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Real Estate Investing Podcast

Brilliant at the Basics Part 7: What if You Had to Start from Scratch

Hosted by: Joe McCall

Featuring Special Guest: Peter Vekselman

Joe: Hey, everybody. Welcome! This is Joe McCall of Real Estate Investing Mastery Podcast. And, I'm here with my good friend and business partner, Peter Vekselman. How are you doing, Peter?

Peter: I'm doing great. Thanks Joe!

Joe: Awesome!

Joe: Listen, this is part of the "Brilliant at the Basics" podcast series that I'm doing with Peter. Peter and I have been working for over a year, maybe about a year and a half now. And, we wrote a really awesome book, in our humble opinion called, "Being Brilliant at the Basics." And, this podcast series, we're going... We're creating to kind of teach people how to do this business. Teach people, and remind people the best we can, how to keep it simple. That this business... Really, you can be very successful. You can make a lot of money by just keeping things simple, and remembering the basics. So, if you want to get a copy of this book, go to freebasicbook.com. We will ship the book out to you. You'll only have to pay shipping and handling. We'll ship the book to you. You'll get some videos that we created, that you can't get anywhere else that we created while we were writing this book. And, I'm also throwing in an extra bonus that... Not really even talk much about it anymore. But, it's a book that I wrote about a year ago called, "Flipping Homes While on Vacation." And, it's a really cool book. But, you get that as an extra bonus.

Now, part of the reason why we're doing this also is, Peter and I, we have... We'll talk about this more as we go into this. But, we have a program where we partner with students all over the country, and basically, duplicate our business model with them. We set up their systems. We do all their marketing. It's pretty amazing. We're just taking



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the basic simple stuff that we are doing and talking about in this podcast. And, we duplicate it, replicate it in other people's businesses. We started to see some tremendous success from people all over the country doing this. But... So, go to freebasicbook.com to get the book. And, we'll talk about at the end how you can work with Peter and I, one-on-one. But Peter, we were talking before we started recording here. If you were to start this business all over again. You will start from scratch. You didn't have anything. And, you were to do this business again and start up. What would you do to make your first? Let's keep it real simple. You know, your first \$3 grand, let's say. What would you do to start making money, and make your first \$3,000?

Peter: Well, the funny thing is, that's a kind of how I started.

Joe: Yeah. [Chuckles]

Peter: Actually, I'm one of the... You know, people say, I only... I started with nothing. I actually started with something in this business and then, I lost it all.

Joe: Yeah.

Peter: So, I got to zero not in the beginning. I use this business in the beginning to get to zero, just by making mistakes, like we all did. But look, here's the bottom line, if you have nothing, and if you don't have a ton of knowledge in this business... The great thing about this business is that this business gives you the ability to control real estate with nothing but paperwork. I mean, what other industry can you get into? What other products can you do? Where, you really have the ability to take control of products and not really have money into that. This business allows you to do that. So, one of two things. If I had a little bit of money, just maybe a couple of grand here and there... There is no question, I would put into direct mail wherever I'm at, wherever I live, whatever part of country I'm in. I would simply put some money into some direct mail campaigns. And, I will just blast it out to non-owner occupied people. And, guess what? No matter what comes back in, I'm walking it up. I'm putting it under contract. I want to have some inventory. Because, that inventory not only puts me in a position to make money, it also puts me in a position to create a business.



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Now, if I have no money, guess what? There's plenty of inventory out there flipping around. I would hit areas like Craigslist, Backpage, eBay classifieds, Postlets, any website that has for sale by owners. And, I will find some inventory. Now here's a thing, like if you go to Craigslist, very quickly you can tell who's posting the ads. Are they somebody with a lot of clout? A lot of basically deals that are going on? Or, is it just some maybe one-off person? In this case, I go to the one-off person. Okay? Because, chances are, if you connect with somebody that just got started in this business... They just got one deal. They themselves aren't doing too much with this. They are not exposing to the whole world. So, I kind of find an ad that doesn't look too professionally set up. I find an ad that's not being run a 100 hundred times over. I find an ad that just kind of, it almost looks and feels like, "This guy just came out of seminar, and he was lucky enough to find a deal."

So, I call that guy. I connect with him, and I just cut a deal with him. And, guess what? I confirm exactly what I have just said. I'll just tell him, "Look, I'm kind of new. I'm looking at your ad. Nothing personal. Looks like you and I are both new." I make sure I'm working with someone new, because again, the key is, you want to get some kind of inventory that has not got a ton of exposure, like the big-time wholesalers can get. I connect with him, and I tell him, "Look, I want to help you move this property. I want to do what I can from my hand to get this thing exposed. And then, you and I can split profits." Guess what? Anyone in this business will take that deal, because like me who's brand-new, they were brand-new, they want to get something coming in, whatever it is.

Okay, so I kind of deal, maybe a profit split. I do some kind of quick email exchange between him and myself, to kind of put a little three seconds agreement together that we're going to split the profits. And then, guess what? I do exactly what he is doing, but I do a ton more of it. I get this property exposed to the world. So, he ran up one Craigslist ad, because he's not thinking beyond that. I'm running five or four different types of Craigslist ads every day. I'm using different websites. I'm using Meet-up. I'm using LinkedIn. I'm using Facebook. I'm using the eBay that he's not using. I'm using Postlets that he's not using. Backpage, I'm immediately making flyers of it. I'm hitting all the REIA clubs, the local REIAs, the regional REIAs. I'm connecting with people. Remember, at the



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same time, I'm getting feedback on this property. I'm also building future investor database for the next deals.

Joe: One more thing too is... You could be doing, putting signs in the neighborhood. The signs...

Peter: That was my next thing.

Joe: Yeah.

Peter: This is... This is hopefully not an owner-occupied property. You know, most of this go after properties that are either abandoned or owners don't live there. I'm putting signs around the property. I'm putting three or four signs, homemade signs, like the kind of what I'm getting from Walmart. I'm putting right this in the yard. I'm maybe putting some directional signs. Again, all homemade. Paste them. I'm doing guerrilla marketing as much as possible. I'm exposing this deal to the whole world. I'm building out my investor database. As people are interested, I'm telling them, "Since we got a contract, we cannot get control over them. I'm not worried about losing it." I'm trying to send as many people into this deal as possible. I'm always finding out from these people that are calling me, what steps they have to go through to close the deal. This way, I have a file in this piece of paper, and every single person I'm sending there, and I'm finding out, "Hey, does your money guy see it? Does your construction guy see it?" and all this.

And, I'm basically driving three, four, five, 10 other guys through the process to get the deal done. Hopefully, your numbers take over, and somebody... At that point, somebody does the deal. The good thing is, when you're flipping a deal, hopefully you're working with a fairly sophisticated, that somebody that done this before. So, guess what? They got the back-end taken care of. They got the paperwork. It might be an assignment. It might have to go through double close. They probably have a title company set up already, or an attorney. So, all those details that I, as a brand-new person don't worry I don't have. I don't need to worry about it, because the back-end investor usually has them. So, that's how I'm doing it. Hopefully, flipping in the next



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couple weeks. Making some money, and then, I use this deal to also build my infrastructure for the next deal.

Joe: And, that's really, really good. And so, basically, you're talking about, just so I can summarize... Keeping it real simple. And, you're big on this, Peter. Network, network, network. I mean, it's all about many... You know, the phrase is "Your network determines your net worth." And, it's about who you know. And, you don't look at other wholesalers as competition. You look at them as potential partners in this business. And, that's so important to remember. So, just so I'm clear, if you're getting started, or telling this to somebody who's just getting started, go out and find another investor who's got a deal that their advertising. Try to look for the investor that maybe is new to the business. They are not professional. They don't have a huge operation. Find somebody who's advertising some deals, and talk to them. And then, go out and find buyers for those deals. Do networking. And, you can probably... There's some simple ways to enter in some kind of JV Agreement, Joint Venture Agreement, or maybe get the property under an option or something like that. And, you're not going out. Are you advertising the property at a higher price than what that investor was advertising it for?

Peter: No. In perfect-case scenario, he and I are just doing a profit split.

Joe: Yeah.

Peter: So, I don't want one property advertised at \$1, and I'm advertising it at \$1.20. That makes it a little bit tough, or obviously not... Not only because it can get confusing in the marketplace. I wanted the best chance of success. Best chance of success; let me sell it at \$1. Let me get the first deal behind me. Let me build my network. Let me get some credibility. So, I'm doing profit splits.

Joe: You're doing profit splits. And so, the cool thing about what you're doing though is, you're not... This isn't just for this deal. You're building your buyers list, and you're expanding your network to find out who else you could sell future deals to. It's a great way to get started for sure. A great way to get started. Well guys, listen. We're going to keep this podcast short, okay? You can get more information about everything we've



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been talking about in this great book. So, I've blocked my face of it, "Brilliant at the Basics." You can get it at freebasicbook.com. Freebasicbook.com.

And listen, if you want to start working right now with Peter and me, take your business to the next level. Work with somebody who can create your systems. Get your marketing going, so you can just focus on talking to sellers and making offers. You need to work with me and Peter. We've been doing this for over year and a half. We've got tons of successful students right now doing deals all over the country. They're not actually students. We consider them partners. So, if you want more information about that, just go at PeterandJoe.com. PeterandJoe.com. There's a video there that explains more about what we do. There's a detailed explanation of what we do, and how we do it. And then, you can apply right there. And, if you feel like you're a good fit, we'll get on the phone with you, and talk with you, and we'll actually start working together. Okay? So, PeterandJoe.com, if you want more information on that. Listen, on the next episode that we're going to do for the "Brilliant at the Basics" series, I'm going to be answering the same question. I'm going to be talking about what I would do if I were to get started. And, probably going to be better than what Peter had to say. I'm just kidding.

Peter: [Laughs]

Joe: So, we will talk soon guys. Take Care. Buh-bye.