



My lessons learned from "The Greatest Generation"

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Much has been said over the last several years about the generation of Americans now commonly referred to as "The Greatest Generation." Most of us have been fortunate enough to know one or more people from this generation and have been influenced by them on a personal level. For me, the greatest of these was my paternal grandfather. From him, I learned lessons that still stay with me and influence the way I do business every day. They are not specific formulas or techniques, they are principles. My grandfather applied them on the farm. We can apply them to our industry.

Lesson one: Time tells all tales. I remember my grandfather telling me that it generally isn't as bad as we first think or as good as it looks on the surface. There are times on a farm when the rain will come early and it will look like a great year is in store only to see the rain stop and the given crop dwindle. There are also times that look bleak early only to see late rains and banner years. Does that sound familiar in our industry? Did you ever miss a deal and end up thankful you did when you saw it go badly for someone else? Or have you ever passed on a deal only to see it turn to gold? Real estate is an asset class that has a long shelf life and must be judged in the window of time. Some of the best deals I have been able to make were because someone else got impatient and gave up just before the deal turned the corner. With patience and by maintaining the proper perspective of time with a deal, we can avoid being the person who sells early.

Lesson two: Skinny cows make more money. My grandfather used to say that someone else could have the fancy, fat, registered cows; he'd take the skinny, unregistered cows every time. Did that mean he liked to keep his cows skinny and not well cared for? No. It meant that there was more opportunity in fattening up the skinny cow than just maintaining the fat cow.

For our purposes, it comes down to finding opportunities to increase the "weight" of our projects and increase our profits. It doesn't have to mean that we solve some complex problems that require people smarter than me to figure out. It means that with tweaking various aspects of a given deal, we can make a healthy profit. The other side of that coin is that you better do your homework on that cow. Skinny because it is being underfed or has a curable problem is one thing; skinny because of bad genetics or the fact that it is about to die means your aggravation level is about to rise. You had better know your product.

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