for \$250. Would you pay me \$1,000 to move it?" Then I get the guy to move it for \$250 and I get a guy in the trailer park to hook up everything and put it up on block for another \$250. Now I have a trailer for \$500 that's ready to be sold, and I have to put that other \$500 somewhere, and it went in my pocket. That's what I did with all of my empty spaces.

Michael: How many different nicer parks did you have to find to fill it up?

Allan: Three.

Michael: You just went in there and talked to the management.

Allan: What you say is you're one of the guys that takes down the older trailers and hauls them away. "I'm in the business of disposing of your old trailer." You don't really want to lie to them.

Michael: And they tell you what they have.

Allan: Yeah.

Michael: Did it work every time?

Allan: Every time, because they pay me \$1,000 or they pay somebody else \$1,700, so it's a good deal for them, and it's a great deal for me.

Michael: Who do you hire to go move a trailer?

Allan: You look under "Mobile Home Transport Companies" and they range in price.

Michael: What's the range in price?

Allan: The places where they sell the new ones charge up to \$6,700 to move a doublewide and set it up on foundation. Now, these aren't doublewides of course.

Michael: How wide is a singlewide?

Allan: Eight, ten, or twelve feet.

Michael: How long are they?

- Allan: Sixty or seventy feet.
- Michael: That's all you deal in are singlewides.
- Allan: Absolutely.
- Michael: Doublewides are a whole different ball game.
- Allan: Yeah, and my lots are too small for them, and the numbers don't work as well because they cost more, but you can't rent them for that much more.
- Michael: Okay, so you get a singlewide and what do some of these companies charge to move one of them?
- Allan: Some of them will charge \$1,000 to move the, and some of them will charge as little as \$250.
- Michael: Do you think that in any city you can find someone to move them for \$250 or \$300?
- Allan: Oh absolutely.
- Michael: How do they move them? What do they put them on?
- Allan: That's the thing, even the two truck wrecker companies, some of their wreckers are big enough to move them, but they have an actual truck, I forget what they call it because I don't really use them that much, but it's actually made for moving these mobile homes. They have hydraulics on them and they're not like a wrecker, they're specially made for moving trailers. Wreckers can do it, especially some of my smaller ones, the 50' or 55' trailers. I've moved a couple of them with just a wrecker.
- Michael: There are no wheels on these things; they're actually picked up off the blocks?
- Allan: Oh, no, these are on wheels.
- Michael: There are wheels on these things?
- Allan: That's why they're personal property.
- Michael: There are no wheels on a doublewide though, are there?

- Allan: Oh yeah, there are wheels on all of them. They eventually take them off and put them on a permanent foundation and make it look like a house but that's how the move them. They don't move them as a doublewide; they split in half.
- Michael: I see, so when they're moving it, they put wheels on this thing. Does it have axels built in?
- Allan: If it doesn't, they have dollies they can put it on.
- Michael: Okay, and it rolls like a car. You don't have to load it up on a flatbed or anything.
- Allan: Right.
- Michael: Okay, so the bottom line is if you do your homework and shop around, you can find somebody to move one of these things for \$250.
- Allan: Yes.
- Michael: Now what comes with the move? Do they unhook it, hook it, and then hook it back up?
- Allan: No, they just move it.
- Michael: They'll move it, and will they put it in the exact spot where it needs to go on the lot?
- Allan: They'll put it within an inch of where you want it.
- Michael: Then who do you have to call to come hook it up?
- Allan: Most trailer parks are blue-collar workers. That's who you want to do the work, but don't do it as an offset of rent, pay them cash. That's your cheapest way.
- Michael: You never fail to find anyone.
- Allan: Never, it's just ordinary work.
- Michael: Once the moving company moves it, what does it take to set it up on blocks? Do you have to jack it up?

- Allan: You jack it up and put a block under it and then you jack up the other part. I have four-ton hydraulic jacks, and that's all I use. It's no big deal.
- Michael: Are you hooking up any gas or water?
- Allan: There's no gas to hook up as far as a gas line goes. There are propane tanks, depending on how they heat and how they cook. Some of them have gas stoves and some of them have gas furnaces. Those are delivered by the gas company, installed by the gas company, and paid for by the tenants.
- Michael: What about water? Is there a hookup for water?
- Allan: There's a hookup for water and just about everybody in the trailer park except me can hook them up. It's the same way with sewer.
- Michael: So the sewer is basically a tube that goes from the toilet down into a sewer. What do you pay for a guy to come and get it on blocks and all that, \$100?
- Allan: A hundred bucks to put it on blocks and usually they'll hook up the water and sewer when they do that. The only thing that's left then is Virginia Power, and there's always a guy there, well not always; in fact, that's the hardest thing because not everybody can pull the electricity.
- Michael: Is there a big plug, or how do you do that?
- Allan: I don't really know how to explain it.
- Michael: How much is it going to cost you to get that hooked?
- Allan: It depends; I've had it done for as little as \$75 and I've paid as much as \$200.
- Michael: So the bottom line is just like when somebody that moves into a house they're going to get their power turned on. What about phone?
- Allan: That's the tenant's responsibility.
- Michael: Do most of these people have phones?
- Allan: Well, now everybody has cell phones.

- Michael: If you go talk to some of the managers of the nicer trailer homes and you say you're the guy in the business in disposing of them, and you can negotiate it where you can save them money to "dispose of it," you end up getting a free trailer on your lot.
- Allan: That would be the safest way.
- Michael: Let's talk about any negatives, and obviously, there is good and bad about everything. What is the biggest pain in the ass with this business?
- Allan: The biggest pain in the neck was my temptation to rent the trailers rather than buying them because you don't want to be a landlord, you don't want to be responsible for repairs, and you're not going to get any extra money. Thirty-nine months for \$300 is plenty to get on the deal.
- Michael: You were tempted to rent and make more money.
- Allan: Yes and to own them, but then you have the repairs.
- Michael: And you're responsible because you're the owner.
- Allan: Right, and they can call the city on you.
- Michael: It's not worth it. So you would stress don't rent these things; buy them and sell them and let them own them.
- Allan: But finance it.
- Michael: It didn't sound like you had too much money three years ago.
- Allan: I had no money. I was living in a one-room apartment. All I had was that old pickup truck and I was afraid to open the driver's side door because the door might fall off. I was hung over that day, I drank too much, I had no money, it was not a pretty sight, and I was just fed up. I said, "This might be my last \$1,200 for a while but so what?" And I took it from there.
- Michael: Did you have a job then?
- Allan: I sold insurance and I had about \$1,200 - \$1,500 a month coming in from group health insurance, and that just barely kept me alive and kept me in beer. That was a big problem.

Michael: So let's talk about today. What's your life like now?

Allan: Well now, I have about \$7,000 - \$10,000 a month cash flow. I'm sitting on a mobile home park that I'm hoping to sell for \$210,000.

Michael: Tell me about some of the seminars and when you first started educating yourself. Obviously, there's nothing wrong with educating yourself. Actually, it's probably imperative. Do you think you would have had the confidence to the point where you were even three years ago to do this without going to any seminars and without reading and studying?

Allan: Probably not, you just can't and it would have helped me so much if somebody said, "Look, it's like the bobcat in the box and the hounds are coming. The bobcat only knows how to do one thing and that's run up a tree so he does it instantly and is saved from the dogs. The box has 15 different tricks and ideas if he pauses for a minute to consider which one and the hounds are upon him." If somebody had just said, "Look, Allan go to Government Road and buy a \$1,200 trailer and resell it for \$1,200 and 39 payments of \$100. I did it and you can do it. You just go do that, and that's your first one, then go do your next one." If somebody had told me that, it took me fifteen years of pondering, thinking, wondering, studying, hoping, and dreaming, if they had just given me a blueprint, a simple cookie cutter idea, someone that really knew. And then a couple of promissory notes and his confidence and said, "Hey, here's the note I use, here's the contract I use, here's the agreement I use, here's the bill of sale", and it's not automatic, it doesn't work each time, but it would have been awesome. I finally did it, but somebody that follows what I'm talking about now with what I know and what I can supply in terms of paperwork and confidence.

Michael: You have to have the blueprint and I think what you're saying, and I've told many people this, you just have to get off your ass and do it. You can sit there and study tapes and study real estate courses, but there is no substitution for movement.

Allan: And look around your city at some of the wealthiest men, and this is another motivator for me, I look at them and I talk to them and I listen to them, and I think to myself "They're no smarter than I am in any way. They're more confident because they have more money, but they really aren't smarter, and they don't work harder. They're just willing to take a little bit of a risk to get over the hump." That's

23

when I said, “Okay, I’ve taken \$1,200, let’s pretend like I’ve just lost it. I’m going to buy this trailer and if I lose it, I’ve lost it.” You’ve just got to go do it.

Michael: If someone came over to your place right now and you took them in your car, you could most likely guarantee that you could have yourself a trailer, let’s say you left at 8:00 in the morning; do you think you could have found yourself for \$1,000 within the few hours?

Allan: Give me a week; it will be a slam dunk in a week.

Michael: Slam dunk in a week; buy a trailer for about \$1,000 and then resell it with positive cash flow coming in for at least thirty-six months.

Allan: Thirty-nine months, you might as well get those last three months in!

Michael: So by the time the 39 months are up, on the one trailer you’ve netted in your pocket how much money? Give me a low end.

Allan: I wouldn’t do it for less than \$200 a month; times 39 months is \$7,800 and the \$1,000 that you put down you get back from the new buyer.

Michael: For \$7,800 do you think it would be worth it if someone actually followed your direction and did exactly what you said and you could absolutely take them by the hand and show them how to do this, do you think it would be worth a couple of thousand for you to teach somebody to do that?

Allan: Absolutely, I would have paid it.

Michael: We’ve talked about putting a course together and we’ve given a lot of information right here. What other information do you think someone else would need to know if we put together a complete course to teach someone exactly what to do?

Allan: Here’s what I needed to know, or what I wanted to know. I wanted the guy to say, “Okay, go to Government Road and take a picture of the trailer you bought. Go to Government Road and take a picture of the road. Go to Government Road and take a picture of yourself and your truck and the whole trailer park so I know exactly what you’re talking about and how it felt and what it looks like. Here’s the park, here’s the trailer, here’s my truck, here’s me, this is

24

the trailer I bought, and this is how much money I made.” That would have given me the confidence. I sometimes wonder if going to a nicer park or doing something that I’m not because I had no confidence at the time. I just couldn’t make myself think that I could do it.

Michael: Where else can you find trailers like that for sale?

Allan: There are Laundromats all along this strip; most of these people don’t have washers and dryers, and I’ve gotten some good tenants/buyers from putting up a little thing on the bulletin board in the Laundromats. If you’re at ease enough in your own skin to get out of your old pickup truck, walk around, talk, and say, “Hey, what’s it like here? I’m thinking about trying to get a trailer.” Try to get into the fabric and under the radar of a landlord to be so you can find out what’s really going on in that park and who has something for sale and who doesn’t. Not everybody is going to be able to pull that off, but I can.

Michael: That’s great. I kind of got off the subject. For fifteen years, have you been studying seminars and stuff?

Allan: I used to stay up late at night and watch “Making Money With Hal Morris” and all the guys that came through and I bought their courses religiously and assumed FHA loans; I just never had enough money to put enough money down to be able to assume a loan, at least I thought I didn’t. Now I realize that it really doesn’t take money, it takes ninety-nine percent courage.

Michael: I tell people they’re not going to get that confidence for free. You have to pay your dues and you have to do something to even get a little bit more confidence. There’s no way you’re going to get the confidence without doing anything.

Allan: Break it down into simpler steps. I really wasn’t thinking I was going to buy a trailer, but I thought, “I’m going to be in the trailer park and that’s a good first step.”

Michael: You’ve put together, I’m sure in your file drawers you have every form that anyone would need to buy and sell a trailer, right?

Allan: Absolutely, I even have a memorandum of agreement. I have the promissory note, the sales agreement, the bill of sale, the memorandum of agreement.

- Michael: You didn't have these on your first deal, did you?
- Allan: No.
- Michael: Did you have some legal help in designing this or did you do this on your own?
- Allan: I did it on my own because I had all of the other courses. Then I just started adding things that I wanted.
- Michael: You structured this thing so when you saw problems you created agreements and contracts to solve these problems.
- Allan: I took all the clauses in all the contracts I've ever seen and put them into one contract. My lot rental agreement is seven pages, and I get them all to sign that. I even have a clause in there, and they'll never read it, it says, "If for any reason the landlord decides at his sole discretion that the tenant/buyer is no longer desirable they can be evicted immediately and without question." It's just unbelievable.
- Michael: Basically, you have total control.
- Allan: Total control, I can just say, "You're no longer acceptable as a tenant, and you're out." Those are the kinds of clauses you just add over time. There's no master lease in the sky where you just pull all that.
- Michael: If we do design a course for anyone listening, you'll include all those agreements?
- Allan: Sure.
- Michael: And the rights to use them?
- Allan: Sure.
- Michael: Okay, great. You talked about if someone had photos to show you what the trailer park looks like, what other things would have given you the confidence?
- Allan: Consulting; if I could have called Allan Miller, and said "Hey, I just went to a trailer park here in Charlotte, N.C. that I think might be like the one that you pictured here on Government Road, but here's what happened and I didn't get anywhere". "Well did you try this,"

or “Go to another park,” it’s kind of like sales, you’ve go to make some calls, you’ve got to swing and miss before you hit a home run.

Michael: If you had a mentor, someone you could pick up the phone and talk to that would have given you more confidence.

Allan: Yes.

Michael: If someone bought your course for a couple of grand, would you be willing to give them some consulting?

Allan: Yes.

Michael: Any time they needed it, within reason, a certain number of hours. They can pick up the phone, call you, and let you know what’s going on.

Allan: Yes. If I told you that I had something that makes \$70,000 net a year and I had capitalized it properly with a cap rate of 7 or 8 or 9, it would be worth approaching a million dollars and it looked like what I’m going to show you, you’d die laughing!

Michael: It’s almost like you think of the slumlords in New York City, how wealthy they are.

Allan: Oh, it’s huge money.

Michael: We’ll put together a package, we’ve got the contracts and every form that they would need, we’ve got consulting, and you probably have some old contracts that you’ve already sold out that we could photocopy, right?

Allan: Oh, yes.

Michael: We could show people exactly how they’re laid down.

Allan: Sure.

Michael: We could probably put that on an audio tape. I think it would be pretty easy to teach somebody how to do this.

Allan: There’s not only no money down, but there’s no risk. You’re not assuming any mortgage.

Michael: And you're not dealing with real estate, you're dealing with personal property.

Allan: Right, you can buy and sell on the hood of your car with no one else's approval. It's sweet. No inspections, no "We don't like the roof", "Okay, I'll put a new one on," \$4,000. People don't believe me, I don't tell people for one thing, but the people I tell I say, "How can I calculate the rate of return on this? I don't have any money in it." You can't calculate it. All I do is print money. I'm excited because I'll tell you, people will buy this.

Michael: Of course, they will.

I want to thank you for listening. This is Michael Senoff with hardtfindseminars.com. If you want to get in touch with any of the people we interview please email me at michael@michaelsenoff.com.