

# Counting Cards

The smart way to invest in real estate

July 16, 2009  
NORCAL REIA  
John Johnson



# Who Am I

- 18 years as computer programmer
  - Word Perfect Office Suite
  - Netscape Navigator
  - Google Earth
- Retired in early 2008
  - Software had lost its challenge
  - Spend more time with family

# Why Real Estate?

- First landlord (Fixer Jay meets Andy Griffith)
  - carpet cleaning
- University housing (corporate landlord)
  - scheduled maintenance
- Best landlord (millionaire investor meets helpful grandpa)
  - He worked for us
  - We worked for him



# Why am I Here Tonight?

- New to real estate but not to information processing
  - Career spent organizing “data”
  - Most strategies and tools still apply
- Tonight’s a “Teach a Man to Fish” night
  - No reports on interest rates, foreclosures, etc.
  - Rather skills and techniques to gather that info yourself

# Slides Available

- Lot of slides
- Don't try to copy everything down
- <http://www.norcalreia.com> -- "Free Resources" link
- Adobe PDF format

# Google Disclaimer

- Many of my examples show Google software
  - There are alternatives
  - I try to point them out
- Keep what you're happy with
- If you're not happy, try Google :-)

# Counting Cards

The smart way to invest in real estate



# Counting Cards

*Using information to  
skew the odds in our favor*





# Hit on 19?

You're playing blackjack in Las Vegas.

You're dealt a king and a nine.

Do you hit?

Why not?



# Maybe now?

What if you knew that the draw card was a two?

Now do you hit?

Why or why not?



# Basic Card Counting

- Don't know exact card
- Know probabilities of good vs bad
- Adjust decisions based on probabilities
- Can never remove all risk
- The more information you have, the more successful you'll be

# Real Estate Information

- Wealth of information available.
- Some of it is useful; some a waste of time.
- Some information is free. Others cost money.
- Some is easy to find. Some takes a lot of work.
- How do we wade through all this information?
- Which cards do we count and which do we ignore?



# Tonight's presentation

- Discussing strategies for gather real estate information
- Cover both theory and specific practices
- No practice session (couldn't make it work)
- No mini-market report (can't serve two masters)






# Blackjack Cards



- Don't memorize all cards
- Running count tracks odds
- **Not all cards are the same**
  - 2,3,4,5,6 = +1
  - 7,8,9 = 0
  - 10,J,Q,K,A = -1
- Lower count - increase bets
- Higher count - decrease bets

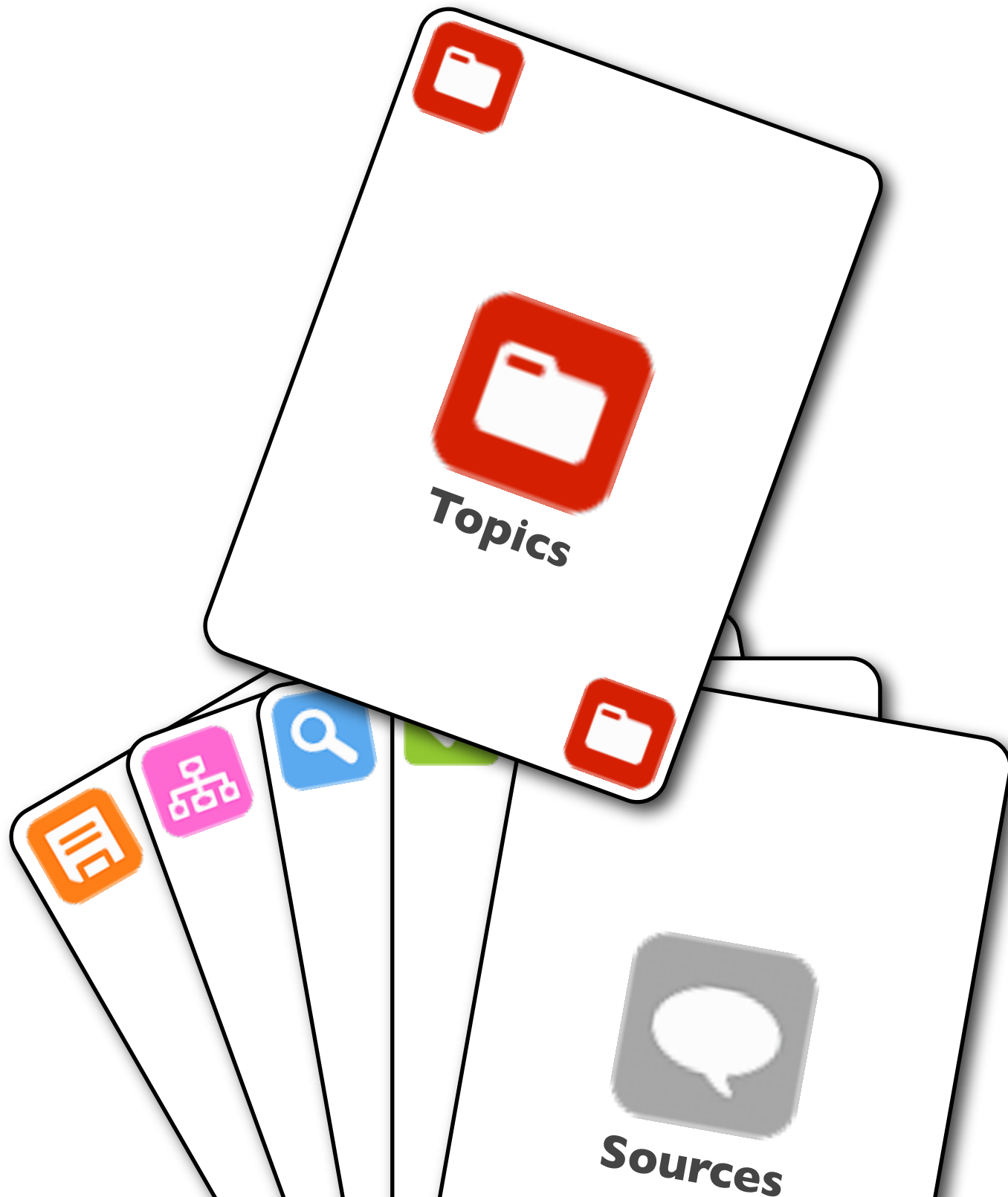
# Real Estate Cards



-  Topics
-  Sources
-  Sanity Checks
-  Investigation
-  Retention

# Topics

- Home sales (prices, rates, trends, etc)
- Rental & vacancy rates
- Foreclosures & pre-foreclosure rates
- Unemployment
- Lending (rates, underwriting, etc)
- Migration
- Legislation
- New Construction
- Inflation
- Affordability Index
- etc.



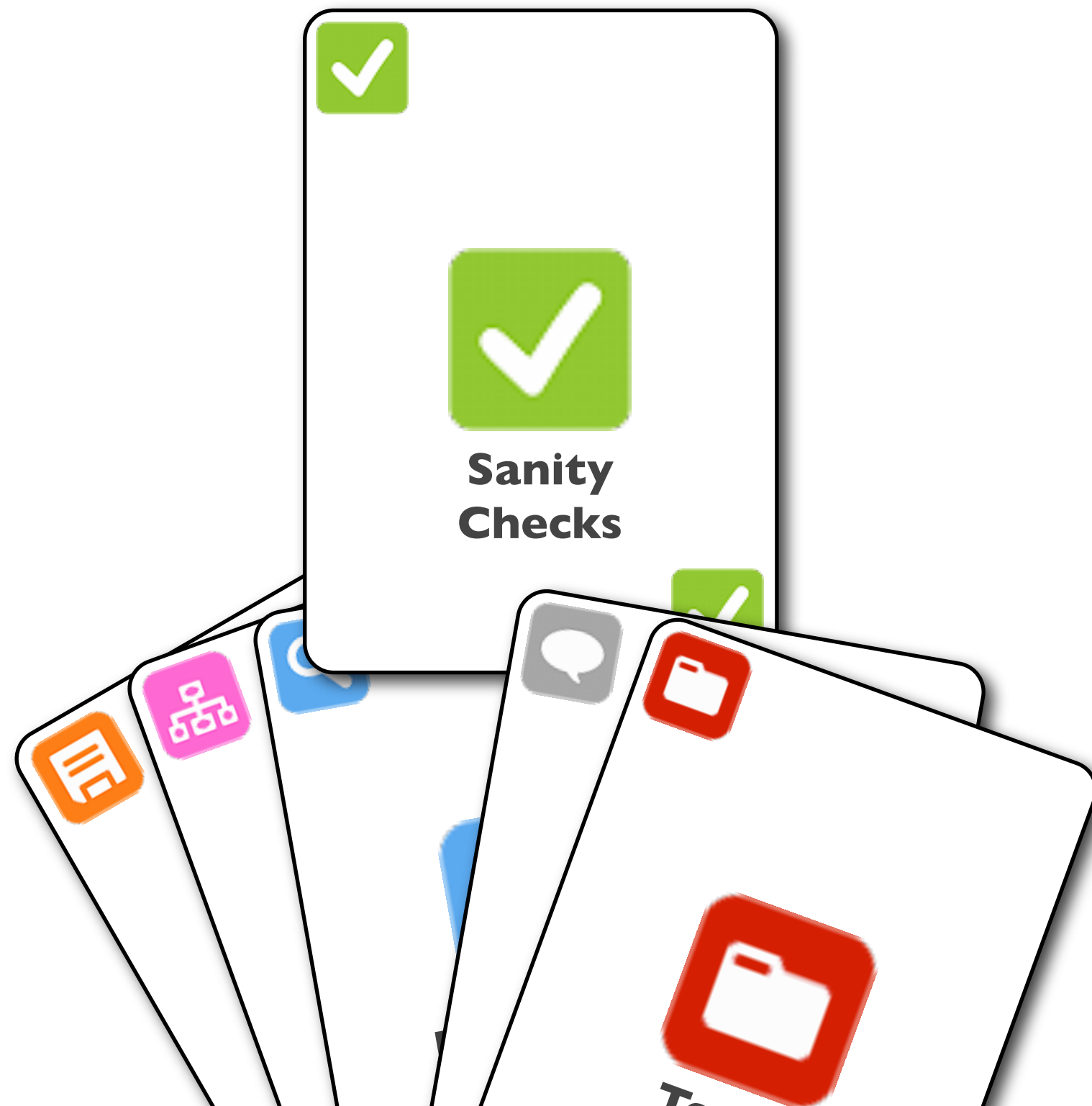


# Sources



- Traditional
  - Books & Magazines
  - Industry web sites (e.g. C.A.R.)
  - Web newspapers (CNN)
  - Seminars
  - Listings
  - Data providers
- “Social”/Trusted
  - REIA meetings
  - Newsletters & Blogs
- Automated
  - News aggregators
  - Automated feeds (RSS)

# Sanity Checks



- Relevant Topic
- Timing/Age
- Scope
- Bias
- Conjecture
- Body matches title
- Match previous understanding
- Provides new information
- Sounds too good to be true
- Sanity check techniques

# Investigation



- Get more details
- Discover background information
- Resolve confusion
- Finding related sources
  - Original, Corroborating, Conflicting
- Know when to dig deeper (and when not to)
- Investigation techniques

# Retention



- Information overload
- Filtering
- Organizing
- Absorbing
- Utilizing
- Retention techniques





# Topics



# Business Model Dictates Topics

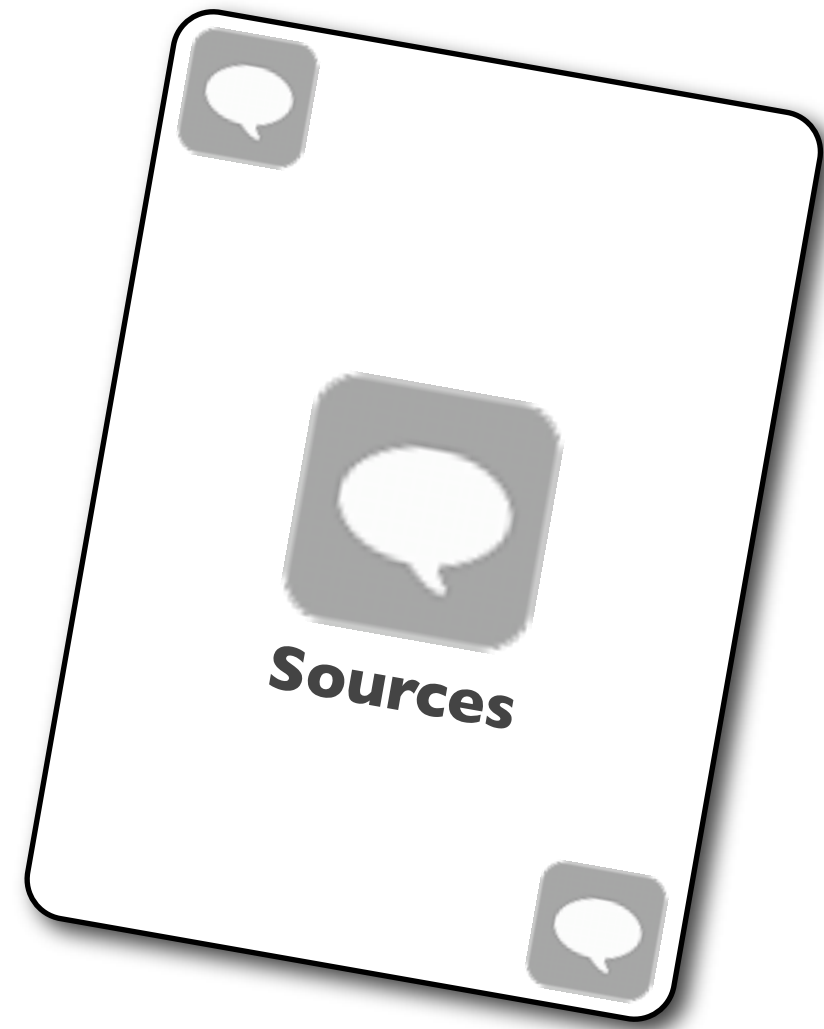
- Flipping
  - Important: home prices, home sales, lending, appraisals, etc.
  - Less important: rents, inflation, etc.
- Buy & Hold
  - Important: home prices, rents, inflation, etc.
  - Less important: home sales, appraisals, etc.
- Figure out your business plan
- Decide which topics you need to follow



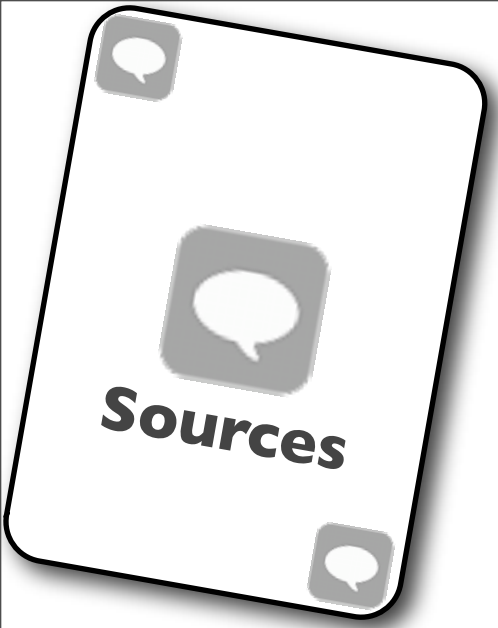
# Stay Focused

- Information overload real possibility
- Breadth before depth
- Don't get bogged down in topics you don't need
- Don't get bogged down in details you don't need





# Sources



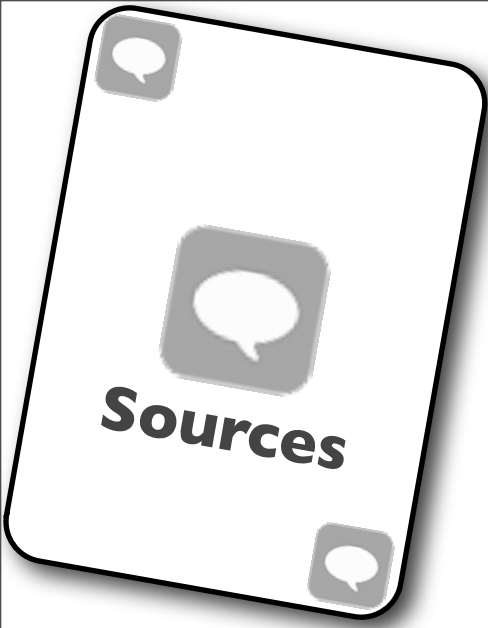
# Information Types

- **Raw Data**

- Lists
- Statistics
- Trends
- Rules (e.g. underwriting)
- Legislation

- **Other Information**

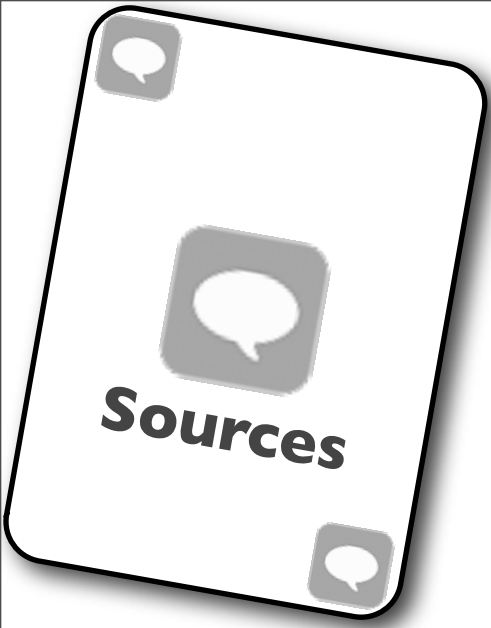
- Articles about data
- Opinions
- Predictions
- Business models
- etc.



# Information Genealogy

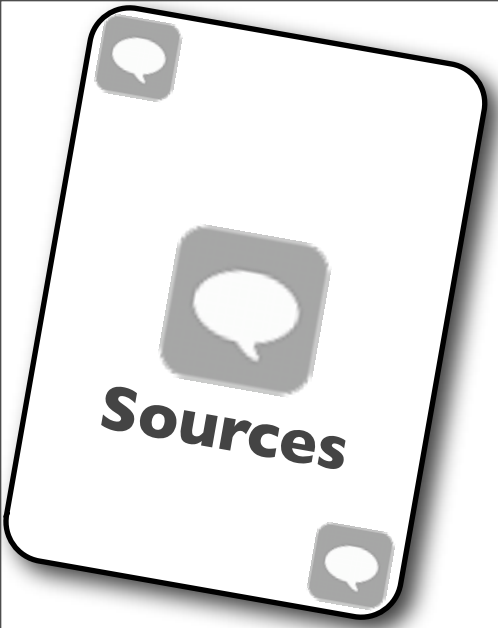
Applies to both  
information types

- Original content
- Aggregated content
  - Combines multiple with few or no changes
- Digested content
  - summarizes or explains other content
- Cut and Paste (“Look at me, I’m a reporter”)



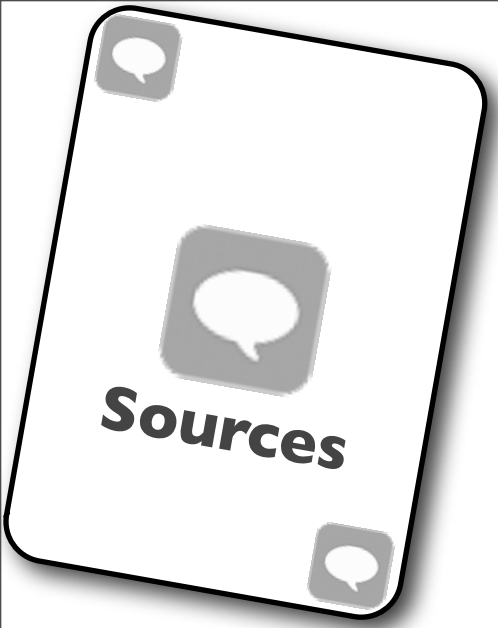
# Finding Good Sources

- What is a “Good” source?
  - Consistently provides content you need
  - Will differ from person to person
- How do you find them?
  - Ask around (it can't hurt)
  - Try them out!
  - Harvest sources from the ones you have



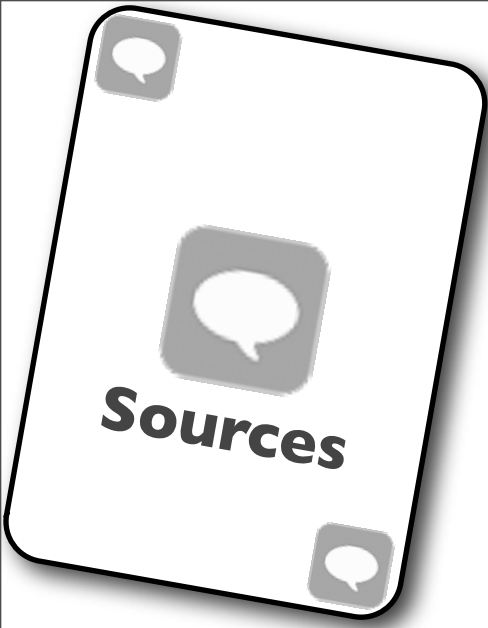
# Data Providers

- There are many (MLS, foreclosures.com, RealtyTrac, DataQuick, CoreLogic, RedX, SiteX, Krunching, etc)
- Prices and services vary greatly
  - Some geared towards small investor
  - Some geared towards institutions
- Might be a crucial part of your strategy
- Rarely a silver bullet



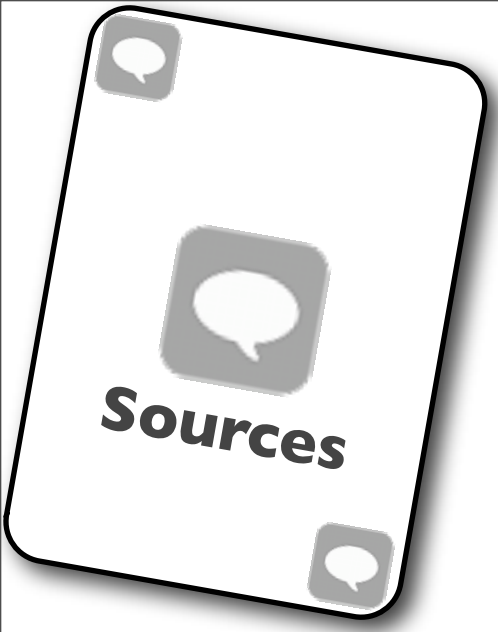
# Data Subscription Guidelines

- Don't buy data until you have a plan to use it
  - Business plan
  - Technology plan
- Don't let data provider dictate your business model
- Start with free trial or shortest subscription
  - Evaluate the data (does it match the promises)



# Pay vs Free Information

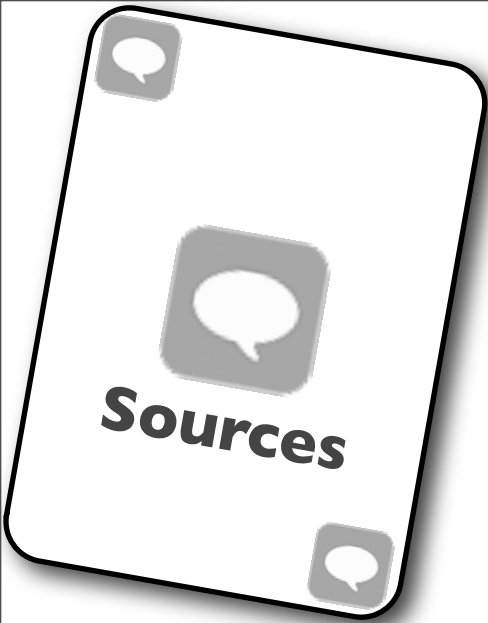
- Do I have to buy information? Isn't the free information just as good?
- Don't pay for early access
- Pay for content you can't get elsewhere
- Evaluating subscription sites
  - Site focus
  - Occasional full article
  - Back referencing
- You pay contractors and title companies
  - Information is just as important to your business



# News Aggregators

- Many to choose from (Google News, Yahoo! News, etc)
- Gather news articles from a variety of sources
  - Saves you time going to each website
- Allows searching



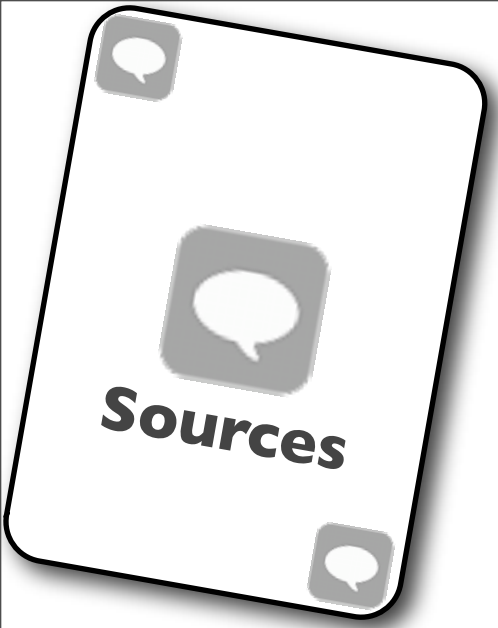


# Google News

A screenshot of the Google News search results page for the query "CA homebuyer credit". The page shows the Google logo, search buttons for "Search News" and "Search the Web", and a search bar containing the query. Below the search bar, there are navigation links for "Advanced news search" and "Preferences". The main content area displays "News results" for "CA homebuyer credit", showing "Results 1 - 10 of" and "Sorted by relevance". The results list includes several articles with titles, sources, and dates. The first article is from Shoprate.com, dated 11 hours ago. Other articles are from the Los Angeles Times, Seeking Alpha, and the Wall Street Journal. At the bottom, there is a link to "all 16 news articles" and an "Email this story" button.

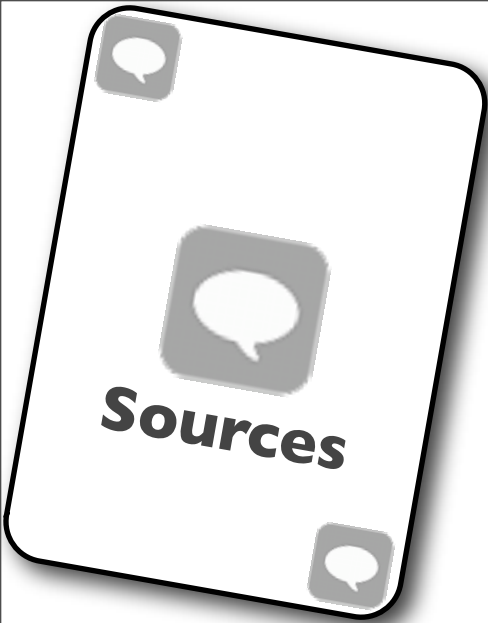
<http://www.google.com/news>

- Computer algorithms do aggregation
- Great search
- Different from Web search
- Custom homepage with saved queries
- Groups related articles!



# Newsletters & Blogs

- Created by people you trust
- They do the research; give you the good stuff
- Find one you like and it keeps producing new articles
- Some good examples



# Bruce Norris Blog

<http://thenorrisgroup.blogspot.com>

Bankers run by The Norris Group. We gather articles of interest and post them here to keep you the latest breaking news. Topics may include interest rates, foreclosures, law changes, builder listing increases and much more.

WEDNESDAY, JULY 15, 2009

**Mortgage Bankers Association - ["Mortgage Applications Increase in Latest MBA Weekly Survey"](#) (7-15-09)**

"The Mortgage Bankers Association (MBA) today released its Weekly Mortgage Applications Survey for the week ending July 10, 2009. The Market Composite Index, a measure of mortgage loan application volume, was 514.4, an increase of 4.3 percent on a seasonally adjusted basis from 493.1 one week earlier. On an unadjusted basis, the Index increased 15.3 percent compared with the previous week and decreased 2.7 percent compared with the same week one year earlier"


**Bloomberg - ["AIG Unit Sells Loans for as Much as \\$975 Million"](#) (7-15-09)**

"American International Group Inc.'s consumer lender will receive as much as \$975 million selling mortgage-backed certificates to Credit Suisse Group AG after losing access to its usual sources of funding. The notes have a balance of about \$1.6 billion, New York-based AIG's American General Finance Corp. said yesterday in a regulatory filing."

**Bloomberg - ["Strategic Hotels Chief Says Corporate Cutbacks to Trim Bookings"](#) (7-15-09)**

"Strategic Hotels & Resorts Inc., owner of the Four Seasons in Washington, will probably see a decline in luxury bookings through this year as companies cut travel to


About Me



The Norris Group resources for California estate professional radio show on K free newsletter news blog, we provide the resources professionals need informed and mortgage estate investment

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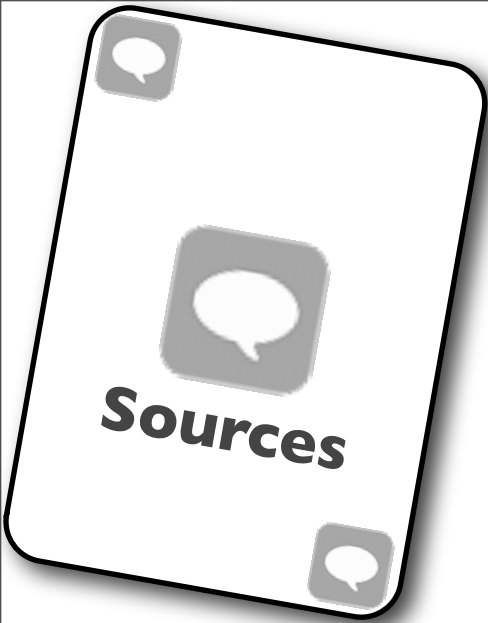
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- Daily
- Source, link & date
- Summary snippet
- No commentary just the links
- Quick to scan
- Not all blogs are as useful!

# Team Newington Newsletter



Join us for BBQ and Cash Flow and the Rental Owners EXPO this Saturday [REDACTED] Gmail

https://mail.google.com/mail/?zx=zm2lmz7048bh&shva=1#inbox/1227b711054b63ae [REDACTED] bruce norris

CS193P iPhone Dev Center iPhone Tutorials Gmail Google Maps Google Bookmarks New Google Bookmark

**Gmail** by Google

Search Mail Search the Web Show search options Create a filter

Compose Mail

Inbox Starred Sent Mail Drafts All Mail accounts

\$100K/Mo In Short Sales? - ShortSalesRiches.com - I Made \$118,619.87 In 1 Month And I Never Messed With Banks

Back to Inbox Archive Report spam Delete Move to Labels More actions

Join us for BBQ and Cash Flow and the Rental Owners EXPO this Saturday

Inbox | X

Team Newington to me show details 3:45 PM (23 hours ago) Reply

*Creating PROSPERTITY*

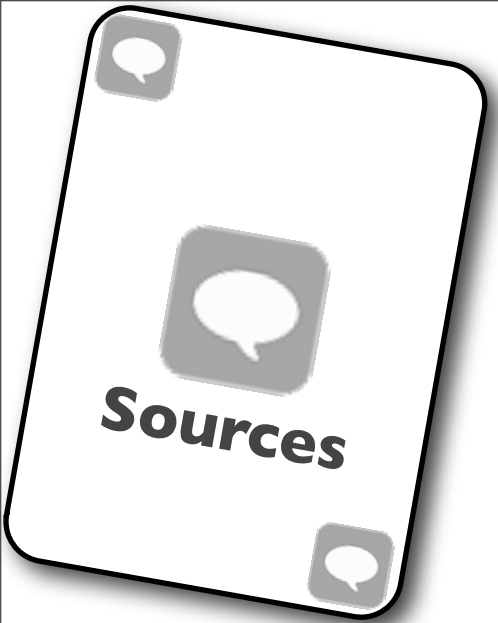
@ The E-zine Dedicated to Helping you Build, Protect, and Expand your Abundance.

Volume 3, Issue 7 July 2009

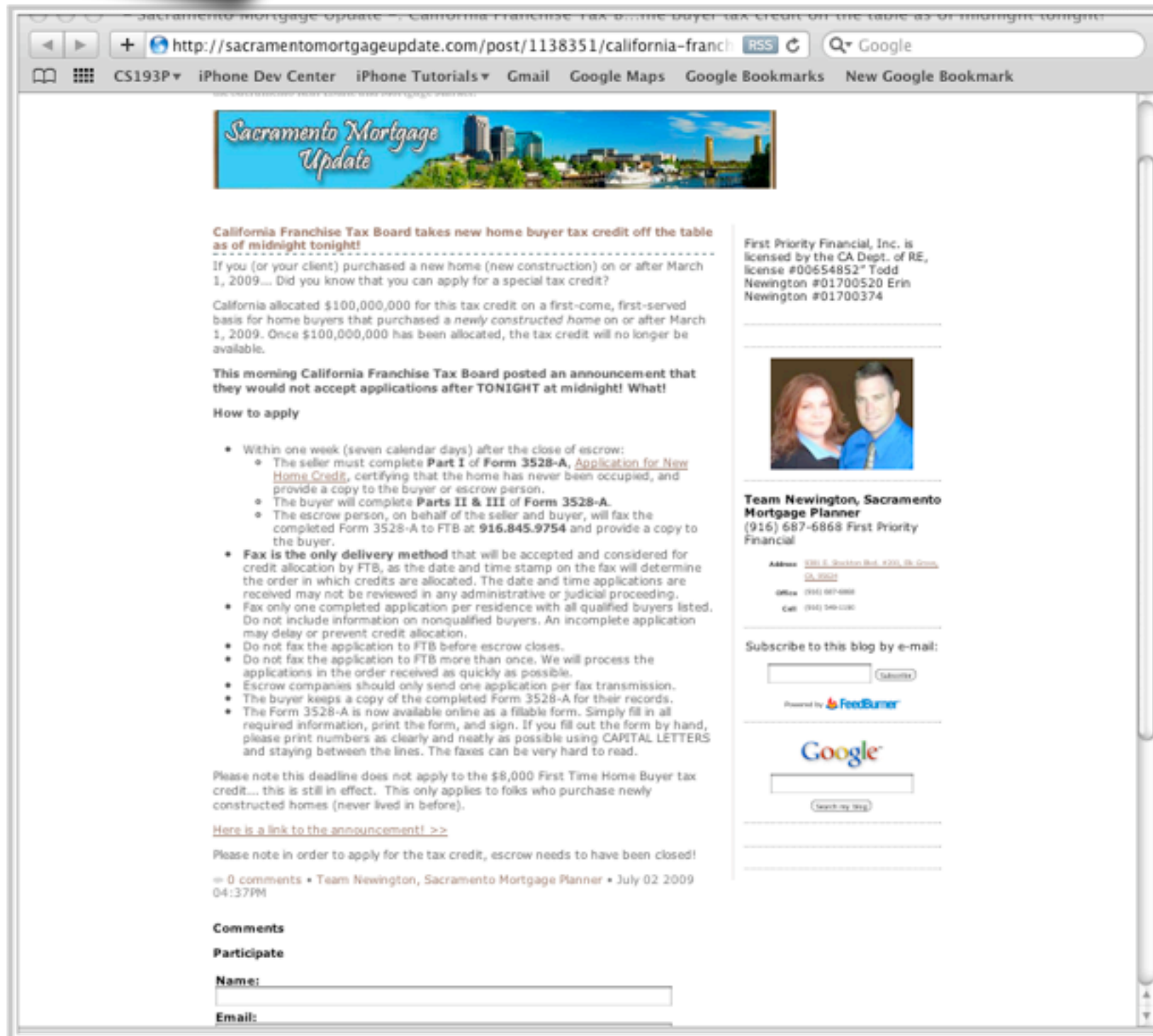
In This Issue	July is an exciting month for us!
<b>New Gov't Short Sale Incentives &gt;&gt;</b>	We have 2 major events this month and we would love for you to join us!
<b>Is the Foreclosure Inventory Going to Boom?</b>	First off, we are participating again in Sacramento's largest event for real estate investors... <b>Sacramento Rental Owners EXPO!</b> If you are thinking about purchasing or currently own rental property... you don't want to miss this event!
<b>UPCOMING EVENTS</b>	
<b>Client Success Story</b>	
<b>TEAM NEWINGTON</b> Mortgage Planners First Priority Financial	Next... we would like to invite you to a <b>BBQ at Elk Grove Park!</b> Yep.. a good ol' fashion BBQ!
P: (916) 687-6868 E: (916) 258-6790	The details are below.. we hope you can join us!

Loading "https://mail.google.com/mail/?zx=zm2lmz7048bh&shva=1#inbox/1227b711054b63ae", completed 5 of 6 items

- Original Content
- Delivered to my email inbox
- Includes article snippets
- Provides links to full blog entries

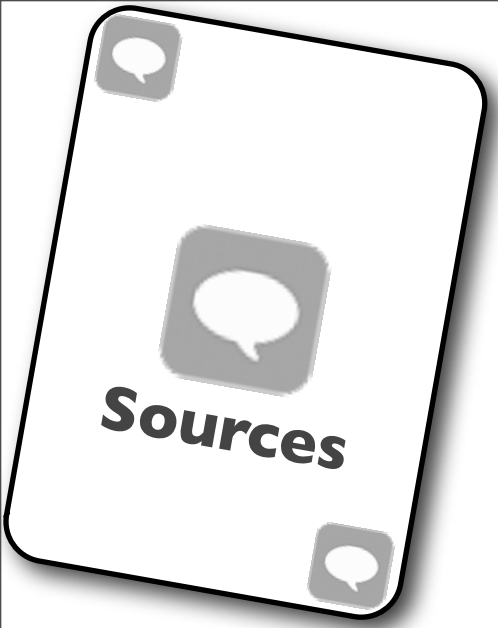


# Team Newington Blog



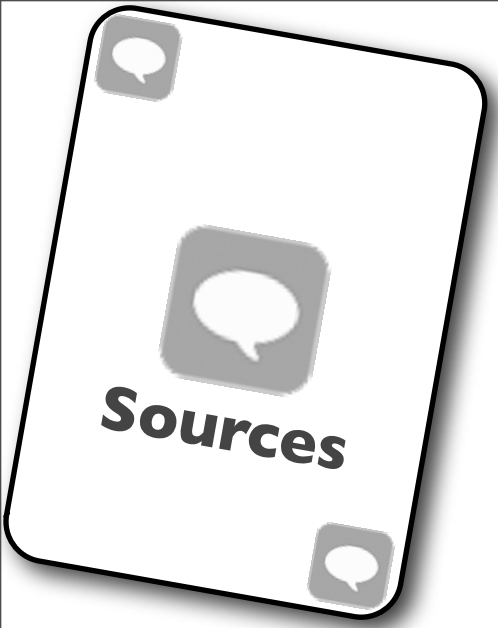
<http://sacramentomortgageupdate.com>

- Digested Content
- Short meaningful articles
- Provide links to original articles
- Added value for their readers
- Summarize source article
- Explain ramifications
- Give instructions



# Fellow Investors

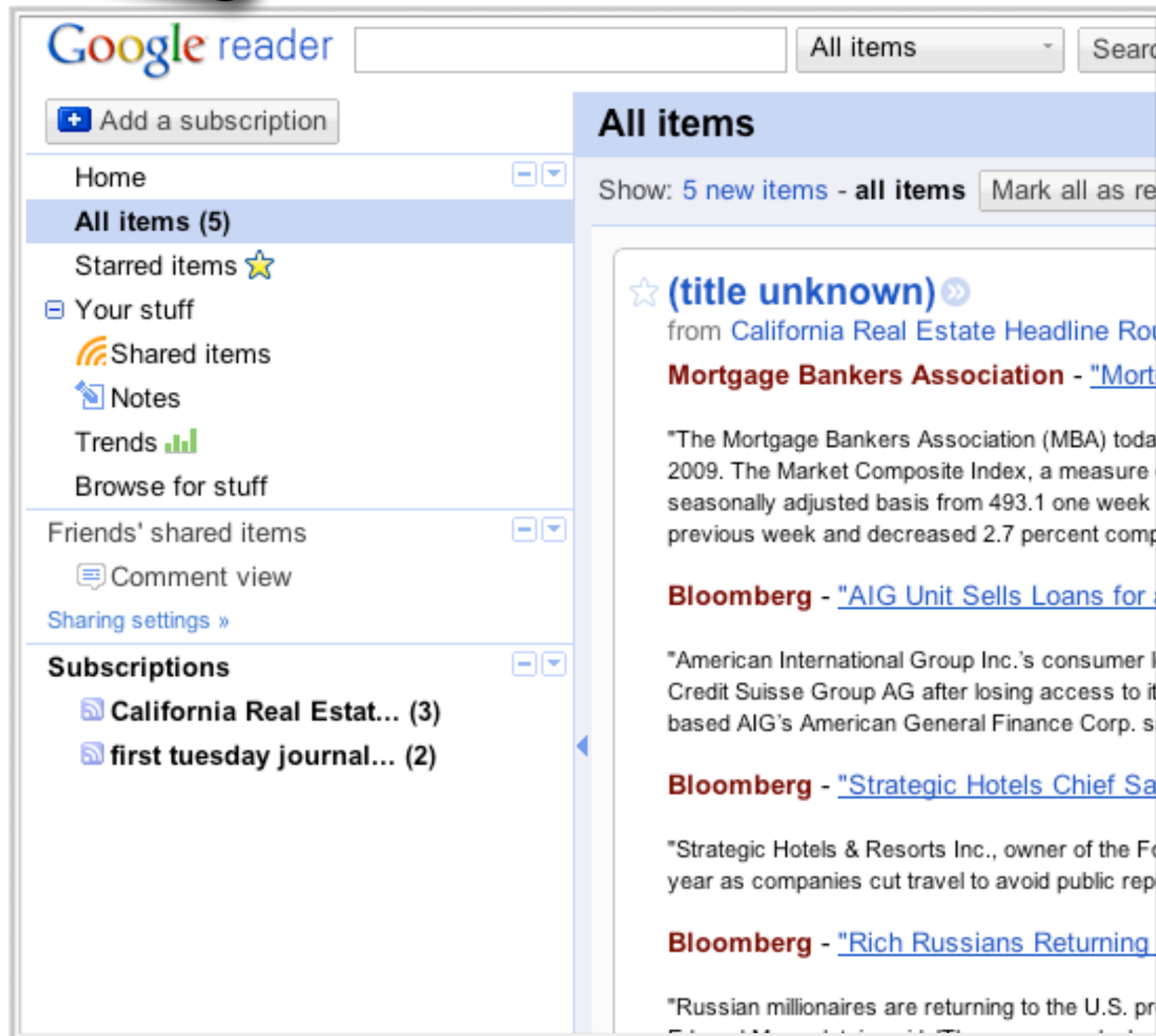
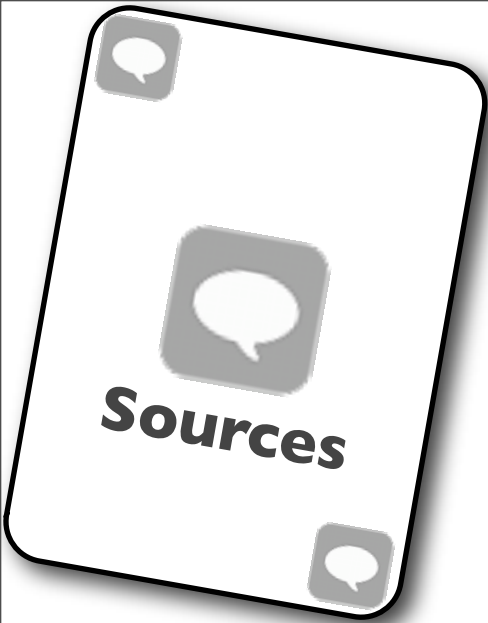
- Fellow investors have wealth of knowledge
- REIAs great places to share information
- Facts often needs to be verified
- Can be source for data and sources



# RSS Feeds

- Not really a source, a delivery method
- Data comes looking for you
- Use “Reader” software to access subscriptions
  - all subscriptions in one place

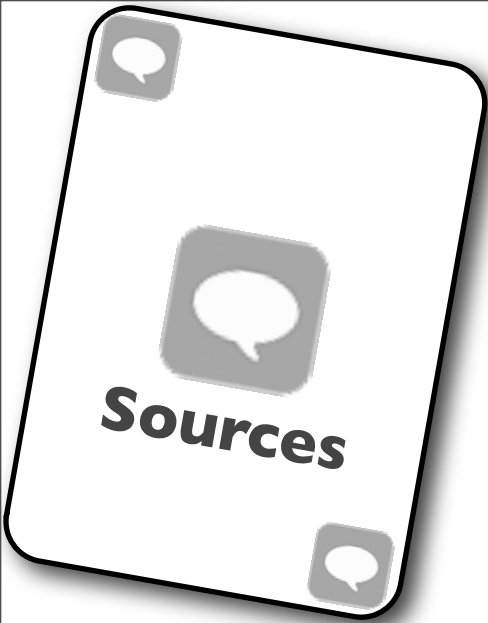
# Google Reader



<http://www.google.com/reader>

- Acts similar to email (read vs unread)
- Gathers all subscriptions on one screen
- Advanced Features (tagging, notes, etc.)
- I only use to read
- I use other tools for notes, organizing





# Subscribing to Feeds

[Mortgage Applications Increase in](#)

...y released its Weekly Mortgage ... 0, 2009. The Market Composite Index, ... e, was 514.4, an increase of 4.3 ... 3.1 one week earlier. On an ... cent compared with the previous week ... same week one year earlier"

[as Much as \\$975 Million" \(7-15-](#)

... lender will receive as much as \$975 ... Credit Suisse Group AG after losing ... s have a balance of about \$1.6 billion, ... ce Corp. said yesterday in a regulatory

[ays Corporate Cutbacks to Trim](#)





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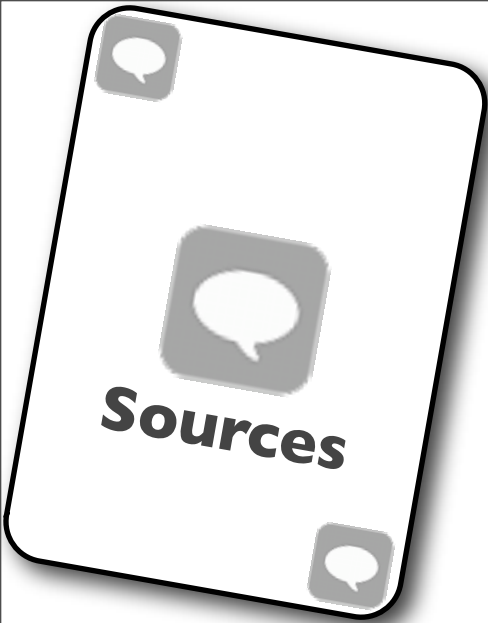
The Norris Group provides resources for California real estate professionals. From our radio show on KTIE 590am to our free newsletter to our real estate news blog, we work hard to provide the resources real estate professionals need to stay informed and make wise real estate investment decisions.

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2007-15 09:57:27 UTC-07:00

**Bankers Association** - "Mortgage Applications Increase in Latest MBA Weekly Survey"

- No standard instructions page
- Normally just pick reader software
- Sometimes provide contact info
- After subscribing, should appear in reader



# Sanity Checks



# Why Sanity Check?

- Like Emergency Room triage
- Filter important from less important
- Eliminate duplicates
- Save us time for doing other work



# Results of Sanity Checks

- Don't care about this article
- Interesting... get a little more information
- Important... get a lot more information

90%

8%

2%

2-30 sec

1-2 min

5 min

# First-Time Home Buyers May Get a Legislative Boost

A congresswoman and a House are separately pursuing innovative potential solutions to two of the most significant impediments that stand in the way of most first-time home buyers: the need for down payments and closing costs, and sub-par credit scores that guarantee unaffordably high interest rates and mortgage fees.

Here is a quick update on two of the most interesting bills under consideration: On Capitol Hill, Sen. Debbie Stabenow (D-MI) is drafting legislation that would perform financial alchemy by converting federal income tax credits into cash for down payments and closing fees - payable either by first-time home buyers or by their mortgage lenders.

[Read the full article...](#)

March 1, 2003



# Timing / Age

- When was the article written?
  - Old articles aggregated with new ones
  - Old article rehashed as if new
  - Website articles often include date
- When was the underlying data released?
  - Occasionally someone will write a new article about old data
- Does data apply to “now”
  - Article predicting future



# Scope

- Geographic scope
  - Texas incentives for landlords
- Economic scope
  - Plan to help non-upside-down homeowners
- Federal vs State vs Sacramento





# Author Bias

- Author wants you to believe something
- Limit facts to those supporting position
- Often financially motivated
- Also applies to data
- Almost inevitable
  - Most authors taint with own beliefs



# Bias Example

**Appraisers applaud new federal underwriting guidelines**  
July 15, 4:20 PM

1 comment ShareThis RSS Report Email Print

Next Article Real Estate News Examiner

Appraisers finally have something to crow about and housing consumers can join the chorus – soft as it may be.



For lenders, Freddie Mac's Bulletin 2009-18 on July 10, 2009, regarding "[Underwriting and Appraisals](#)" says home sellers (consumers and banks holding repossessed homes) should hire licensed appraisers for appraisals and consider an appraiser's trade group affiliation as a criterion for choosing the appraiser.

The bulletin doesn't say trade group affiliation should be the only factor, but for appraisers, it's a key statement from a big loan money supplier.

"We applaud Freddie Mac for addressing this important requirement that will have a positive effect on millions of home buyers and sellers," said Jim Amorin, president of the Appraisal Institute.

"The recognition of the professionally designated appraiser has been a missing component in mortgage reform. These new guidelines are the right long-term solution for consumers and appraisers and will instill confidence in the safety and soundness of the mortgage lending process," he added.

Appraisers have been up in arms over the mortgage reform component known as the [Home Mortgage](#)

<http://www.examiner.com>

- Written by Appraisal Institute
- “You should use our appraisers”
- “Freddie Mac now says you can”
- Information isn't wrong, just limited
- Freddie Mac bulletin also says
  - Don't have to mix REO with non-REO for market analysis
  - Lenders shouldn't influence appraiser's market analysis



# Your Bias

- Be very careful with you own bias
  - Gathering information to form opinion
  - Don't left that new opinion taint your view
- Source tainting
  - C.A.R. - "Now is the best time to buy"
- Content tainting
  - "The market won't recover until middle 2010"



# Conjecture

- Conjecture not necessarily bad
  - If you know it's conjecture
- Is the conjecture supported by facts?
- Do you trust the source?
- Sometimes I look for opinions and conjecture
  - How will this information affect the market?
  - Helps me form my own opinion



# Matches Previous

- Does this match what I've already learned?
- Most information is not new
- Completely new (relevant) subject
  - Legislation
  - Data reports
- Refinement of old subject
  - Data "trickles in"
  - Each article emphasizes different aspect



# Too Good to Be True

- Might be a waste of time
- Might be very important
- Almost always trigger need for more investigation
- Bootcamp example: IRS home buyer credit
  - When would you have to pay it back?
  - Prominent news source got it wrong
  - Several investors believed it.



# IRS Form 5405

<http://www.irs.gov/pub/irs-pdf/f5405.pdf>

For Paperwork Reduction Act Notice, see page 3.

Cat. No. 11880I

Form **5405** (2008) (Rev. 2-2009)

Form 5405 (2008) (Rev. 2-2009)

Page **2**

For more information about related persons, see *Non-deductible Loss* in Chapter 2 of Pub. 544, *Sales and Other Dispositions of Assets*. When determining whether you acquired your main home from a related person, family members in that discussion (except item 7) include only the people mentioned in 8a above.

## Amount of the Credit

Generally, the credit is the smaller of:

- \$7,500 (\$8,000 if you purchased your home in 2009), but only half of that amount if married filing separately, or
- 10% of the purchase price of the home.

- If you die, any remaining annual installments are not due. If you filed a joint return and then you die, your surviving spouse would be required to repay his or her half of the remaining repayment amount.

**Homes purchased in 2009.** You must repay the credit only if the home ceases to be your main home within the 36-month period beginning on the purchase date. This includes situations where you sell the home, you convert it to business or rental property, or the home is destroyed, condemned, or disposed of under threat of condemnation. You repay the credit by including it as additional tax on the return for the year the home ceases to be your main home. If the home continues to be your



# Techniques

- Use web browser “tabs”
- Quick scan
- Read it once
- Add notes if you want more info
- Don't mix sanity check with investigation





# Web Browser Tabs

- Useful for grouped articles from aggregator
- Open each in it's own tab
- Quickly flip back and forth
  - Remove duplicates
  - Pick most complete

# Web Browser Tabs



CS193P iPhone Dev Center iPhone Tutorials Gmail Google Maps Google Bookmarks New Google Bookmark

Freddie Mac - Google News rates drop for 3rd week: Fredd... survey: Mortgage rates drop f... Rates: Current Mortgage Rates... U.S. Mortgage Rates Fall to 5.1...

Sorted by relevance [Sort by date](#) [Sort by date with duplicates included](#)

Sponsored Links

**2009 Freddie Programs- CA**  
Freddie Refinance Mortgage Lenders  
Find A MAC Lender And A Program  
[www.Freddie-Mac-Mortgage.com](http://www.Freddie-Mac-Mortgage.com)

**4.375% Fixed Refinance**  
No Hidden Fees. Refi & Save w/ DPR®  
As Featured on CNNMoney and Forbes!  
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\$200,000 home mortgage for \$771/mo.  
See New Payment. No SSN Required.  
[Mortgage.Refinance.Leadsteps.com](http://Mortgage.Refinance.Leadsteps.com)

**Freddie Rate at 4.25%**  
Mortgage Rate Cut Alert. Save Now.  
Get Freddie Mortgage Quotes.  
[MortgageDebt.com/Freddie-Mac](http://MortgageDebt.com/Freddie-Mac)

**Loan Modification Program**  
Adjust your Fannie or Freddie loan,  
make your payments more affordable  
[www.Help-4-Homes.com](http://www.Help-4-Homes.com)

[Find It With People](#)


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Archives

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[2002-04](#)  
[1990-99](#)  
[Other dates](#)

 **Fannie Mae, Freddie Mac bill sale calendar**  
Reuters - Jul 15, 2009  
July 15 - (Reuters) - The following is a list of scheduled US agency bill sales from Fannie Mae and Freddie Mac for 2009. **Freddie Mac** 1-month auctions are ...  
[Appraisal Quality Getting More Attention](#) Washington Post  
[US mortgage delinquencies up 6.5%](#) Bizjournals.com  
[Appraisers applaud new federal underwriting guidelines](#) Examiner.com  
[Ethiopian Review](#)  
[all 67 news articles »](#) [FRE - FNM](#) [Email this story](#)

 **Mortgage rates drop for 3rd week: Freddie Mac**  
Reuters - [Julie Haviv](#) - 2 hours ago  
**Freddie Mac** started the Primary Mortgage Market Survey in 1971. The drop in rates is a positive for the US housing market, which has been showing some signs ...  
[Freddie Mac survey: Mortgage rates drop for third consecutive week](#) National Mortgage Professional Magazine  
[Mortgage Rates Fall This Week;30-Year Fixed At 5.14%-Freddie Mac](#) NASDAQ  
[Mortgage Rates: Current Mortgage Rates Down Slightly According to ...](#) MonitorBankRates.com  
[The Associated Press](#)  
[all 227 news articles »](#) [FRE](#) [Email this story](#)

**US Mortgage Rates Fall to 5.14%, Freddie Mac Says**  
Bloomberg - [Brian Louis](#) - 3 hours ago  
The average 30-year rate fell to 5.14 percent from 5.20 percent, mortgage buyer **Freddie Mac** of mclean, Virginia, said today in a statement. ...  
[FRE](#)



# Quick Scan

- Goal: eliminate unwanted articles in just a few seconds
- My checks (in order)
  - Filter using topic and scope from title



- Goal: eli
- My chec
- Filter

A screenshot of the Google Reader web interface. The browser address bar shows the URL 'http://www.google.com/reader/view/?hl=en&amp;tab=wy#stream/user?'. The search bar contains the text 'rivr rat coupons'. The navigation menu includes links for Gmail, Calendar, Documents, Photos, Reader, Sites, Web, and more. The main content area displays a list of news items from various sources, including Bloomberg and Orange County Register. Each item includes a headline, a date, and a short text excerpt. At the bottom, there are buttons for 'Previous item' and 'Next item', and a note that there are 'more than 20 items'.



# Quick Scan

- Goal: eliminate unwanted articles in just a few seconds
- My checks (in order)
  - Filter using topic and scope from title
  - Check date and source
  - Scan article for scope indicators



# Read it Once

- Borrowed from the “Touch it Once” organization system
- Read the article completely in one sitting
  - Usually just a couple of minutes
  - Unless it’s a teaser, don’t follow any links
- Make a decision about the article



# Add Notes

- Have a single, quick system for taking notes
- Notes no good if you can't find them
- Include links - Never have to "rediscover"
- Don't organize them yet. All sanity check notes in one place



# Notes To Help You Remember

- Use only for new subjects
- Restate main points in own words
- Comment on how it fits with other pieces





# Notes to Direct Later Investigation

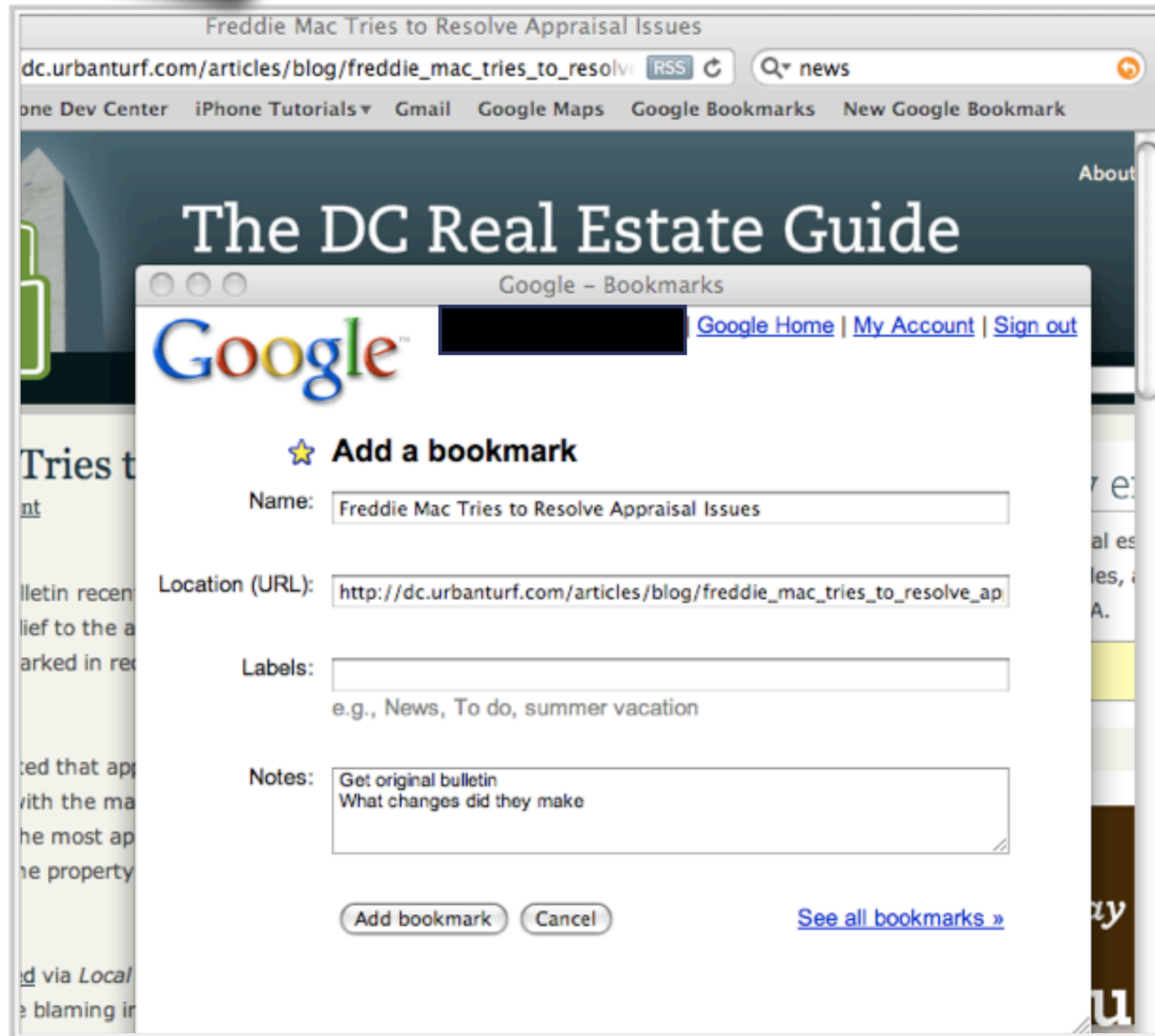
- Often in the form of questions
  - “How will this affect my business?”
  - “Really? How can that be?”
  - “What does



# Google Bookmarks

- Similar to browser bookmarking
  - Easy to add a new one
  - Easy to follow back to original page
- Some big advantages
  - Get to them from any computer
  - Add notes/comments
  - Searchable

# Adding Bookmark



- Open any webpage
- Click “New Google Bookmark”
- A native browser bookmark
- Name and Location filled for you
- Add notes
- Click “Add Bookmark”

# Viewing Bookmarks



<http://www.google.com/bookmarks>

A screenshot of the Google Bookmarks page. The page features the Google logo at the top left, followed by search boxes for 'Search Bookmarks' and 'Search the W...'. Below the search boxes is a 'Bookmarks' section with a left sidebar and a main content area. The sidebar includes links for 'Web History', 'Web', 'Images', 'News', 'Products', 'Sponsored Links', 'Video', 'Maps', 'Blogs', 'Books', 'Pause', and 'Remove items'. The main content area displays a list of bookmarked items, each with a star icon and a title. The items include: 'Get your bookmarks on iGoogle with the improved Google Bookr...', 'IconWorkshop™ - Make your own icons for Vista, XP and... [software, icons - Use this for presentation icons?]', 'Blast | Bikes | Buell Motorcycles - buell.com - Today - Bookn [motorcycle - Nice midsize]', 'Renters seek savings in bigger apartments - Lansner... - free [norcalreia - Will this affect our target rental size? Is this stati', 'Trulia gaining market share | Real Estate and Technology... [norcalreia - Maybe I should start using Trulia?', 'Realty Times - Real Estate Outlook: Positive Signs Reported [norcalreia - How do this affect me?', 'Bill would suspend new home appraisal standards - sfgate.co [norcalreia - Article with lots of backstory, but very little subst', and 'first tuesday journal online w... Journal Articles July... - firsttuee'. The bottom of the sidebar shows a 'Bookmarks' section with categories: 'Admin (1)', 'Business (2)', 'C++ (3)', and 'Financial (11)'.

**Bookmarks**

[Web History](#)

[Web](#)

[Images](#)

[News](#)

[Products](#)

[Sponsored Links](#)

[Video](#)

[Maps](#)

[Blogs](#)

[Books](#)

Pause

Remove items

[Trends](#)

[Interesting Items](#)

**Bookmarks**

[Admin \(1\)](#)

[Business \(2\)](#)

[C++ \(3\)](#)

[Financial \(11\)](#)

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★ [Blast | Bikes | Buell Motorcycles - buell.com - Today - Bookn](#) [motorcycle - Nice midsize]

★ [Renters seek savings in bigger apartments - Lansner...](#) - free [norcalreia - Will this affect our target rental size? Is this stati

★ [Trulia gaining market share | Real Estate and Technology...](#) - [norcalreia - Maybe I should start using Trulia?]

★ [Realty Times - Real Estate Outlook: Positive Signs Reported](#) [norcalreia - How do this affect me?]

★ [Bill would suspend new home appraisal standards - sfgate.co](#) [norcalreia - Article with lots of backstory, but very little subst

★ [first tuesday journal online w... Journal Articles July...](#) - firsttuee

- Lists by date added (can change)
- Search box
- View own comments
- Add tags (for advanced organization)



# Don't Investigate while Checking

- Faster to scan if you're only scanning
- Lose your place after chasing links
- Next article might have the answer
- Still ask questions in first article's notes



# Investigation



# Investigation Goals

- Get more details
- Discover background information
- Get both sides of the story
- Resolve confusion



# Backtracking

- Direct reference in body of article
- Blogs sometimes have
  - “Referenced By” links
  - “Source Articles” links
- Straight to the known authority
  - IRS homebuyer credit example





# News Aggregators

- Let computers do work of grouping related articles
- Hit and miss effectiveness
  - Grouping works much better with recent articles
- Great way to find related articles from opposing sources



# Differing Views

The screenshot shows a Google News search for "new appraisal rules". The search bar at the top contains the text "new appraisal rules" and buttons for "Search News", "Search the Web", "Advanced news search", and "Preferences". Below the search bar, the results are sorted by relevance. The first result is titled "New home appraisal rules stir industry backlash" from USA Today, dated July 14, 2009, by Alex Veiga. The snippet mentions Suzanne Wilhelm, who is having difficulty selling her home in Henderson, Nevada, due to the new appraisal rules. Other search results include "Appraisal rules stir more ire" from Sarasota Herald-Tribune, "New rules for home appraisals stir backlash" from Richmond Times Dispatch, and "Bill would suspend new home appraisal standards" from San Francisco Chronicle. A second result is titled "Appraisal Quality Getting More Attention" from Washington Post, dated 8 hours ago, by Elizabeth Razzi. The snippet discusses the concerns of buyers, sellers, real estate agents, and mortgage brokers regarding the new appraisal rules. Other search results include "Fannie, Freddie asked to relax condo loan rules: report" from Ethiopian Review, "Freddie Mac issues appraisal bulletin" from Inman.com, and "Obama Punting On Fannie, Freddie Could Prove Costly" from Huffington Post. A third result is titled "More consumer protection rules will influence house closings" from Connecticut Post, dated 2 hours ago. The snippet states that the new Fed rules require lenders to deliver a copy of the real estate appraisal to the borrower three business days before the scheduled closing on the loan. The final result is titled "New appraisal rules tangle home sales" from St. Louis Post-Dispatch, dated July 10, 2009, by Tim Logan.

<http://www.google.com/news>

- Real Estate Industry
- Appraisal Institute
- Consumer Protection
- Political
- General Interest



# Search Engines

- Web and News search are different
  - Web search
    - “Permanent” documents (forms, press releases, reports, etc.)
    - Slower to appear in search results
  - News search
    - “Time Sensitive” articles
    - Announcements about permanent things
    - Faster to appear in search results. Quicker to leave too.
- Try both if needed



# Google Advanced Search

- Exclude: [-freddie](#)
  - exclude results you don't want
- Domain: [site:irs.gov](#)
  - limit search to a specific website (and sub pages)
  - Good for when sites search doesn't work well
- Quotes: ["relief act"](#)
  - Use sparingly
  - Can help with high interest words



# Wait For New Articles

- It's rare to have only one article on a news event
- Different authors will emphasize different points
- Some will give you better links than others
- I save my investigations for end of week



# Documenting Investigation

- Keep notes on all new sources
  - Things learned
  - Questions remaining
- As you backtrack add bookmarks before going deeper
  - Use tags to start organizing

# Retention





# Control the Flow

- Fight information overload
  - Overload with new info and you'll forget the old
  - Pre-filter the data and get it coming to you
    - News aggregators
    - RSS feeds and readers
- Use effective tools
  - Google bookmarks (or equivalent)





# Association

- The human brain remembers via association
- Can't remember something totally foreign
- Mentally relate new material to something familiar
- How does rising inflation affect my business
  - Increased rehab costs
  - Potential decrease in profits
- Over time you'll become familiar with new stuff



# Summarize

- Record the findings of your investigation
- Writing summaries significantly improves memory retention
- Start your own blog (even if you don't plan on publishing it)
  - Blogger, Blogspot, etc.
  - Great place to record investigation results
    - Get to it from anywhere
    - Searchable
  - Don't forget to include links to sources. :-)



# Use It or Lose It

- Use new information to adjust your business plan
  - Document the new plan
- Periodically re-read your own blog
- Share with others
  - Explaining new material one of best ways to learn it






# Conclusion

# Conclusion

- Professional gamblers count cards to increase their odds
- Professional real estate investors have their own cards that tell about changes in the economy and real estate market.
- Government and economic forces are exerting pressure on the Sacramento real estate market.
- Understanding those forces can help you stay out of the pinch spots.

# Real Estate Cards



-  Topics
-  Sources
-  Sanity Checks
-  Investigation
-  Retention

# Slides Available

- <http://www.norcalreia.com> -- “Free Resources” link
- Adobe PDF format

# Counting Cards

The smart way to invest in real estate

John Johnson  
July 16, 2009  
NORCAL REIA

