

Eric Lofholm:

Hi, this is Eric Lofholm and I want to welcome all of you to another great podcast for the sales tips for smart people podcasts. I've got a great guest today, Robert Mendieta. Robert has been in commercial real estate now for 17 years. He is a husband of nearly 26 years. He has three beautiful daughters. He served in the military for four years and received a prestigious award for training while in Germany. Robert is here to share some great concepts with us today about how he helped people with commercial real estate, Robert, I want to welcome you to the podcast.

Robert Mendieta:

Eric, very excited to be here. Appreciate you doing this today.

Eric:

Absolutely. Before we, we jump in, I just want to take a moment and personally thank you for your service. The work that you and all the military personnel throughout the world do is such important work. So thank you for your service

Robert:

Thank you for saying so.

Eric:

So Robert, let's talk about how did you get started either in sales or commercial real estate? Let's go back a little bit and tell us the story.

Robert:

Well, I sort of got started in sales in general when I was 16 years old. I worked for Kenny shoes. I actually was a top producer as a 16 year old kid and I lived in Michigan and there's a lot of snow there. People come in for boots and I broke a lot of records with a selling accessories, specifically. I sold some water repellent for the boots, and so I really got the bug. I enjoyed sales. Then after I'd gotten out of the military, I wound up going into work for ADT Security Systems and worked there for seven years and I could never catch the number one producer. I was always number two, every year. And so I decided to bail ship and I wound up going to a competitor, PSI.

Robert:

I wound up being the number one producer for three years straight. So, sales was always something that I enjoyed doing and I take a little bit different approach, I always try to do a sales in a different perspective of what is the need that the client has or what are their specific needs and what I try to do is tailor the information that I'm giving them to solve those problems and to be a problem solver. When I was there at PSI, the last year I was there, I sold a \$400,000 of fully integrated security and camera system, fire system, fire alarm and wound up being befriended by the broker who brokered the distribution center that I sold this system to. And he suggested that I get my real estate license, and rather than just selling the

security systems, to sell the distribution centers. And so, fast forward, that's kind of what brought me into the commercial real estate because I enjoyed being a helper, you know, and that's really what it was about and that's what I try to do in my everyday business.

Eric: Fantastic. You know, I, like you, have been in commission sales my entire career. I love it, I love all the nuances of it and I know that there's different ways you help people with a commercial real estate. You've been doing it for 17 years. You are an expert. Maybe you can talk a little bit about some of the ways that you add value to your clients.

Robert: Sure. You know, one of the things that I'd like to kind of touch on, Eric, is there was a client that we've recently helped, I actually closed on it last month and it was a couple of siblings that inherited the property. They just simply wanted to sell the property and get out from under it, and off and on. They had it on the market over the course of about seven years and they were not able to sell it. And I think that because the approach that a lot of traditional agents take is that they're thinking only time, with one, regular sale. And what they're trying to do is they're trying to sell it with traditional financing. And so, what I wound up doing is explaining the advantages to what's called seller financing, or sometimes it's called a seller carryback.

Robert: And the advantages is very nice because not only do they sell the property and get out from under, they can get a down payment. So, they're getting money now at the close of escrow and then payments over time. So, you know, from a couple of different perspectives, that actually helps out in a few ways because what it does, it's a great opportunity because everybody, in essence, qualifies as long as they've got a down payment monies. And as long as the sellers are agreeable, you know, everybody will qualify for that. Now the advantage for the seller is that there is the possibility of taking back the property. Let's suppose that the buyer falls on hard times and they can't make the payments. So, they've collected a down payment upfront and they have the security in the property.

Robert: It's called a note and deed of trust, and so the deed of trust is actually what the security is for the property. And so, if for some reason those that buyer fail and they can't perform and they go into default. The seller or at that point, the person who's carrying the note has the ability to take the property back, in essence, do it all over again, get another down payment from somebody else and sell it in that same format. So, it's really a good opportunity for both sides, both the buyer and the seller.

A lot of advantages for both. So if you are representing a seller, maybe somebody listening right now, they have a commercial property that they want to sell. And so you list the property and if somebody wants to come and buy it with traditional financing, you know, you split the deal together.

Eric:

No problem. But is what you're saying that you also have the ability to work with people with creative financing and maybe essentially create a buyer that would not have been there from traditional financing. And you could help that seller essentially close that deal. Is that what you're saying?

That's exactly right. The beauty of this is, unlike the bank, we're negotiating directly with the seller. And so, the coolest thing is that, it's a matter of what the seller's needs are. And does that particular buyer; do they meet those needs? So, in this particular case, so just to kind of give you an example, because there are two siblings, each of those siblings wanted a down payment. The down payment money, they wanted was \$100,000 each. So, what the buyer wound up doing is he brought \$200,000 to the closing table.

Robert:

And so each of the sellers were able to receive \$100,000. So that filled that initial requirement, and then the payments over time, they continue to get those interest payments. And the other great thing about it is, if they were to get, you know, the full amount of the sale in cash proceeds, couple of different things happen. Okay. Number one, what are they going to do with those cash proceeds? Typically, they're going to put it into the bank. And what's the bank's earning interest on right now? They're earning interest at about less than one percent. I found a solution for them to have monies that they could collect at five times that. So, they were able to get a with the seller carry back financing. They were able to get five times what they would get in the bank.

Robert:

So, that's the beauty. And then there's no loan fees on top of that, which is great. And then the flip side would be true as well.

Eric:

I would imagine that if you're representing a buyer, so maybe somebody is listening right now and you want to buy a commercial building and if you don't have the perfect credit to qualify for traditional financing, but you can go in and work with

that buyer and a potentially persuade a seller to do something creative in order to get that deal done. Is that true as well?

Robert: That's exactly right. From the buyer's perspective is, let's say they had some cash that they're working with that they could put as a down payment, but, they can't qualify under a traditional financing arena. Then the seller financing seller carry back scenario is ideal for them because let's suppose that they have a good stable income, as well as, some cash down payment that they're able to bring to the table and to closing table.

Robert: They're able to get into a property and secure their ability to purchase, rather than waiting to, let's say, repair credit or a bank. By the way, the commercial lending in and of itself is a lot different than getting, let's say, like a residential house. The qualifications are not only the predicated on the borrower, but it's also predicated on the asset. The asset itself has to be stable, it has to have income, cash flow coming in, and so, that's something that is extremely important for lenders, and many, especially newer buyers that are looking to get into commercial real estate, don't have that ability right from the get go. So it's a great way the seller financing perspective, it's very advantageous for a buyer to be able to qualify.

Eric: Fantastic. Now I know you're located in California. What's the geography you range of where you can help somebody? So, somebody is listening to this podcast and like, wow, Robert, you are an expert at this. I want to talk with you about either listing my commercial property or helping me buy a commercial property. So where can you help people?

Robert: So I'm based out of the Inland Empire, which is in Southern California region of a were San Bernardino and riverside counties kind of meet. So that's kind of my hub. That's where I'm primarily focused but I've done deals all the way out to Van Nuys. I'm out in the L.A. area. And then I've also sold deals out in the San Diego market as well. So, I've got a broad area that I can go to. But my primary focus is the Inland Empire.

Eric: Fantastic. So, for those of you that are listening to this, if you have a need for somebody to help you with your commercial real estate to sell your property or to buy a property and Robert can help you if you qualify for traditional financing, no problem. He can help you with that. His 17 years of experiences, negotiation ability, but he also has this unique ability with

understanding creatively how to put these deals together. And what that does is, it expands, if you're listing with Robert, expands the number of people that potentially could buy the property and if you're needing creative financing to purchase a property, it may be the deciding factor on whether or not you can get a deal done to have somebody like Robert on your team. So, I'm Robert. I would imagine somebody listening, if they would like to set up a free consultation with you to talk about their situation, they could just reach out and schedule that.

Robert: Absolutely, Yep. They could go to my website, at [www.RobertMendieta.com](http://www.RobertMendieta.com).

Robert: Um, and they can also call me 951-977-3251

Eric: And give your phone number out one more time, Robert.

Robert: For sure. Yeah, it's 951-977-3251.

Eric: Fantastic. And for all of you listening, I've personally known Robert now for well over 10 years and he is a great human being. As I mentioned when I introduced him, he's coming up on 26 years of marriage. He raised three beautiful daughters and has been in his profession now for 17 years and he's an expert, especially when it comes to creative financing. So, give him a call, request a free consultation, its confidential, let him know what, what type of support you're needing or just ask whatever questions you have and then you guys can take it from there. Robert, before we wrap up our podcast today, any final thoughts you'd like to share with our listeners?

Robert: I could say that, more importantly than anything else is to have somebody who has your back. So, basically an advocate, somebody that can help out. I really pride myself in having some core values and I want to make sure that I'm accountable to my clients and make sure that I'm data driven because the biggest thing that I want to try to do is to identify and, in essence, quantify those people that need the help and to be able to be an asset to them and not just simply a transaction basis, but more or less, I'm an advocate for life and that's what I try to do.

Eric:

Fantastic. Well, that's a wrap. Another great addition of the Sales Tips for Smart People Podcasts, and for those of you listening there maybe some of you that are going to get your commercial real estate deal sold or purchased because of this podcast, which is pretty cool if you're trying to sell a property and having somebody like, a creative expert, like Robert on your team or purchasing a property. Sometimes you need somebody like Robert to get a deal done. If you don't qualify for traditional financing, and if you do happen to qualify for traditional financing, he can help you as well. All right, well that's going to wrap up today's podcast. Have a wonderful successful day.