

CHAPTER 7

Buy and Sell What You Don't Own (Yet!)

Notwithstanding the tricks of the game, the strategic principles, and the occasional little-known rules, Monopoly is still governed to a measurable extent by the dice. On any given turn, a player may or may not land on your properties. When he does land, it is not your "skill" that caused him to roll a seven or whatever; it is your skill that caused you to prepare for that event by building houses. The skillful player is patient, for he knows that the dice will only help him in the long run. He has traded shrewdly, has developed his properties correctly, and is prepared as best he can be for sudden financial setbacks. The long-term odds are heavily in his favor. But what of the short-term odds? Can a player make the dice work for him on a turn-to-turn basis?

As was pointed out earlier, the crucial rolls of the dice are those in the first several trips around the board. In a normal four-player game, more than 75% of the properties have been bought by the time each token has passed Go five times. It would appear that during this "developmental buying period," even the skillful player has to sit back and work with whatever the dice give him. *But an alternative does exist.*

Suppose that during the buying period you manage through the luck of the dice to land on and buy two Orange properties before anyone buys the third one. You want that third Orange property pretty badly, but the odds seem stacked against you. After all, there are three other players who would love to get their hands on that property, and there is only one of you! That gives you only a 1-in-4, or 25%, chance of being the first one to

land on the important Orange property. At the moment, the dice are working against you.

Let's pause for a moment to examine an analogous situation. Suppose you're betting on horses and there is a four-horse race. The first horse to cross the finish line is the winner. In this race, a correct bet will bring you the third Orange property. Why bet on only one horse (your own token) to win? Why not improve your chances at getting that prize by betting on another horse at the same time? In that case, if either horse that you bet on wins (it really doesn't matter which one), then you have won your prize. Your chances of winning have doubled, from 1-in-4 to 2-in-4! The odds are no longer against you.

You say that this is a Monopoly game and not a horse race? Well, you've got some good news coming to you—the same principle of doubling your chances of success by betting on two horses applies to Monopoly. It takes the form of an "option."

An option agreement works this way:

1. *You pay another player a fixed amount of money and receive from him his option on a specified property.*

2. *If that player lands on that property while it is still unowned, he must purchase it and give it to you immediately, free of charge.*

3. *If any other player purchases the specified property first, the player who sold you his option may keep the money anyway, and has no further obligation to you.*

In our example, you could pay one of the other players \$500 for his option on the third Orange property. If he agrees, then your chances of completing the Orange color group have doubled. You now have a 50-50 chance (2-in-4) of beating your opponents in the race to land on that property first. If you could buy another player's option at the same time, your chances would increase to 3-in-4, or 75%! By using your money and negotiating skill to purchase options, it is possible for you to actually turn the odds around and make them favor you.

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Here is the way a sample option deal for New York Avenue, between Mr. Expert and Lisa Lucky, might sound:

MR. EXPERT: I would sure like to get my hands on New York Avenue, but my chances of getting it right now are pretty small. Lisa, how would you like to sell me New York Avenue?

LISA LUCKY: I'd love to, but I don't own it—it's still owned by the Bank.

MR. EXPERT: Frankly, Lisa, I don't really care whether or not you own it yet. I'd just like to buy an option on that property from you.

LISA LUCKY: Option? I've read the rules several times, and I never noticed anything about an option. What are you talking about?

MR. EXPERT: It's simple. The rules say that you can sell an unimproved property in a private transaction for any amount you can get. Since you don't own the property right now, all I want to buy from you is your promise that if you're lucky enough to land on New York Avenue, you will give it to me.

LISA LUCKY: Let me get this straight. You have no idea of whether or not I will land there first, yet you're willing to pay me money now on the possibility that I might get lucky?

MR. EXPERT: Sure. It helps me too. It increases my chance of getting the property I want. I'll give you \$500 for your option on New York Avenue.

LISA LUCKY: It sounds okay to me, but what happens if you or somebody else lands on New York Avenue before I do? Do I still get to keep the money?

MR. EXPERT: You get to keep the money in any case. All you promise is that if you land there first, you will buy it with your own money and hand it over to me no questions asked.

LISA LUCKY: I think you're crazy, but I can use the \$500 and my chances of landing on New York Avenue are pretty slim. It's a deal.

MR. EXPERT: We'll write the whole thing down on the back of this \$1 bill, so there will be no confusion later.

The final agreement looks like the sample shown.

I agree that if I land on N.Y. while it is still un-owned, I will buy it with my own money and give it to Mr. Expert, free of charge.

Lisa Lucky

Most of the time, you will have little trouble explaining to other players how options work. They're simple to use, and they make the "buying period" much more exciting. Be sure to stress that the player must pay for the property with his own money if he lands on it, and that this is included in the amount of money you pay him to buy his option. Once in a while, you might run up against some resistance to option agreements. Usually it will be from a third player who realizes that you are subtly increasing your chances to complete a color group. You can explain things to him very simply in the following manner:

HAMPERING HARVEY: Wait a second, not so fast. What's with all this option stuff? I read the rules and they don't say a word about any option business.

MR. EXPERT: Sure they do. Read this! (*He hands Harvey a copy of the official rules.*)

HAMPERING HARVEY: "Unimproved properties, Railroads, and utilities (but not buildings) may be sold to any player as a private arrangement, for any

amount that the owner can get." Show me where it says O-P-T-I-O-N in there.

MR. EXPERT: I'm only doing what the rules say. What I want to call it really doesn't matter. Lisa Lucky is selling me New York Avenue (an unimproved property) as a private arrangement, for any amount she can get (\$500)!

HAMPERING HARVEY: But how can she sell it if she doesn't own it yet?

MR. EXPERT: If she lands on it and buys it, then she owns it! That makes her the owner. Once she becomes the owner, then she has sold me the property, in accordance with the rules. If she doesn't land on it, then she obviously can't sell me the property, and I'm out of luck. I'm paying my money on the chance that she will become the owner and we can complete the sale. I'll make the same deal with you as soon as I have the money.

HAMPERING HARVEY: Then aren't you just loaning her some money?

MR. EXPERT: Not at all. I have no intention of ever getting that money back. I am *buying* her promise to sell me the property—that's no loan.

HAMPERING HARVEY: Pretty clever! In fact, I think I'll try it myself sometime.

You are now ready to use options in your play. Before you get carried away, however, here are some important tips to remember about the strategy of option agreements:

1. *Always make it clear that the player who is selling his option will be responsible for buying the property if he lands on it.*

2. *In general, do not buy an option unless it will complete a color group for you.* There is one major exception to this principle. When your opponent is about to buy an option, remember the true value principle. If a property is very valuable to him, it is automatically valuable to you. If someone owes you a large rent, you might be able to negotiate to accept a smaller rent, with

him making up the difference by giving you his option on a property which another opponent wants desperately. Think defensively, as well as offensively. The player who owes you the rent probably won't care who gets the third property, as long as it isn't the guy with the other two. He will probably sell you the option cheap, neglecting the tremendous trading value of that third property.

3. *Always put the option in writing.* Scribble the agreement on the back of a \$1 bill or some other handy piece of paper. It will save you arguments later.

4. *All option agreements are private arrangements between two players.* If one player of the arrangement goes bankrupt, his creditor is not entitled to the option. To be safe, all options should have the name of the person who is receiving the property written on them.

5. *It is good psychological strategy to complain loudly if the option you bought fails to materialize because another player lands on the specified property first.* You paid your money, so get your money's worth in complaining. If someone made a big fuss when you originally bought the option, show him that it was all for nothing. If you land on the property first, loudly lament that all the money you spent was wasted, since you didn't need the option to get the property. If you emphasize your failures, fewer players will object to options, and they may even think that you're a sucker for buying them. Lastly, *never* gloat when your options work and you win the game.

6. *Use options to help balance the two sides of a trade.* When you and another player can't quite get together on the terms of a trade, a few well-placed options can even things out beautifully.

7. *Do not overuse options or rely on them too heavily.* They are powerful weapons when used correctly, but are also easily abused. Remember, the only time that an option guarantees that you will get a property is the time you have an option from every other player in the game. Even in that case (which is very, very rare), you still do not own the optioned property until someone lands on it. That might not be for an entire game!

8. *An option is never more valuable than the property itself would be if you owned it already.* If you own two Yellow properties, it is obvious that an option on the third Yellow property would be valuable. However, if there is a building shortage and you would have no houses to put on the Yellow group, the value of three Yellow properties is severely diminished. Do not think that a color group will be magically transformed into an invincible weapon, only because it was completed by a shrewd option agreement. The rules of investment analysis apply to every color group. The incorrect color group for *your* circumstances is often little better than no color group at all. An option is no better than the color group it completes.

So much for the option agreement. The next chapter deals with a similar concept. Just as an option can increase your chances of doing well and decrease the danger of bad luck, a form of "insurance" in Monopoly can do the same thing under different circumstances.

Read on! The fun is just beginning!

CHAPTER 7 SUMMARY

- I. Option agreements.
- II. Options as private agreements to sell, once you become an owner.
- III. Who pays for an optioned property?
- IV. Fussing over option failure.
- V. Limits on the value of an option.

CHAPTER 8

How to Stay at the Best Hotels— Free of Charge!

Now you've done it! You have just landed on Illinois Avenue with a hotel on it. It wouldn't be so bad if it weren't your opponent's hotel. To make matters worse, you don't have nearly enough money to pay the stiff \$1100 rent. All of your opponents are greedily eyeing your nine little houses on the Yellow group, knowing that you'll have to tear them down to pay the debt. Things are really looking bad, and your opponent doesn't even smile when you offer him your American Express card. "You should've bought some insurance," he cracks as you glumly sell all your hard-earned houses back to the Bank for half price.

Can you buy insurance in a Monopoly game? The need is certainly there—you are constantly being exposed to the dangers of your opponents' hotels. Of course, there is no insurance company selling policies, but then you don't really need a company to buy insurance. Other games have forms of insurance. Look at the game of Blackjack (Twenty-one). If you're playing in a casino in Las Vegas and the dealer shows an ace up, he'll always ask the bettors if they want to buy "insurance." A player may then bet on whether or not the dealer has a picture card or a ten-spot face down (which would give him Blackjack). If he does have one, the insurance buyers are paid off and the dealer collects all other bets; if not, those who bought insurance lose what they paid and the game goes on as if nothing had happened. Players who buy insurance feel that it is better to be safe than sorry, while players who pass up the oppor-

tunity decide to take their chances. The same can be done in Monopoly.

There are three types of "insurance" that are commonly bought and sold during a Monopoly game. The only difference between these types is the duration of the insurance policy coverage. Everyone knows the maxim that "time is money," and this is especially true in the insurance business. The longer you want your coverage to last, the more it is going to cost you. Here is a brief explanation of the three types of insurance which are used.

The simplest and briefest type of policy is the "free pass." Suppose we examine the situation of Bad Luck Bobbie, who just landed on Illinois Avenue and owes \$1100 to the owner of the Red group, Rita. On the previous turn, Bobbie was sitting on St. James Place, right in front of the disastrous Reds. When it became his turn to roll the dice, he studied the board for a moment and quickly noted that he needed to roll anything but a five, seven, or eight. Now, Bobbie's no mathematician, but he knows that five, seven, and eight are pretty common numbers, no matter how hard he prays for them to go away. If any one of those common numbers turn up on the dice, he'll be on Rita's Red group with a lot of money to pay. What's a mother to do?

We already know that Bobbie is destined to land on Illinois Avenue and we can't alter fate, so we suggest to our unfortunate friend that he ask to buy a free pass. He could say something like:

"Listen, Rita. We both know that I'm in perfect position to land on your hotels. However, we also know that my chances of missing them are pretty good, too. (*In fact, they're almost 6-in-10, Bobbie!*) How does this sound? I'll give you \$300 now, and no matter what happens on my next turn, I'll be all paid up. If I don't land on one of your properties, the cash is still yours to keep. If I do . . . that's why I bought the free pass! If you take the cash now, you're sure of some money, and

\$300 is nothing to sneeze at. Don't worry, I'll be coming around the board again soon enough, so you'll have plenty of shots at me again."

As things turned out, this would have been a good deal for Bobbie. This one-shot insurance would have saved him \$800 from the cost of the rent on Illinois Avenue. Had he known enough to make the offer, he could have saved himself a lot of heartache.

The free pass idea can also have many variations. A wild possibility could have the owner of the Dark Blue group selling insurance against drawing the infamous "Advance to Boardwalk" card. An insured player who draws that card would not have to pay the rent on Boardwalk when he draws it. This type of free pass would normally sell for about \$400.

The next type of insurance that is commonly bought and sold is slightly more durable than the free pass. In the previous chapter, you learned of the option agreement. Its insurance counterpart is the "prepayment option," more commonly referred to as a "free land." Let's go back to Bobbie, who is sitting dejectedly on Illinois Avenue. He managed to save his houses on the Yellows, but he had to give up two key properties to raise the money. Bobbie now knows enough to constantly plan ahead. While his opponents are building up their color groups, he decides to make the following offer to Happy Hope, owner of the Oranges:

"Hope, how would you like to earn a quick \$250? You could use it, since you don't have much cash at the moment, and it would certainly come in handy if you landed on somebody else's color group. If you take the offer I'm about to make, you won't have to sell those nice houses on your Oranges back to the Bank for half price if you need money. Right now, I'm nowhere near your Oranges, but I'd like to buy a free land on them as a sort of insurance. I'll give you the \$250 immediately if you let me land there free, just once. The only condition is that I get to pick when to use my free land."

Bobbie is asking for more than just a free pass for one turn. This free land is not "spent" until Bobbie has actually used it by landing rent-free on the Oranges. Depending on the situation, this can be a good deal for both players. Free lands make the future less dangerous and are a powerful device for buying time. With a promise of one or more free lands on one or more of your opponents' color groups, you can be protected against sudden expensive rents in the near future. Not only will you sleep better at night, but you will also be freer to invest heavily in your own color groups. You will no longer need to keep that cash cushion against financial reverses which could force you to sell houses at a loss.

It can also be a very wise move to sell free lands. The player who needs cash to avoid selling a couple of expensive houses is usually playing wisely if he sells a free land instead of selling the houses. Even if a player is not in serious debt, selling a free land can be a good way to raise cash to build more houses. Although he will owe one of his opponents a free land, he will be able to offset the lost income by investing right away and collecting even higher rents from the other players.

There are dozens of ways that an imaginative player can utilize free lands. For example,

a. *He can trade free lands.* "I'll give you one on the Red group if you give me one on the Yellows."

b. *He can pay all or part of a rent with free lands.* "I owe you \$750. I'll give you a free land on the Dark Blues and \$200, and we can call it even."

c. *He can use free lands as part of a trade.* "If I give you the Red group and I get only the Orange group, then I want two free lands on those Reds to make up for the difference in rents."

d. *He can sell free lands on one property out of an entire color group.* "I'll sell you a free land on Park Place, but not on Boardwalk."

The ways in which free lands can be employed are limitless. They can be a tremendous addition to the skill and excitement of any Monopoly game. But be careful! There are several tricks to watch out for in any game in

which free lands are sold. A knowledgeable player is aware of all of them:

1. Be sure that any agreement involving free lands makes it clear *at whose discretion the free lands will be used up*. For example, suppose you buy a free land on an opponent's Red group, and by the time you land on that color group, there are no houses standing on it. Must you take the free land right then and there (and use it up), or can you save it and use it when your free land will be more valuable to you? If this wasn't settled at the time of the free land sale, you will find yourself in the middle of a large fight. The owner of the Red group is sure to insist that it's your tough luck—your free land is now used up. On the other hand, this is obviously unacceptable to you. The only way to resolve such a conflict is to prevent it altogether. Whenever you make a trade involving free lands, make it clear to your opponent that either (a) the free lands will be used up each time the recipient of them lands on the properties or (b) the free lands may be used whenever the recipient decides to use them.

If you don't put the agreement in writing, make sure that all the other players in the game hear and remember at whose discretion the free lands are to be taken.

2. The next, finer point concerns the "transferability" of free lands. Suppose that Rita has sold Jerry five free lands on her Red group. Suppose also that Bad Luck Bobbie has done it again, and landed on Illinois Avenue one more time. Bobbie hasn't bought any free lands from Rita and isn't too happy about owing Rita another \$1100. But now Jerry speaks up. The dialogue goes like this:

JERRY: Bobbie, things might not be as bad as they seem. I have five free lands on Rita's Reds, and I certainly don't need all of them. How about if I sell you one of them right now for \$500, and then you will have saved yourself \$600 ($\$1100 - 500 = 600$)

RITA: Wait a second, here. You can't do that. I sold

you those free lands, Jerry. You can't go around giving them away to whomever you please. I sold them to you as a *private arrangement* between the two of us. That agreement applies only to the times that *you* land on my properties.

Rita is right. Just as it is illegal to transfer options, either by sale or through bankruptcy, so it is illegal to transfer free lands, by sale or through bankruptcy. The power to make private agreements resides solely in the ownership of a property—it does not float around with agreements such as options or free lands.

Be certain to make this fact clear whenever you sell someone a free land on your property. To be completely safe, it is best to write the agreement down and to specify that this is a “nontransferable” free land which you are selling.

3. The third pitfall which becomes evident in dealing with free lands is extremely important, not only with regard to free lands themselves, but for its implications regarding many other types of trades. Consider the following situation. Gary owns the Green group and Rita owns the Red group. Gary and Rita decide to trade each other one free land on their color groups. Gary gives Rita a \$1 bill with the conditions written on the back, and Rita does likewise. But Gary is a sneaky sort of a guy, and he decides to sell his Green group to his friend Kathy. Kathy wastes no time in developing her new Green group, building plenty of houses. Soon enough, the investment begins to pay off. Rita lands on Pacific Avenue with three houses built on it and owes Kathy \$900 rent. Rita tries to use the free land on the Greens which she got from Gary. *But she can't!* That free land is no longer valid, since the free land was *a promise by Gary and the rent is owed to Kathy!* Rita is furious. She never got a chance to use her free land!

In revenge, she turns to Gary and exclaims, “Since I never got to use my free land on your Greens, you can't use the free land I gave you on my Reds!” But Gary is no fool. He quietly explains to Rita that she can't sud-

denly refuse to honor her promise of a free land, as long as she still owns the Reds, just as he could not refuse to honor the free land he had given her, as long as he owned the Greens.

There are two important rules demonstrated in this situation:

A PROMISE TO GRANT ANOTHER PLAYER A PRIVILEGE REGARDING A COLOR GROUP IS A PERSONAL ARRANGEMENT AND DOES NOT BECOME IN ANY WAY "ATTACHED" TO THE PROPERTIES THEMSELVES. SUCH PROMISES ARE ENFORCEABLE ONLY AGAINST THE PLAYER WHO MADE THE PROMISE.

In other words, whenever a property is traded, all promises made concerning that property are nullified. In addition:

WHEN SUCH PROMISES ARE NULLIFIED BY A PROPERTY TRANSFER, ANY PROMISES MADE CONCERNING OTHER PROPERTIES ARE STILL ENFORCEABLE, EVEN IF THOSE PROMISES WERE PART OF THE SAME TRADE IN WHICH THE NULLIFIED PROMISES WERE FIRST MADE.

This is just a specific case of the general rule that *no promise may be withdrawn unilaterally*.*

So don't get caught like Rita did! Understand all the ramifications of every free land agreement which you make.

We have now covered the first two types of insurance. The free pass lets a player go by a color group once, and is gone after the next turn, whether or not the player ac-

* It is possible to construct very complicated arrangements which would cancel all promises made in a trade if any one of those promises was ever nullified, but such arrangements add an unnecessary complication to the theory of free lands. The reason such arrangements are so complicated is that they must always obey the principles of *never violating the rules* and *never restricting the rights of property owners which are specified in the rules*. For the purposes of this book, all promises of immunity will follow the more popular and simpler guidelines given above.

tually *lands* on the color group. The free land actually lets a player *land* rent-free on his opponent's property. Now, we come to the use of "total immunity."

Total immunity is the logical final extension of the concept of insurance. Granting or selling a player total immunity guarantees that for as long as you own the properties, the player who receives immunity will never have to pay any rent on them. Immunity is a private arrangement of the most powerful type, often lasting the entire duration of a game. However, the knowledgeable player understands that immunity, like free lands, is only a private arrangement and is in no way tied to the properties themselves. It is vital to realize that any promise of immunity or a color group is destroyed if that color group is traded, sold, or transferred by bankruptcy. Consequently, several of the tricks described earlier with regard to free lands are just as applicable to immunity. The power to grant immunity, like free lands, is a right of the owner and is therefore nontransferable. This should be made clear any time you grant immunity.

Why would any player give total immunity on his color groups and thus deprive himself of a source of rent for the rest of the game? Here are several possible reasons:

THE DETENTE IMMUNITY STRATEGY. You can give immunity to get immunity. It's the old idea of "I won't hurt you if you won't hurt me." It can be very valuable to neutralize a strong opponent while you gobble up the smaller fish in the sea. Then, when you are ready to take on the big one, you will have new weapons with which to end your detente.

THE TRADER VIC IMMUNITY STRATEGY. You can give immunity to get something very valuable. "If you give me the third Light Blue property, allowing me to complete the Light Blue group, I will give you total immunity on my Red group. Instead of paying me \$1000, you'll be paying me a lot less." You can use this

powerful argument in order to have the rest of your opponents paying on two color groups instead of one.

THE SAVE YOUR SKIN IMMUNITY STRATEGY. You can give immunity because you're desperate for cash. "I know I owe you \$1000, but I'm willing to give you three free lands on my Yellows if you'll call it off. No, eh? Okay, I'll give you total immunity on my Yellows!"

THE TEMPTING CANDY IMMUNITY STRATEGY. You can use immunity as a lure to trick your opponent. Once you have given your opponent immunity and he has given you whatever it is that you wanted, you can trade your color group away and destroy his immunity. Admittedly, this is rather ruthless and it might upset him at the time, but don't worry—he'll try to do the same thing to you next game.

Immunity is a very enticing promise to offer another player or to receive yourself. Be extremely careful when making trades which include immunity. If you are playing with opponents who have never seen it before, you are at a tremendous advantage. If, on the other hand, your opponents have learned the concept and understand the possible tricks associated with it, you must be much more careful. Immunity alters the entire balance of power in a Monopoly game and affects everything, from investment analysis to strategy selection. It should be offered only when appropriate—keep in mind that in many cases free lands will satisfy a player just as well.

How do we justify the concepts of free passes, free lands, and immunity in light of the official rules? It's simple! The rules, either intentionally or unwittingly, have made it perfectly legal for one player not to pay rent on another player's property when he lands there. The rule is as follows: *The owner may not collect his rent if he fails to ask for it before the second player following throws the dice.*

The key word in this rule is "fails." The rule does not say "if he *forgets* to ask for it," so the fact that the owner is aware that he is failing to collect the rent is completely irrelevant. Even if other players in the game remind him that he may collect the rent, he may still "fail to ask for it." The decision of whether or not to fail to ask for rent is *completely at the discretion of the owner* and cannot be influenced by the other players.

From here, it is a short jump to the concepts of free passes, free lands, and immunity. Simply combine the rule making any sale a "private arrangement" with the previous rule, and you have the perfectly legal opportunity to make a "private arrangement" to "fail to ask" for the rent, under conditions agreed upon by both players. A free pass is a private arrangement to fail to ask for the rent if the player lands on a specific color group on his next turn. A free land is a private arrangement to fail to ask for the rent for a specific number of lands on a color group. Immunity is a private arrangement to fail to ask for the rent for the rest of the time that the player who is making the promise owns those properties.

Easy!

In the following chapters, the concepts of free passes, free lands, and immunity will all be shown to be only a part of the tremendous arsenal of trading weapons. The skilled player uses them all, along with his imagination, to heighten the excitement of the game and to ensure victory over less skillful opponents.

CHAPTER 8 SUMMARY

- I. Insurance.
- II. Free passes—one-shot insurance.
- III. Free lands—guaranteed collection.
- IV. Free lands at whose discretion?
- V. Transferability of free lands.
- VI. Free lands destroyed by property transfer.

VII. Immunity.

VIII. Immunity strategies:

A. Detente.

B. Trader Vic.

C. Save-Your-skin.

D. Tempting Candy.

IX. Immunity as a "private arrangement" to "fail to ask."