

Farming for business

Bates taps largely ignored market to succeed

Welcome to Agent Profile, where Metro Chicago Real Estate Magazine profiles a successful real estate agent. This time, we take a look at John Bates, an agent with the Naperville office of Coldwell Banker Residential Brokerage.

By Dan Rafter Managing Editor

Metro Chicago Real Estate Magazine: Unlike other local agents, you spend a lot of time helping owners buy and sell farmland. How did you get involved in this end of the business?

John Bates: I've been in the business since 1978. During that time, I've also done some buying and selling of real estate on my own. A friend of mine had a neighbor who needed a farm. Once I began selling farmland, I realized that I could set up what I call the food-chain concept of real estate.

MCREM: Explain that concept.

Bates: I like to maximize the deals and amount of involvement I have in a deal. When you sell farmland to a developer, they take that land and develop lots. They then need to sell those lots. That is the next step in the food chain. I have to find out who wants to build on those lots. That's how the chain starts, I help the farmer sell the land to a developer then I help the developer sell vacant lots to builders. The builders then want to work with a broker they like. I work with those builders to sell the homes they build. Then you can take it one step further and sell the homes that the people who are moving to the land have to sell. What I create is the full chain: farmland, vacant lots, buildable lots and new homes.

MCREM: Can you give us an example of how the system has paid off for you?

Bates: For one deal, I did a vacant piece of land. The developer who bought the land said he was going to begin marketing the property within four weeks. I asked him if he would consider giving me a shot at it first. Within the first three weeks, I'd sold 55 of the 68 lots he had, I also sold about 20 homes that were built on those lots. The buyers needed to sell their homes, so I sold several of those, too. Let's look at what happened with one of those particular lots. I sold the lot to a builder. He built a house. I found a buyer for that house. The buyer needed to sell the town home he had been living in. I ended up making more than \$30,000 in commission from that one lot. Now expand that to not just one lot but, say for a bigger development, 200 lots. That's amazing, and that's what I try to do.

MCREM: How successful have you been this year?

Bates: As of September, I have sold 65 million this year. It's a hot market. Last year I sold \$53 million. We're cooking. We have this concept down to a science.

MCREM: How did you decide that selling farmland would be a good career move for you?

Bates: Breaking into the business, I was sitting there one day and asked myself. "How do I, a rookie, break into something other people have already been into for years? Then I came up with this food-chain idea. It's taken off for me. The way I look at it, it's the lazy man's way to riches.

MCREM: How do you convince builders to work with you?

Bates: If you go to a builder and tell them you want to work with them, they'll say, "I have hundreds of Realtors® who want to work with me. What can you do for me?" If you tell them you can provide them with lots and then sell the homes that they build on them, you are giving them something. You are giving them a reason to want to work with you.

MCREM: What do you tell farmers when you begin working with them on selling their land?

Bates: I tell them they have to be patient. A lot of farmers tell

me they want to sell their land in 60 days. Well, folks, this isn't a home' sale. Things aren't going to move that fast. No developer's going to come around, pay millions for land and then find out they can't use it. They need to do their research first. They have to find out how it's zoned.

The process can take some time.

MCREM: How long have you been taking this approach to real estate?

Bates: I've been working this system about 15 years now. I've really solidified the approach in the last 10 years. You have to find something that works and work it. And it has to be something that's easy to follow.