

REAL ESTATE INVESTMENT

THE INVESTOR BROKER REPORT

How Investor-Friendly Agents Can Generate
Massive Deal Flow By Working With Private
And Institutional Investors.



The Investor Broker Report

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Introduction and One Big Observation

Let me introduce this report in a personal way by saying that I've worked in the real estate industry for a long time. 20 years as a real estate agent, investor and educator.

I've worked with some of the most brilliant and successful residential agents and investors and watched them close thousands of deals, including dozens of my own deals.

Now as I enter my third decade in the real estate industry, I have the luxury of working exclusively with my favorite kind of person in the real estate industry - real estate agents and professionals who work with real estate investors.

Investor brokers or Investor-friendly agents!

So welcome to the Investor Broker Report, where we'll introduce you to the world of investor-friendly agents and the benefits and rewards of working with real estate investors.

TLDR

Investor brokers will share \$10 Billion in commission in 2025. Get your share of the commission pie.

Things This Report Will Give You – Opportunity, Time and Personal Growth

The goal of this report is to open your eyes to the massive size and opportunity for investor-friendly agents to work with real estate investors and build a pipeline of closed deals.

My role is to give you the cheat code to become an investor-friendly agent and help you develop the expertise you need to be a successful investor broker.

That's all I can promise - if you do the work, I'll get you to your end goal in record time.

Underserved and Underappreciated

Twenty years of working with investors has made me realize one irrefutable fact – investor-friendly agents are the most underserved and underappreciated class of the real estate industry.

I feel like it's my calling to do something about it.

We're the Cinderella of the ball, hiding in plain sight and just waiting to be discovered. We're a deal and commission powerhouse that just needs a little love and support to flourish and we can adapt and thrive in any real estate market.

The key takeaway?

Put yourself into the right brokerage situation. If you want to be a successful investor-friendly agent, you need to find a broker or brokerage that will support you and actively help you close deals. If you can't find the right broker, start your own brokerage.

This Investor Broker Report is my first step towards helping other investor-friendly agents figure out how to work with investors and grow their investor-focused business.

My Call to Action

My CTA is that if you want to become an investor-friendly agent or grow your investor broker business, all you need to do is reach out to me and ask for my help. Send me an email.



Ross Hair
Founder
Investor Broker Inc.
ross@investorbroker.com

The Investor Broker Community
www.InvestorBroker.com

A World of Opportunity for Investor-Friendly Agents

It's time to introduce you to a world of opportunity.

If you're a real estate agent and you're interested in working with investors, we want you to know that there is an opportunity to tap into massive deal flow by working with investors, especially the new breed of institutional investors and disruptive start-ups.

Not to mention a \$10 billion commission pie to be shared between a relatively small number of investor-friendly agents.

Here's what we believe:

- We believe in investor-friendly agents.
- That investor-friendly agents are some of the most creative and savvy real estate experts in our industry.
- That the size of the investment real estate market is much bigger than most agents realize, and it has exploded in size as large institutional investors transact and capture more market share and close tens of thousands of deals each year.
- That the opportunity for investor-friendly agents is both unlimited and untapped and working with investors is a pathway to massive financial success.
- That there is an opportunity to bring added value to homeowners by introducing a wealth advisory capability that educates homeowners as to the financial value of their home and its importance to their retirement plan.
- That we have the experience and expertise to work with private mom-and-pop investors to help them build their property portfolio.
- That many private investors have become more sophisticated and have developed expertise in niche investment deals that 95% of agents don't understand or have the know-how to close.
- That the emergence of institutional investors in the residential real estate market is here to stay and represents an unprecedented opportunity for agents who can connect and transact with this new wave of investors.
- That fast-moving prop tech disruption in the real estate industry is another unprecedented opportunity to be embraced and not an obstacle to be avoided. It's the new gold rush for savvy investor-friendly agents.

- That we can leverage our expertise and experience working on investor deals to invest in our own deals and build our own investment property portfolio.

There you have it. I hope you had a light bulb moment and you're starting to feel excited about closing deals with investors.

Next in the report, we'll dig deeper into working with investors and show you the five types of investors and the opportunity for massive commission and business growth.

2. Working With Investors

Introducing the Investor-Friendly Agent

The new residential real estate market has created the conditions for the emergence of a new type of real estate agent - the investor broker or investor-friendly agent.

We believe that a third real estate sector has evolved that sits in the overlapping space between residential and commercial real estate.

This third space is called Residential Investment Real Estate and it's the domain of the new breed of investor brokers aka investor-friendly agents.



Investment real estate deals tend to **primarily be residential or small multifamily properties** bought for investment purposes and redeployed as rental units.

This was traditionally the domain of the private mom-and-pop real estate investor, but the landscape changed dramatically in the last decade as large institutional investors and prop tech disruptors acquired hundreds of thousands of residential homes each year.

It's important that you clearly understand that residential real estate has become a significant investment asset class for very well-funded institutional investors.

Residential Agents Versus Commercial Brokers

In most states in the USA there is no licensing distinction between a residential and a commercial real estate broker. A licensed real estate agent is licensed to practice both residential and commercial real estate. The licensing requirement is the same, although some states have started to recognize the complexity and liability associated with commercial real estate and require additional supervision, continuing education and insurance for brokers that participate in commercial transactions.

As a general rule, residential agent sells residential real estate, and a commercial broker sells or leases commercial real estate.

Here's the key point – there is absolutely nothing to stop residential agents (like you) from selling and dominating the sale of residential real estate acquired for investment purposes.

The Three Things You Need to do Right Now to Become a Successful Investor-Friendly Agent

Focus on the following three things to build your book of investor business:

- Mindset
- Skill Set
- Rebrand

Investor-friendly agents need to focus on changing their mindset and skillset.

Working with real estate investors is very different to working with home buyers and sellers.

Most home buyers make an emotional decision about where they want to live, raise their family and enjoy their life.

Most investors make a financial decision about the investment value of a property and how it will fit into their investment portfolio.

The property may be the same, but homeowners and investors value different things.

Mindset

As an investor-friendly agent, you need to adjust your mindset as to how and why you work with investors. Investors aren't looking for a beautiful home in a wonderful neighborhood. They're looking for a great deal.

Sure, it can be a beautiful home in a wonderful neighborhood, but the price or terms need to be more attractive than a traditional deal.

In most cases they're looking for value - value built into the deal or value that can be unlocked or added to the deal.

Skill Set

(If you can figure out why mindset is one word and skill set is two, please let me know😊).

Skill set is the expertise and experience you need to add value to your investor clients.

Traditional Realtors develop expertise in the core activities needed to complete a real estate transaction.

Investor-friendly agents need the same core skills plus deep subject matter expertise in core and niche real estate investment deals.

This includes expertise in creative deal structures, including creative acquisition and transaction structures, as well as creative finance. It includes expertise in niche property types, niche property use, and niche property ownership structures.

Investor-friendly agents may need to understand complex legislation and regulations, including zoning, federal, municipal and HOA by-laws.

It's impossible to know everything so agent-friendly investors need to develop a strong support team and will usually develop a specialized niche expertise in a particular type of property or deal structure.

Rebrand and Reinvent

The final piece is that you need to rebrand and reinvent yourself as an investor-friendly agent.

You're no longer a general practitioner - you're now a trained and certified specialist with additional expertise and value for your clients.

My strongest recommendation is that you find a niche type of property, type of investor or investment strategy and completely own that niche.

Your mindset, skill set, and brand need to reflect your new business model.

It's what will set you apart and help you earn the big bucks.

3. The Five Types of Investors (that Generate Massive Commission)



We've identified five main channels of opportunity, based on investor type, for investor-friendly agents to generate a steady pipeline of leads and real estate commission.

Our challenge to you is to find the channel that you love and become the dominant investor-friendly agent in that channel. Don't be afraid to specialize in one channel and develop deep expertise in one niche.

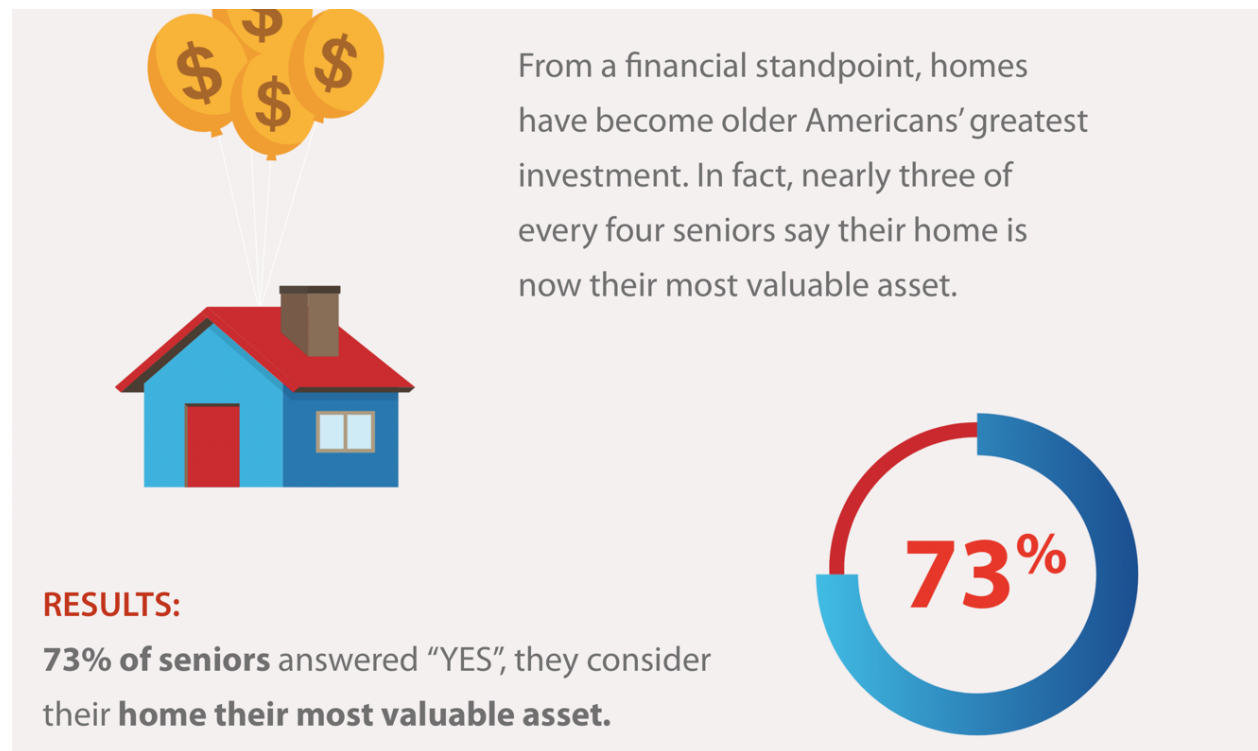
Channel 1 - The Homeowner Wealth Advisor

There is an emerging opportunity to educate and transact with residential homeowners that view their primary residence as an investment.

We believe there will be a trend whereby agents will add a "wealth" or "investment" layer of service to homeowners. This opportunity is based on the premise that all homeowners are by default also real estate investors.

The investment layer provides homeowners with an understanding of the real estate investment value of their home and the financial role it will play in their retirement plan.

Research by AAG (American Advisors Group) has shown that for 73% of US retirees, their primary residence will be the major asset in their retirement account. This makes their primary residence the most important financial decision of their life.



Real estate professionals need to add wealth or financial expertise to their real estate service as real estate investment expertise will be a critical additional service. The emergence of disruptive prop tech and fin tech finance and property models will place strain on general real estate professionals who offer little more than a showing service for their clients.

The Opportunity

With or without your help, many homeowners will buy multiple properties through their life. A starter home, a move-up family home, a second or vacation home, a student rental and even a down-size retirement home.

You can be there every step of the way as their real estate advisor.

You can show them how to build a portfolio by unlocking the equity in their primary residence and use it to acquire rental units.

Channel 2 - Private Investors and the Core Investment Channels

Private real estate investors traditionally invest in three core investment channels - wholesale, fix-and-flip and buy and hold.

Most small investors are mom-and-pop private investors focused on buying single family homes or small multi-family properties. They will use different acquisition, financing and ownership structures, but at the heart of most deals will be one of the three core investment channels.

Core investment channels are the bread-and-butter deals for private investors and by extension their investor-friendly agents.

The Core Investment Channels

1. Wholesale
2. Fix and Flip
3. Buy and Hold

1. Wholesaling

This real estate investment strategy involves “buying” real estate at X price and reselling it or assigning it quickly at X plus Y price.

I use the word “buying” in a very broad way because usually a wholesaler will not take title to the property but instead will simply “take control” of the property. Most wholesalers will put the property under contract and then assign, broker or double close the property. The main reason for this is that by not closing on the property the investor avoids financing and closing costs and makes more profit.

Wholesaling is a great way to build up the cash reserves that investors need to get started investing in real estate. It's a great “no money” down” technique that generates quick cash flow with little cost, hassle and time commitment.

Most wholesalers use an assignment clause to wholesale real estate.

A practical example is where a wholesaler contracts with a seller to buy a property worth \$250,000 for \$190,000. The buyer of the property is written up as “wholesaler and / or assigns” and gives the wholesaler the right to assign the contract. The wholesaler then assigns the contract to a new investor for the same price of \$190,000 but includes a provision that the new investor will pay the wholesaler an assignment fee of \$10,000. This means that the effective purchase price for the new investor is \$200,000 and the wholesaler makes \$10,000.

Note that the wholesaler never took title to the property and assigned the contract to the new investor before closing.

The wholesaler doesn't sell the property to the new investor but instead sells the contract to the new investor.

The Opportunity

Working with wholesalers is not easy. They write lots of offers and may not close on deals that they get under contract. As an investor-friendly agent you will need to learn how to manage your wholesaler clients, protect your time and protect your commission when they flip or assign the deal.

Your biggest challenges will be finding quality under-valued deals and helping your investor find another investor to buy the deal.

The upside is that you can do a lot of quick deals. You could write an offer for your investor today, assign the contract and earn a fee tomorrow. Just make sure you carefully follow all real estate licensing law and protect your license.

2. Fix and Flip

Fix and Flip refers to the process of finding a distressed property, fixing it up and then selling it for a profit.

The process of fixing the property is also called rehabbing.

The fix and flip process has been made famous by countless TV shows on HGTV. You've probably also seen ads and billboards by companies that say, "We Buy Ugly Houses".

The central premise in a fix and flip is that you can buy a house at a steep discount because it needs work to get it back to an acceptable condition., fix it up and then sell it for a much higher price. It's a value-add strategy.

The house may be damaged and needs to be repaired. It may be outdated and needs to be modernized. It may lack some functionality, like an extra bedroom or a garage, and needs to be improved.

In a fix and flip you need to determine the "as is" value of the property. This is the value of the property in its distressed state.

You then need to determine the cost to buy, fix and hold the property.

Finally, you need to estimate what the value of the property will be after the fix up. This is the "after repair value" or the ARV.

If everything works to plan you will buy the house for \$X, fix it up for \$Y and sell it for \$Z, where \$Z equals more than \$X plus \$Y.

A word of caution.

Fix and flipping works best in an appreciating market. When home values go up it doesn't matter too much if you're stuck holding the property as the value will usually increase over time. In a depreciating market there is normally tremendous pressure to sell the property quickly as its value will decrease over time.

This means that in a depreciating market only the savviest investors will be successful as fix and flippers. A down market is not the time for new investors to learn on the job.

The Opportunity

Fix and flippers are usually more experienced and qualified investors than wholesalers. You can help them buy and then sell their properties.

Your challenge is to add value to their business. Find the right deals, help them access private and hard money, know the local planning and permit process, find the right contractors and prepare the home for resale.

3. Buy and Hold

In an ideal world you should only work with qualified investors who buy and hold investment property. Unfortunately, in the real world, most new investors can't afford to be buy and hold investors as they need to sell their investment properties to cover living expenses, repay debt or build up the capital needed for bigger and better projects.

The main advantage of working with buy and hold investors is that they usually have both the willingness and ability to close on a deal. They normally have the credit or capital for a down payment and the ability to close on a mortgage loan.

Their focus is to acquire assets to build a real estate portfolio as part of their retirement plan.

The Opportunity

Buy and hold investors are ideal clients. You can sit down with them and carefully help them build their investment portfolio. This may translate into multiple and even dozens of deals. It can also translate into lifelong property management and leasing revenue.

Here's the best kept secret – they're easy to find. In 15-minutes I can walk into your town and find you 15 highly qualified buy and hold investors. Test me. Send an email to ross@investorbroker.com and I'll show you how.

Channel 3 - Niche Real Estate Investors

Niche investment channels require additional expertise and are much more specialized than the core investment channels. Just as a doctor can remain a general practitioner or choose to train further and specialize in a niche medical field, so too can a real estate agent or investor become a niche specialist.

Niche investment channels are specialized channels that yield great deal flow but require a significant level of expertise, technology or funding.

Examples of niche investment channels include investing in specialized types of properties like accessory dwelling units or small multifamily; specialized types of ownership like probate homes or multifamily syndications; specialized use of property like short-term rentals or senior living; or by creating or unlocking value through land development or condo conversions.

These niche investment channels have been around for a long time and are dominated by savvy local investors (and the agents who work with them). They require an extra level of experience and expertise, much like a doctor that specializes in a niche type of medicine or surgery.

Here's a short list on niche investment channels that are profitable but require a significant level of expertise.

Types of Property

- Land
- Accessory Dwelling Units (ADU)
- Single Family
- New Homes
- Manufactured Homes
- Mobile Homes
- Small Multifamily

Types of Owners

- Probate
- Divorce
- Foreclosure
- Out of State

Types of Co-Ownership

- Syndication
- Fractional
- REITS

Type of Use

House Hacking
Co-living
Short Term Rentals
Vacation Homes
Student rentals
Senior Housing
Sober Living

Types of Funding

Hard Money
Rent to Own
Owner Carry
Loan Wrap
Installment Sales
Syndication

Add or Unlock Value

Land Development
Condo Conversion
Office Conversion

The Opportunity

A limited number of investor-friendly agents have the expertise or experience needed to close niche investment deals and can assist investors with buying and selling niche investment properties.

The riches are in the niches.

You can become the dominant agent in a particular investment niche. Look around your local market and you will quickly identify some of the niche agents. Some will have ridden the wave of a new trend like iBuying or short-term rentals. Others will have developed deep expertise in niches like new homes or senior living.

Your challenge is to find the niche that works for you.

Channel 4 - Institutional Investors

Institutional investors have also entered the residential real estate marketplace and have quickly captured significant market share in a number of top metro markets, particularly across the South and Southwest.

They're well-funded and cash buyers of hundreds of thousands of residential properties.

When you add up the number of homes that the top five single-family institutional investors own, you get over 200,000 homes.

That's a lot of opportunity to sell, buy and lease homes with the biggest investors in the country and a lot of ancillary opportunity to fix up the homes, find tenants and even provide property management services.

Let's take a look at an institutional buyer model that we're all familiar with - iBuying. iBuyers are institutional cash buyers who focus on buying, rehabbing and reselling starter homes.

Their business model is very similar to companies like Homevestors and their We Buy Ugly Houses program. At their core, they both buy homes, fix them up and then resell them direct to the public.

The main difference is that iBuyers are all-cash buyers and believe they don't need to buy at the same deep discounts to value required by smaller investors.

Institutional Investors are Dream Clients

Dream clients are the small number of clients that have the potential to account for a large percentage of your business. Just like the 80/20 rule, where 80% of your business may come from 20% of your clients, institutional buying has created new power players that close a large number of deals.

The Landscape

Institutional buyers can be broken down into the following categories:

- Buy-to-hold Institutional Buyers
- Build-to-rent Institutional Buyers
- Residential Investment REITS
- Specialized Short-Term Rental REITS
- iBuyers
- Power Buyers

The key point is that they are major players in the real estate industry and represent an unprecedented opportunity for savvy investor-friendly agents.

The Opportunity

The obvious opportunity is the sheer number of transactions. Institutional buyers will buy thousands of homes. You have the opportunity to be their agent and earn a commission.

There are other opportunities. Institutional investors need local expertise and representation to buy, fix, lease and manage their inventory. Once you get into an institutional investor's ecosystem, you have so many different opportunities to generate revenue.

Remember that all markets are cyclical. Right now institutional investors have scaled back their buying and in some markets become net sellers. Be patient and adapt your offering to match the needs of your institutional clients.

Channel 5 - Prop Tech and Disruptive Real Estate Models

Almost all disruptors are institutional investors. Their new real estate models are generally venture funded and have the capacity and capital to acquire and sell a large number of properties.

Disruption channels center around institutional proptech, fintech and venture funding. It's interesting to note that most of the creative investing strategies used by private investors have been adopted into new business models and backed by huge amounts of venture and debt funding.

A simple example is the emergence of lease option or rent-to-own homes. Creative investors have been working rent-to-own deals for decades. Most deals were closed by local mom and pop investors with limited capital or access to funding. Now prop tech buyers are closing on hundreds of deals.

Another example is equity assist models that allow renters to save up for a downpayment on a home. A tenant can lease a property and have a portion of the rent credited towards a future downpayment if the tenant elects to buy the property. This turns a credit or capital challenged renter into a future buyer.

Another example is a shared ownership model like Pacaso. Pacaso has built a shared home platform that allows owners to buy a one-eighth interest in an LLC that owns the home. They started in second home vacation markets but have now expanded to single family homes in numerous major urban areas.

Here are the main prop tech categories:

AI

Agent Tools

Lead Generation

Marketing

CRM

Transaction Services

Brokerage

Property Data

Property Portals

Real Estate Portals

Real Estate Investing Portals

Buyers

iBuyers

Power Buyers

Home Accelerators

Down Payment Assistance

Credit Improvement

Rent Equity

Rent-To-Own

Co-Living

House Hacking

Sober Living

Senior Living

Co-Use

Short-Term Rentals

Medium-Term Rentals

Home Swap

Co-Ownership

Vacation 2nd Homes

Shared Equity

Co-Investment

Syndication

Fractional Ownership

Crowdfunding

Web 3

Blockchain

Tokenization

Rent Tech

Mortgage Tech

Transactional Tech

Title

Insurance

Home Inspection
Property Management

Construction Tech
Home Repair
Home Maintenance
Home Renovation

Venture Capital

The Opportunity

Every element of the real estate transaction is being challenged and reengineered by disruptive prop tech models. Not all new models will work, but there will be a continuous flow of new prop tech start ups who will try to change or improve the way we buy, sell and invest in residential homes.

Your challenge (and opportunity) is to catch the right wave and ride it all the way to financial freedom.

Prop tech venture funding is down when compared to 2022. Many prop tech companies have closed or been acquired. That's OK. Focus on the proven winners and help them grow their business.

An interesting observation is that many prop tech companies are great at tech but are lacking when it comes to buying and owning real estate. This is your opportunity to be their real estate expert.

4. The Size of the Opportunity

The investor real estate market is a huge market with massive deal flow and very little competition.

OK - so how big is the opportunity for investor-friendly agents?

Let's start with some stats that show the size of the USA housing market in 2024.

A quick note on market stats. Real estate is cyclical so stats will change over time. If you're reading this report in the future be sure to check updated stats. The key is that as investor-friendly agents we know the market will change and we know we need to adapt our business plan for new opportunities, new market conditions and the emergence of new real estate models.

USA Market Size

2024 USA Population	340 Million	
2024 USA Residential Market Value	\$43 Trillion	
2024 Total Number of Occupied Homes	128 Million	HUD
2024 Homeownership Rate	64.5%	
2024 Non-Homeownership (Investor) Rate	35.5%	

Key Takeaway

The residential real estate investment market is massive, accounting for as much as 35 percent of the overall market and adding up to around 42 million properties.

Even if you deduct millions of properties as being non-investor properties, that's still a lot of opportunity and inventory, with very little competition, for investor-friendly agents.

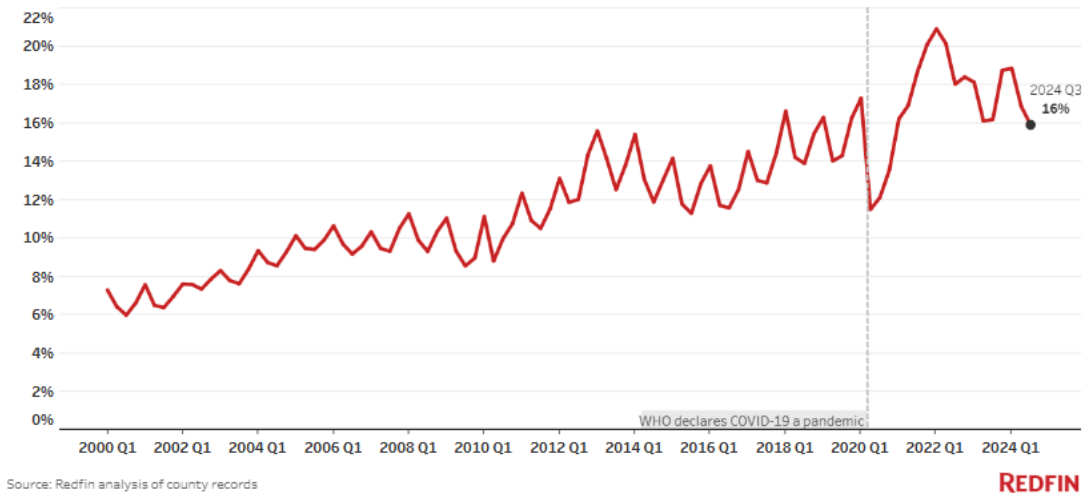
Top 20 Metro Markets

Now let's take a look at more specific stats from Redfin as they chart investor sales in the top 20 metro areas.

We won't dig deep into the stats, but it's obvious that investors enjoyed a roaring trade, peaking at 20.2% of all sales in the top twenty metro markets through first quarter 2021, before overall market share starting to sharply decline in Q2 2022 down to 17.5% through the end of 2022 and 15.9% by fourth quarter 2024.

National: Investor Market Share

Definition of **Investor Market Share**: The percentage of total home sales in which an investor was the buyer



The key takeaway is that between one in five and one in six home purchases in the top twenty metros were by investors in 2021 through 2024. That's a massive number of transactions completed by a small number of agents, with little to no competition.

Investor sales will account for around 13% of all (not just the top 20 metros) residential real estate sales in 2025. I've also seen predictions (that I don't believe) that institutional investors will own 40% of new single-family homes by 2050 (source: Metlife Report).

The total residential real estate commission is around \$100 billion - so 13% percent of that is \$13 billion - a nice big juicy slice of the real estate commission pie.

Even if the market doesn't fully recover in 2025, and we see around \$80 billion in total real estate commission, that's still around over \$10 billion in commission from investor sales.

The market is cyclical and will rise and fall over time. As investor-friendly agents we're well equipped to adapt to each market cycle. If institutional buyers keep buying, we'll help them build their portfolios. If their investment strategy ends up flushed down the toilet and they start divesting their portfolios, we'll help them sell their homes.

Investor-Friendly Agents Fish in the Blue Ocean

One of the major advantages enjoyed by investor-friendly agents is that there is so much less competition from other agents for investor deals.

In the book, *Blue Ocean Strategy*, the central premise is that there is a red ocean and a blue ocean. The red ocean is packed with competition and becomes a blood bath between businesses competing on price and service for new business.

The blue ocean is a wide-open place with little to no competition. Businesses can do business at their leisure and without compromising on price.

Most Realtors don't have the expertise or experience to work with investors. As a result, a very small percentage of investor-friendly agents enjoy little to no competition attracting business from real estate investors.

In addition, most agents don't know that the investor-friendly market is a massive market dominated by so few agents. Not only is there less competition, but most agents don't realize that there are so many transactions and so much commission revenue available to agents.

5. Conclusion and Challenge / Action Plan

I believe that we've presented a serious case that the real estate industry is evolving and that there is a new gold rush of opportunity working with private and institutional investors.

My challenge to you is to become an investor-friendly agent and create an action plan where you focus on doing three things:

1. train up and develop the expertise you need to become an investor-friendly agent. Don't be afraid to focus on a niche that requires you dive deep into a specific type of investor or investment property. The riches are in the niches.
2. create your own "blue ocean" where you have no competitors and where you get a premium for your efforts. You can do that by becoming an investor-friendly agent and by developing your mindset and skill set to work with homeowners, private, niche or institutional investors and new disruptors.
3. build a system that generates a consistent flow of deals. I strongly urge you not to do the "numbers game" and not to do "onesy-twosy" listings, but rather build a system that constantly generates quality listings and premium profits.

I can help you do all three things. You just need to ask. I'm just an email away.

Ross Hair
Founder, Investor Broker Inc.
ross@investorbroker.com

My CTA is that if you want to become an investor-friendly agent or grow your investor broker business, all you need to do is reach out to me and ask for my help. Send me an email.



Ross Hair
Founder
Investor Broker Inc.
The Investor Broker Community

ross@investorbroker.com
www.InvestorBroker.com