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Real Estate Investing Podcast

Brilliant At The Basics Part 2 - Finding The Best Zip Codes To Target

Hosted by: Joe McCall

Joe: Hey, everybody, Joe McCall, real estate investing mastery, how are you doing? I've got another cool little video here for you. I just want to tell you a couple of things first. In this video, I recorded it earlier, so I'm doing a little introduction here for you. In this video I get a lot of people that ask hey, how do I know where the buyers are buying property, or how do I know where the demand is, or where do I know what are the best zip codes to do my marketing because you want to be really, really laser-focused on your marketing. You don't want to be blasting it out all over the world, right.

It's important to be laser-focused in your marketing and I've always said you got to focus on where the demand is. You can only sell homes people want to buy, so if you're a wholesaler and you're looking for inventory, you're looking for properties to sell, what you need to know, what your buyers want, right. How do you find out what your buyers want? You need to find out where the buyers are buying homes, right. In this little video I'm going to show you a ninja trick. It doesn't cost you anything, it's free. How you can go into ListSource and pull up a list of all of the recent investor activity and break it down by zip code to see where those investors are buying homes, okay.

It's a pretty cool trick and then I even show you in the video as well how to maybe pull some lists of absentee owners and regular homeowners that have equity and I think you're going to get something out of this. Check out www.realestateinvestingmastery.com. You can go there, get our fast cash survival kit. We were looking at this recently and I've had a few people say when are you going to update it, those videos are old. We looked at it, you know what, we're still doing the same stuff that we've been doing for years and not much has really changed. We still go to oDesk to find our virtual assistance. We still send postcards to absentee owners. We still find cash buyers the same way that we always have.



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Not much has changed, the fundamentals are the fundamentals. Maybe we don't use different CRMs or databases like we used to. I'm big on Podio now and as is Alex. Yeah, you should still go get it. It's really, really good. The third thing I want to say, I think this is the third thing, is I created a course that is ... I've just been thinking a lot about it lately. It's one of the best things that I've ever created and I've created several different courses and it's all about how to get tons of motivated seller leads in less than an hour.

We have actual real case studies where I did ... I don't remember how many deals it was, five or six deals, over a month's span of time with doing some simple, basic marketing. It's a case study of how I got a bunch of seller leads in less than an hour and the course is called *Leads in an Hour*. Many of you have already bought it, but if you haven't I want you to go check it out. It's just a simple little \$97 course. I was thinking this thing's probably ... I should have sold it for at least \$500 to 1000 bucks. It's really good. If you go to onehourleads.com, you'll go to a little page where you can watch this video and it talks about it and shows some deals that I've done recently. It's a course that I created. My friend, Rob Swanson, helped me create the video and is helping me promote it. You're going to like it, it's the best 97 bucks you've ever spent. You should go check that out, onehourleads.com.

The reason why I'm bringing this up is I had two students, clients, in the last week that I've talked to that have been implementing this stuff that I'm teaching in onehourleads.com. One of them is in the Dallas, Fort Worth area and doesn't have a ton of money to spend on marketing, doesn't have a ton of time and he's just doing some real basic things and he's getting tons of leads right now in his business just by doing those simple little things I talk about in that course. I have another client who used to live in the country of Lebanon in the Middle East and was wholesaling properties in Oklahoma with his friend and now he's living in the Philippines still wholesaling properties, he's just crushing it right now. Him and his partner are doing great.

We were talking and they looked at all of the deals they've done in the last year and where each of these deals came from. Their most profitable deals came from Craigslist. Now they're flipping a lot of lease options, but they do a lot of regular wholesaling, they do a lot of wholesaling lease options and they do a lot of direct mail and Craigslist and all this other stuff. They're looking at all the deals they've done and their most profitable deals, the ones where they spent the least amount of money and marketing on were the ones on Craigslist. Onehourleads.com, I teach all that stuff in there. You're going to get a lot out of it, you should check it out. That's it for now. Enjoy this video and we'll see you guys later. Take care, bye-bye.



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Go to ListSource.com and you're going to log into your account. You're going to need to get a free account, you just register for a free account. You're going to log in and you're going to go right here to investor/foreclosure services, absentee owners. Now this list is a little different. Oh, I got to log in right here. This list is a little different than cash buyers because these are investor buyers, these are absentee owners.

All right, so I'm going to log in here. What I'm going to do is select a county. Let's just select for ... Let's do a county I recently did. Let's do Shelby County in Tennessee because I know we've got pretty good numbers here. I'm going to go to Tennessee. Shelby County is Memphis I think, isn't it? We want to know what are the most active zip codes in Shelby County. I'm going to add that in here. I went to county, I added Shelby, I added it in here and it's going to give me all of the absentee owners in Shelby County, all right. Now what I do is I go to next and I'll pause this video. No, maybe not.

Okay, here we go. I'm not going to worry too much about the type of property that it is. If you could go in here and say all right, just show me single family residences. I'll add that in here just because and that's going to drop it down to 41,000, okay. I don't care too much about last market sale price, bedrooms. What I want here is last market recording date, I'm going to do last six months. Maybe you could do last three months, but I'm going to do last six months. It's going to give me all of the absentee owners that purchased a property in the last six months, there's 942. There'll be more here in just a minute.

Now again this is different than cash buyers, okay. If you want to ... Just sometimes I'll do this in California. I may say for properties that are under a certain amount, right, because if you're in a really expensive area, maybe you could say only properties between \$1.00 and \$200,000. You don't want investors who are buying 300, \$500,000 homes. These are just the properties that you are wanting to be going into. I know in Memphis, Tennessee, I don't have to worry about that pricing. I want to know where investors are buying properties, okay.

What I'm going to do is I got the six months. I'm just going to go to the very bottom and I'm going to go to next and I'm basically going to be pretending like I'm purchasing this list. I also want to go here and I want to say no preference to corporate owned properties. This is going to bump me up from 942 to, I don't know, I'm going to guess \$1,500, \$2,000. Those are LLCs, corporations that are buying properties, okay. That's it, so I've got 2,000 in the last six months.



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I'm going to purchase this list, pretend like I'm purchasing the list, a little sneaky here. Hopefully, ListSource doesn't find out about this, whatever.

I'm going to go to purchase partial list. I want to go to custom selection. I'm going to select zip code. It's going to give me a table here of all the zip codes in Shelby County and how many transactions there were in each of those counties in the last ... in each of those zip codes in the last six months. I pause this here because sometimes this takes a little bit. I'm going to click export and I'm going to type my email address in here, I'm going to email this thing to me. I'm going to pause the video and then I'll open the spreadsheet that's been emailed to me, so hold on a second here.

All right, so ListSource emailed me the spreadsheet here. All right, and I'm going to download it, I'm going to open it. You need Excel. All right, it's a simple table, right. What I'm going to do is I like to go in here and I'll delete the top three columns and I have here zip and I have ... What I like to do is I post that number down here and I have account, okay. Then what I do is I'm just going to click here and I'm going to sort this list in descending order. Actually, let me just paste that again here at the bottom. I've sorted that list by descending order, so now I see here in 38128 there's 186 transactions.

Now again these are investor transactions, they're not cash buyers. It could have been an investor who got a loan, all right, 38118 is an active zip code, so here is a list of 31 or so zip codes and I can see most of the activity is happening right here. I'll do another little thing here. I call it incremental and cumulative percentages, right. I can take this divided by, what is it, 2067 was the total. That's going to give me a percent, okay. I'm just going to drag that all the way down here. Then I'm going to do cumulative which means I just want the cumulative total of that stuff, so I'm just doing a simple formula here and I'm going to drag this all the way down. By the way, you want to know a little shortcut. If you just double click on this corner, it copies that cell all the way down. Cool, huh?

Now I just want to look at maybe the zip codes that have the top 50% of all the investor transactions are happening in this zip code. Instead of sending mail to all the absentee owners or landlords in all of these zip codes, I'm going to target just the areas with the highest demand. Now there's a property here, this zip code here is still ... It's really close, so I might add that in. All right, so here I have right here, bam, the most active zip codes in this county where most of the investors are purchasing property. If I get a property under contract in this zip code, I'm



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going to have a lot of buyers to market that property to. The chances are really good that I'm going to be able to wholesale a property better than that's in these zip codes than I would in any of these other zip codes.

The other thing you could do is you could take this information down and do a little research, right. Just go to Zillow and look up ... I like to look up the properties that are for rent in that zip code, 38128, and I can see a lot of properties that are for rent right now in this zip code. By the way, a great way to contact landlords who own properties in this zip code, go to Zillow, click on the first one. Call this guy. This may be a property manager, but ask him, say hey, number one, would your client have any interest in selling this house? Or number two, do you have any other clients looking to sell a property? You can represent me, you can be my agent. Or do you have any clients that are looking to buy more rental properties, right, so network with these realtors.

A lot of times it'll be a property manager, sometimes it'll be the individual investor themselves, but just call these people up and say hey, I've got deals, do you have buyers? Would your client be interested in selling this house? Make an offer on the house. I guaranty you this property management company has at least one client who has some properties they'd love to sell, but just can't for whatever reason. You can tell him hey, listen, if you send me a deal I'll let you be my agent, you can represent me and get both sides of the commission. Get their name and email address and just email them every week.

I'm a little off topic, but I wanted to show you, all right, do a little research on

these properties, what are the average rents here? Who are the landlords? Find out who these guys are and start building up your buyers list, start talking to them. These are people who own property that are renting them out here. The other thing you can do is you can look up properties that are for sale. Just to get a general idea, I only want homes, let's say here, and I want to see what are the average prices here. I like to search by cheapest, so I can see the cheap properties. Here's some homes for sale for 20 grand.

If I'm going to be wholesaling a property out here I better make sure that it's going to be less than the average low end price here. I better make sure it's going to be less than \$25,000. Here's a property that probably needs some cosmetics work, right. This is my competition, when I'm selling a property I can see what my competition is here. This is a real good active zip code, a lot of investors are buying property, a lot of investors even though there's a lot of



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properties for rent here, there's still going to be a high demand for other properties that an investor may want to buy in that zip code, okay. I hope that helps, I hope that helps.

You take this ... Oh, let me show you one more thing. What I like to do too is if I'm going to buy a list of absentee owners I just copy that list of zip codes right there. Okay, I'm going to go to ListSource, I'm going to just start over again. Go to absentee owners, I'm going to go to zip code, I'm going to paste those zip codes right here, click add. It's going to give me all the absentee owners that own properties in that zip code and I'll show you real quickly how I get a list of sellers. I'm going to go to next and I want all the sellers who own multi-families, duplex, triplex, quad, and single family homes, add those in.

Not every county tracks them like this, but I want all the investors, I want any property that I can get out there. There's 16,600. I want to do last market sale date from ... You have to have some date in here, so I put 1990. Let's do 20 years ago, 1994, and let's see what we get here. These are landlords who have owned their property at least 20 years and this is going to really drop. This number's going to get small, 2,900, almost 3,000, okay. If you wanted to you could do mortgage amount, but I just don't worry about that. If they've owned a property 20 years, chances are really good they have equity in the property.

This is not going to let me do demographics. Oh, maybe, nah. Okay, one other thing is I will include corporate owned properties because I'm okay with buying from an LLC that owns properties, so I'll make ... That bumps it up to 3,600, so that bumps it up to ... That includes LLCs that own the property. The other thing I'll say here is ... That's a list you can purchase right there. You might try, go in here to demographics, click household. Right, it won't let me do it. Because I went to a pre-done list right here it won't let me select by age, but if you've got too many properties and you want to go after homeowners, if you go to create your own you can do the same thing here, zip code, paste those zip codes here, click add, these are all the homeowners in those zip codes.

Then you could go to property and you can select property type to be whatever you want, but what I wanted to show you is right here under demographics, you could do household age. Like Sean and I were talking in the podcast, you could do 55 and older by that, so I know in that zip code there's 30,000 homeowners that are over 55 years old. What I could do then is also go here to last market sale date and do a search for 1900 to 1994, bam, it's going to drop 30,000 down to, I'm going to guess, 10,000.



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Did you know that one-third of all homeowners, 10,500. That's exactly right, I was just going to say one-third of all homeowners in the United States own their property free and clear, one-third. Here you go, here's a list of 10,500 homeowners that bought their house at least 20 years ago that are at least 55 years of age. In the most active zip codes, right, where I have most of my buyers, there you go, bam, you're welcome. That's the best free advice you've ever gotten, right? Okay, that's it guys, see you. Have fun with this.