



REAL ESTATE INVESTING MASTERY

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Real Estate Investing Podcast

REIM 139

Think The Right Thoughts, Say The Right Things, Take Massive Action

Hosted by: Joe McCall

Featuring Special Guest: Randy Lawrence

Intro: Welcome! This is the Real Estate Investing Mastery Podcast.

Joe: Hey, everybody. Welcome! This is the Real Estate Investing Mastery Podcast, I'm Joe McCall and I'm glad you're here. Today is a special interview we have with a gentleman named Randy Lawrence, who hails from Florida, and Randy is one of the nicest guys, most genuine guys you'll ever meet and I'm excited about this interview because he does a lot of deals and, he's got a new podcast of his own the Real Estate Preacher and it's a really good podcast I'm going to recommend to you guys but first, let me tell you if you go to RealEstateInvestingMastery.com, RealEstateInvestingMastery.com if you haven't done that yet, go get our Fast Cash Survival Kit.

Our Fast Cash Survival Kit is absolutely free and in there, Alex and I show you how we do deals, how we find sellers, how we find buyers how we use virtual assistance, the systems and tools that we use, the marketing that we do and it's all 100% free and as we sometimes jokingly say, if you don't like it we'll give you your money back, but check it out, you're going to... it's a valuable resource, you can, you can do deals directly from this without even having to buy any other course, everything's in there. And also please leave us a review in iTunes if you like the show, we'd appreciate the reviews; we get them in, trickling once in a while.

But I just wanted to encourage you, if you like the show, if you think this is something that is beneficial to you and could be beneficial to other people, please leave us a review, we would appreciate that. I know... We've been doing this now for almost 5



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years and it blows me away when I think about it. We have listeners in over a hundred and seventy different countries, we have people all over the world that I meet that are listening to the podcast, are enjoying it, who... I'm looking up our reviews right now in iTunes and...I'm just going to read a few of the last ones that we've received, because we appreciate these, and also if you leave a review in iTunes, we have a special...it's a podcast called Leave a Review, Get Cool Stuff.

So if you leave a review we'll send you some really cool free stuff. All right, so Jack 11011 leaves us a great review four star- five star 'It's a great podcast, some really great information, interesting topics and guest. Definitely recommend.' Awesome! Flow girl 777 'This is an excellent podcast that gives detailed information that can be used in, is easy to understand, I highly recommended it, look forward to this and thank you for the chance to hear from you.' So, we appreciate the reviews guys, thank you so much. All right, so... Randy, how are you?

- Randy:** Awesome man, doing great man, it's great to be here on the show with you, brother, that's a five years, man, that's kick-butt, man, that's fantastic...Wow!
- Joe:** It might be four and a half, but we're coming up on five, I was trying to remember...
- Randy:** Still, that's, that's great, I love it too man, especially to delivering value, you know, with the free course, it's awesome man, and I know you're always giving brother, so I appreciate that about you man, and I'm glad to be on this show with you.
- Joe:** Thank you. You know, the reason I was kind of, of pausing I just read a bad review in iTunes... I was opening up iTunes and I was talking about all these 'please leave a review' and I... The first one here is a one star we got a one star...
- Randy:** Well, you know, I guess you can't please everybody all the time, right, you know what I mean? So, maybe they were having a bad day, I guess...



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Joe: Oh, man... So, whoever this guy is Buster 463, Buster 463 looks like... I'm reading this here and I won't read all of it here but he bought somebody's course that I've never even had on this podcast before...

Randy: Yeah...

Joe: Oh, well... I might've had somebody that was related to this guy, but he's complaining about not liking the course and not getting a refund. So listen man, Buster 463, if you're listening to this, contact my office right away, I will personally give you a refund and I apologize, I'm not sure what the whole situation is but I know obviously you're upset and you're not happy, so, Buster 463 please contact my office I'll give you a refund and I apologize. So, on...on... Let's...Let's switch gears Randy, sorry about that...

Randy: No, absolutely...

Joe: That was like...That was...That was like a sucker punch, I was like 'Oh, my Gosh what's this?'

Randy: You liked with all the killer reviews and then 'bam', you're hit with the negative deal, man.

Joe: So we've had negative reviews before, and I, you know, please leave us your honest opinion. Leave us... leave us a review and tell us what you honestly think, I'm not asking for good reviews but if you have to complain about something of somebody that's been on the show please contact my office and let me know and I'll take care of it, I promise. Okay, so, Randy you're from Florida we... We know each other through a mastermind called Collective Genius I've interviewed Jason Medley here before, it's great group of guys and we've known each other for a couple of years now.

Randy: Yep.

Joe: And you tell...tell us a little about yourself you're... You're from Florida, you got an amazing story give us little bit of your history would you?



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Randy:

Yeah, absolutely, I appreciate it brother. Yeah, I... I have been in real estate since 2003 my back story to that is I came, kind of, broken home, divorced family probably by the time in middle school, kind of headed down the wrong path got involved with, you know, drugs and the wrong crowd doing the wrong thing dealing drugs and... That... that kind of continued on from probably eight grade until about 27, I was even the arrested for trafficking cocaine in high school at 16 and I just really kind of headed the wrong way and then at 27, really, for the first time probably heard that God loved me and had a plan for my life and put my faith in Jesus Christ, in...

That really transformed my life turned it around 180° took me from the wrong path to the right path and then... probably about 3-4 years later, that was in '97 so it was probably in '99 I bought my first duplex, I'd... I wanted to live in a duplex, rent one side out, living in the other side and so I kind of had this, this desire for real estate and then really in 2003, I just felt... I've been in the money-management stockbroker that kind of thing and God was just really directing me to real estate, that was part of the passion that I had, just kind of stayed there burning in and so, got my first place, my first rehab, which was a seven-unit apartment deal.

I wouldn't recommend that to people who are, you know, listing, the place looked like it was going to fall down and... But, the guy literally gave it to me, just signed, you know, signed it over to me and I assumed the subject to and so it worked out well but that began the journey, you know, and then I got... started in single-family homes probably in 2004-5, in... with accumulated a lot of rentals in, you know, here in Florida 6-7 and then especially A-listings fell off the cliff so just got totally wiped out here in Florida it was a very difficult, you know, 3-4 year process but it was out of that that I really kind of think God refined me, learned a lot of things, you know, through all of the pain that was going on.

And then, even too, I think the biggest thing was really making a determined decision to achieve what I wanted and what I believed God had for me but also delivering true value to help people, you know, a lot of times people talk about that but sometimes maybe they give little bit more lip service to it and so, you know, out of that we started a short sale company to help all the people in foreclosure, did tons of short sales and then, you



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know, really started resuming the rehab business that we've done because we... we discontinued rehabbing because it was just not a good marketplace you don't hear 8, 9 and 10 everything was just kind of falling still and so probably about in '11 and '12 we started, you know, selectively rehabbing and then as the market continued to change we really begin ramping it up so even now we probably rehab about 80% of everything that we do retail and then the other 20% we sell to other investors or rental properties that kind of thing.

Joe: Okay, all right... Now, you got hit pretty hard when the market crashed...

Randy: Oh, yeah, totally...Totally, completely wiped out, I mean, we had probably accumulated about 5 million in total real estate rentals and it just completely got decimated like that, that seven unit apartment that we had it, probably had 150,000 of equity, rents were 550, that neighborhood just got so crushed that it was upside down and rents were down to 300. A lot of it though was like low, low, low end multifamily rentals you know what I mean?

Joe: Yeah.

Randy: And what happened in this area was because of such a glut the apartment complexes and then also the houses opened up the rental pool so that the better renters migrated upwards and then it was just a, just super problematic on the bottom, bottom-end, so it just really everything got completely wiped out so we still probably have about 10 rentals now, but, you know, it was definitely a painful process going through that, working through those issues, figuring out what works and what doesn't work in a changing market, you know, in a declining market.

And it really, the blessing that came out of that though is that it forced me to become strategic in my thinking and to begin to think strategically versus just thinking for the here and now... And so I find a lot of times that people focus on just this moment or just this deal and not looking at it more how does this affect things over a longer period, what does it look like over the next year and so that, that kind of forced me to start thinking that way.



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- Joe:** What...what were some of the lessons you think you learned from the crash?
- Randy:** Well, I would say...The number one thing would be delivering value to help people in finding what that means for you, you know, and that can be a number of things like whether it's, you know, buying a house from a seller there's a value it's being done in that because this person needs to sell the home and so genuinely focusing on how can I deliver value to help this person in buying their home. You still have to buy it at the right numbers but again you're truly delivering value or like for us when we're selling a home we genuinely want to provide them a quality home at a good value price that's been renovated so that they're getting a good value to start their first-time homebuyer that kind of thing. The other thing I would say that was really significant for me was being focused on the one thing, you know, so often times especially in the real estate arena people kind of focus or chase after the shiny object, you know.
- Joe:** Yeah.
- Randy:** 'Oh this guy's doing this, this guy is doing rehab, this guy is doing wholesale, this guy is doing, you know, subject twos and...' I think what happens is people can diffuse their energy and their focus by going after 3-4-5 things and never experiencing really success and the better approach I found is focusing on the one thing developing a mastery of that one thing in really maximizing the value that you can obtain and deliver through that one thing and then once you've done that, then you could branch off to the next thing, you know...
- Joe:** What would you say for you is your one thing that...
- Randy:** I would say right now at this point we really do a great job in the rehabbing we probably have about 20 properties currently under renovation and so we do I think a very good job in that and we've really got a level of mastery in that arena and so that's been the focus and again we do marketing and we're, you know, going to expand that and again that's part of our strategic focus for this next year and then, so, with that we'll also sell more, like I said, we're about 80/20 right now on the rehabbing versus, you know, selling to other investors, we'll increase that other side as we do more marketing.



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- Joe:** Okay. Yeah, I want to ask you more questions about marketing, what you're finding it's working for you, because you're in a... you're in a real competitive market but... What else did you learn in regards to the crash and like... with the crash in context, what would you tell a new investor that they need to be careful of and avoid?
- Randy:** Yeah, I mean, I think that you have to know the... the demographics or the marketplace that you're in, also understand what the potential downside risk may be and then, then you're, you know, purchasing the right property at the right numbers so that even too, as if there is that kind of downturn again I don't think the same as what we experienced in '08 but you have the ability to resolve it and not get necessarily hurt. A lot of people pre-'08 were just kind of rolling with the tide, you know I mean? And just kind of going after it in, in, and in some markets even now that same mentality's developing, you know what I mean, just getting anything you can get to get a deal with the auspice of thinking 'Hey I'm going to make money on it' and that's really not the best approach.
- Joe:** Well, you know, short of not buying house, is there anything you could've done to avoid being hurt in the, in the crash like you were?
- Randy:** Yeah... and I think that, you know, I would say it, it's very tough because we were in an acquisition mode.
- Joe:** Sure.
- Randy:** And, and even too, the majority of the rentals that we had were, you know, had equity in them, it's just they got completely crushed and the rent's the same so I would say though, the thing that I could've done differently is to better analyzed and been more strategic on the cash flow... Sometimes people want to fledge the numbers on the cash flow and not leave enough margin in there on the rental deal because literally you need to, you need to be, you know, taken out your, you know, the repair money, you need to be taken out the management fee for yourself, you need to be taken out a vacancy percentage as well, you know, really being more disciplined on the numbers and then if the numbers don't make sense then don't do the deal.



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Joe: But see, I bought a lot of properties in '05 and '06 when the prop... when the market was going up and at the time I thought I was using the right fundamentals, you know, I was cash flowing a couple hundred dollars a month on each house I had at least... Well and these, these were nicer middle, I mean, these were nicer blue-collar, I... I'd say upper middle blue-collar upper medium priced homes and I was getting at least 15 to 25% equity in these houses. These were, I thought good conservative numbers but yeah, when the market crashed all of a sudden I was upside down, felt like overnight, right?

Randy: Yeah, for sure.

Joe: And then it... well, it wasn't... and then the vacancies were all the sudden like it was hard to even find renters and tenants.

Randy: Yeah.

Joe: And it was hard to, the rent started going down and I'm just wondering like what... You know, I guess one, one answer could have been not using debt, like if, if I owned these houses free and clear instead of owning 16 houses, if I just owned two or three, free and clear, I wouldn't have any, I wouldn't have had any problems, right?

Randy: Yeah, for sure. Well, and that's a thing too, and I mean, again, you raised a good point as the leverage it slices both ways, you know what I mean, it's valuable to be able to leverage an increase to go to the 16 but then it cuts the other way depending on where liquidity is and that's, I guess, that's part of the thing there too, is like, you know, what is our liquidity ability in the event that things do have a slowdown, you know what I mean, that's one of the things... The temptation is, is to always go, go, go.

And I mean, I'm guilty of that as party I'm sure as some, with the next person but really understanding that you, you, you need to have reserves, I guess I would say, because, you know, there are things that are unforeseen, I think it like Truett Cathy, Chick-fil-A they built that company over a longer hall by expanding from cash flow to restaurant, to restaurant, to restaurant and they're still, you know, I mean, I think they just overtook KFC is the number one chicken chain kind of deal but, you know, that was a slower



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process than just going with leverage but, you know, he was able to sleep better at night and when the tide went out at different times, you know I mean, there's a little bit more easy ability to weather that kind of thing.

Joe: Yeah, so what's...? You know, I'm a big fan of debt-free investing but sometimes it's just not possible, I get it, so sometimes maybe there is a place for debt... So, what's your philosophy on that, I mean, being a Christian, you know, the Bible has a lot of things to say about debt, what's your view or philosophy on it?

Randy: Well I think it is, you know, there's a great quote in the book of Proverbs it says 'the borrower is slave to the lender' and it's true, the, the more that we borrow in, in leverage the more that we become a slave to that debt because we got paid it, so I don't think that it precludes us from using leverage but there's a lot of instruction on the wisdom of how to use it and so, you know, my thoughts would be is that you undertake it and if in doing so, yeah, without question if you can do it without debt that's a much better profitable cash flow scenario.

But with debt I think you have to recognize the prudence in not overleveraged because again at the end of the day the more that you borrow the more that you extend the more that that's going to cause pressure, you have to service that debt and so I think if somebody was going to buy rentals, you know, the more ideal scenario if they're going to use debt is to make sure that the debt service is manageable and whether that's, you know, not borrowing 80% but borrowing a lesser amount it may be a slower process to accumulate more of the rentals but I think it will probably come with less stress too.

Joe: Yeah, you know, buy, put money down and pay it off faster.

Randy: Correct, yeah, use that cash flow to pay it down, you know, that 2-300 bucks a month that they're cash flowing on it they could more aggressively pay it down that's not sexy but it's also, you know, you get a bunch of houses paid off now that, that is sexy, you know...



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Joe: We, we interviewed a mutual friend of ours, Jason Hartman, is also in Collective Genius and if you guys want an opposite viewpoint he should go listen to the episode we did with Jason called 'Refi 'till you die'.

Randy: He is focus on it for sure.

Joe: Oh boy...And it is, you know, it's hard to argue against that. Because you look at the spreadsheet, you look at the numbers and he's absolutely right, your ROI is going to be much higher...

Randy: Sure.

Joe: ...When you use leverage.

Randy: Oh, yeah, it does dramatically increase but, I think and you know the other thing I would say that part of what I learned too is you got to do what's right for you, you know, everybody is different in their makeup, you know what I mean, not everybody can handle the same level of pressure not everybody wants the same level of business or stress that comes with it not everybody looks to live the same lifestyle and so I think part of the trap that sometimes happen and it's I think part of our human psyche is that we get caught up in seeing what the other person's doing and, like, I need to do that, you know what I mean, or what the other person's making I need to do that.

And I think at the end of the day all of us have an individual life purpose, you know, you're going to impact people different then maybe I... people I interact with here, you know, like when you are traveling, you and your family, you're doing that over in Europe and that's part of the purpose that I would say God has for your life and through that journey you're impacting people in a different way, you know what I mean, and so just because maybe somebody listening hasn't done that yet they don't need to feel bad about that and so oftentimes we get caught up in comparing and even in the investing arena, like, 'Oh my God, well this guy's leveraging so maybe I better do it', you know, I mean, it's like be true to who you are and what fits, what's... who you're made to be.



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- Joe:** Yea, that's true, that's true I will say this I've never... I know a couple of people and I guess this tells you what kind of friends I have... I know a couple of people have been arrested and gone to jail for mortgage fraud...
- Randy:** Oh, wow, yeah.
- Joe:** And I... Do you know anybody like that?
- Randy:** Know of, but not personally...
- Joe:** Know of...
- Randy:** Yeah, yeah, yeah... There's a lot of that here in Florida.
- Joe:** Yes, and the... one of these guys he wasn't even doing it, that's a long story, I won't get into it but he was associated with the wrong people and he was the one who he got caught but the... You know, I never met anybody or heard of anybody that was arrested for mortgage fraud or doing Ponzi schemes or doing any of that stuff who was debt-free.
- Randy:** Yeah.
- Joe:** Like, you can't, you can't get foreclosed on, if you own the house free and clear... You'd have nothing to declare bankruptcy for, you... if you don't have a ton of debt.
- Randy:** Yeah.
- Joe:** I just think it's for me personally I like the freedom of knowing that except for my house I, I don't have any mortgage, no debts, and I'd love to pay this house off as quickly as possible but anyway, so you, you... Now I got 20 properties under renovation.
- Randy:** Correct, yeah.
- Joe:** So, what... Randy talk about like... you were, you were hit hard by the market and a lot of people listening to this were and how did you pull yourself up out of that?



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Randy:

Yeah...Well, it's, you know, I remember specifically in that time probably in 2008, and just really, I mean, it just felt like I was just literally going through hell, I mean, like just every day was terrible and there was no light so to speak on the horizon you know, it just, it was just very painful I had to really, I mean, one was my faith in the Lord and just believe in this as much as like I don't necessarily understand all of this I know that good's going to come out of it and so really having the right focus but I remember specifically making a decision, it was in 2008, 'You know what? I am just not going to allow this to happen to me any further, no more excuses of any kind I'm going to fully own my responsibility and learn from this.

And then begin to move forward with God's help and achieve the life that I want' and so that began to be a daily process and through that you know I believe God really just helped me to transform my thinking transform my focus to begin to focus on what I wanted really develop a clear vision I think a lot of times people don't have a clear vision and it's awfully tough to get somewhere if you don't know where that is and just saying I want to make \$100,000 or I want to make, you know, whatever that is I don't believe that's clear enough, you know, that...

There's a great quote from the Bible it says, you know, 'make the vision clear write it down so that those who read with it can run with it', and like in an honest way I didn't have it back clear and so when I made that decision I began to get more focused and more clear about what I wanted that also helped me to see what I didn't want and it also began to illuminate the, the path of what steps I needed to take to get where I wanted to go...It wasn't easy, it was very difficult.

And then, you know, I had, I would say on a daily basis reinforce the positive thoughts in my mind, you know, every single day saying 'I'm victorious, I'm a winner, I'm going to achieve these things, I'm successful', you know, and now some people listen to me 'That's kind of crazy' but like... how easy is it for like when a person makes a mistake, like, 'Oh my God I'm so stupid I can't believe I did that' and so we're reinforcing the negative things and people do that all day long but very seldom do people reinforce the positive things and so those were really central to me being able to navigate through



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what was a very brutalizing time it I think unfortunately a lot of people just got crushed and, and maybe never, never made it back.

Joe: Right... So faith is obviously really important to you and you have a new podcast, Randy, call the Real Estate Preacher.

Randy: Yep.

Joe: Talk, talk about your faith for little bit.

Randy: Yeah I mean genuinely God totally changed my life at 27 I grew up, you know, go to church and you know, whatever, once a year at Christmas or something like that so it didn't really mean anything to me I could care less about it and because of the lifestyle that I was in, I mean, I was like, you know, really deep in the drugs and dealing and all that but it was just an empty life, as much as there was money and you know party and women and this, that and the other, it was very empty and I think all of us truly long for fulfillment and, and true love and none of that was found in that lifestyle.

And then it was really when I heard, I read a book, one of the guys I'd help start an automotive garage was a book thereby Norm Miller, Chairman of Interstate Batteries and in that book it talked about his life being changed by Christ and, and in that I can see that for the first time for my life and it genuinely was like 180° turn when I went from being en... kind of enslaved if you will to this I... This lifestyle to then being able to become free from it, it was really just so powerful because I really had not been able to break free from the lifestyle, the drugs, the dealing and all that over that long period of time and it was really the power of Christ that came into my life and really filled me with an unconditional love I just knew it's like no matter what happens in my life I know that He's with me and no matter how bad I've screwed up in the past, that He loves me. And that was just a powerful transforming thought and experience and so that's really been driving my life since the last basically almost 18 years now.

Joe: Wow, that's amazing.



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Randy: Yeah, it's, it's incredible, I mean, and like, you know, and, and, and even with going through the 2008 apart from like in a, you know, a daily time I spent with God and connect with Him and read the Bible and praying and... on a daily basis, you know, speaking to me through the word of God and encouraging me through those things so that even when I face just object nasty stuff there was still His presence there to give me that confidence that, hey, we're going forward, we're going through this thing and I'm making it to the other side and, you know, and, and so that's something that I think a lot of times people unfortunately miss out that, that's really the intention that God's presence is in our life to that extent that he's with us all the time, you know, and he's actually concerned about our business 'cause like most people spend, I don't know, the majority of their time working, right?

Joe: Yeah.

Randy: And, and I talk to some people sometimes, you know, say 'I'll pray about that for you', like 'Oh, no, I, I reserve those prayers for a help need or something'...'Well, dude, God is interested in your business too because that's two thirds of your life', right?

Joe: Yeah...

Randy: I mean, you know, just like my daughter she called me this morning she was so excited to tell me about some of the stuff she finished at school, right, I didn't go all "Well Mariah, I don't care about your work at school", right? I mean, it's ridiculous, I'm like 'Oh my Gosh, honey, that's awesome, how great'... They're going to an Orchestra thing that they're putting on for the school at the Florida Orchestra so, I'm like 'Oh, that's awesome you guys have a great time' and say at morning prayers 'Like why, 'cause she is my daughter', you know, same thing for us and God.'

Joe: Excellent. You know, people are curious about your faith Randy, they want to know more. Do you have a website you sent people to?

Randy: Well, yeah, I would say connect with us at the Facebook '[The Real Estate Preacher](#)' that's a great pathway to connect with us and begin to you know, learn about what



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we're doing and, and our focus really is to share spiritual, mental and then real estate strategy, so you know everything that were doing has got a combination of those three things in it so that it's kind of like a three way focus, it's you're getting the actual strategies to make money in real estate but the right mindset to execute and the faith to be able to believe in yourself and believe in God, so yeah, for sure, connect with us there or TheRealEstatePreacher.net, you can connect with us at that website.

Joe: Very good, I was thinking also, my church has a website, has nothing to do with our church, but our church built it, so you can even find out...You can even go to this website and find out what which church it is. But, it's futureandhope.org, futureandhope.org if anybody's...Want some more information about what Randy is talking about, because I believe faith is very important and for me, I go to church, I believe in Jesus, I... You know, it's been important for... part of my life ever since I was 13 or 14 years old. But anyway...

Randy: Yeah.

Joe: Let's go to real estate.

Randy: Yeah.

Joe: Talk about your... You're doing a lot of rehabbing right now.

Randy: Yeah.

Joe: Talk about how you're finding your deals. What kind of marketing are you doing, are you farming the MLS, are you doing direct mail?

Randy: Sure, yeah. Well, it's a combination of things that we definitely still farm the MLS, I know that you had an interview with Than where he was talking about that same thing, sometimes people think it's not possible but the truth is, it is possible, so there's deals to be had through the MLS, I would say virtually speaking regardless of the market



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you're in, I know some may be super, ultra, hyper hot and that may not be exactly the case, but they're, they're definitely there.

The other thing is the direct to seller marketing, we're sending out postcards, we're really going to be focusing on increasing that in January, February, we've been doing that back with the short sale marketing and so now, really going to increase that. The other thing is also through our network, right, I mean, we've been doing this for some time and so, developing relationship with people that know what you do.

And even if somebody is newer, like, hey, if you're really going into real estate investing that the more relationships you develop and the more connections that you have, the more people understand and know what you do, the more that those deals can come to you and then other relaters as well and then... Even other wholesalers will send this stuff but a lot of that sometimes is kind of iffy, you know what I mean, people kind of not... The deals aren't so good, they're, you know, lot of, lot of people trying to provide stuff that really isn't a value just so they can make a quick buck, you know what I mean?

Joe: Sure, do you ever... 'Cause I... This happens a lot, I get a lot of deals come to me or I see other buyers' lists, I'm on other buyers' lists and I see properties that are being advertised and the, the prices are ridiculous! And I'm wondering if, if you've ever get this deals or somebody brings them to you and you tell them 'Listen, this won't work, but go back and renegotiate a lower price and bring it to me'... I think people sometimes forget that they can go back and renegotiate lower prices. Is that something that you do, do you tell anybody that, is that...?

Randy: Yeah, the, the... I have, I have not astringently done that in terms of telling others, we have done it ourselves in terms of, you know, once you really run through everything it's like, yeah, I really did want to do 75 but I really can't, you know what I mean? Like, so, if we're going to do this thing, it's got to be, you know, 67, you know what I mean? So, I think that there is a definite value in doing that and even too for sure telling people to do it because it is a negotiation right and at the end of the day I think that one of the things that you have to be willing to do is if it's not a good deal is to not do it, you know, because doing a bad deal is not a good deal.



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- Joe:** Right. Well, I think people are afraid to go back and renegotiate with the sellers.
- Randy:** Yeah.
- Joe:** And you shouldn't go into a deal with the intention of knowing you're going to renegotiate you but what we're saying is, you know, once you get property under contract if you're a wholesaler and the numbers don't work, it's okay to go back and renegotiate in fact you should.
- Randy:** Absolutely.
- Joe:** You're doing the seller a disservice if you don't go back and renegotiate because you're stringing them out.
- Randy:** Yeah, for sure.
- Joe:** And the sooner you can tell them 'Listen this number isn't going to work the more... It needed more work than I expected, my financial partners, my finance cash money guys are not going to give me any money on this deal because the comps are not there' etc. etc.
- Randy:** For sure.
- Joe:** You can go back and you'd be surprised how many sellers are willing to renegotiate if you're honest with them.
- Randy:** Absolutely, yeah I would agree wholeheartedly and that's just... you know, and that's part of the thing that just overcoming that fear or overcoming that, you know, desire to not do it or concern like 'Oh God I don't want to have that conversation', it's like, but just recognizing the truth like you said maybe the repairs are more high the comps aren't really as what you initially thought once they've been looked at and that's just the simple truth and being able to share that effectively, you know, again you have at least an opportunity to succeed and it's also an opportunity like you said to help that person.



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So you know, yeah, at the end of the day they say 'Hey, you know what, I want to move forward and get this done, yeah let's go ahead and do it at the 67 and let's wrap this thing up'. And then 'bam', now you've helped them and also your turn, you're, you're able to now turn and sell it to the other person at the, you know, maybe 72 or 71 or whatever the spread may be but there's something there for you, there's a benefit for the homeowner and there's a value for the person that's going to buy it and make it a rental or fix it up in rehab and sell it or whatever. I think...

Joe: I like that a lot.

Randy: It is well, and I think at the end of the day I go back to the proposition of like how can I deliver value for the people I interact with? You know, my hope would be even on this interview that there's a value that's delivered to the people there listening because it... that's what I believe we should be focusing on because the more value we deliver to people the greater that's also going to come back to us in return.

Joe: Good. That's excellent... excellent advice you'll always win if you try to help other people win.

Randy: It is, it is... you know, it sounds so simple but our ego in our personal desires get in the way of that. And it's like... but it really is a winning formula and, you know, it's just... I mean personally it's tough to do it sometimes because you think about 'Well Gosh, without me?' and it's like if I, if I generally focus my efforts on the other person it really is going to work out that I'm overt... the, the number of deals that I do, I'm going to win.

Joe: Excellent. Good advice. Randy, you find some deals on the MLS...

Randy: Yep.

Joe: ...What are, what are some sneaky little tricks that you wouldn't want to tell anybody else of how you find deals on the MLS?

Randy: Well, I think you know, one of the keys people...



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Joe: Something... Something you don't want your competition to know because your competition isn't listening to this podcast.

Randy: Yeah.

Joe: No... nobody listens to this, so what are some of the... I'm just kidding but, what are some of your secrets, your best tips for finding deals on the MLS?

Randy: Yeah... Well I think the first and foremost thing is you got to have your rehab numbers dialed-in to know what you can really do on cost of structure for fixing stuff... a lot of guys don't have that, really, they think they do but they really don't have a dialed-in and so that's a starting point there but then the second thing I would say is then, you know, not just focusing in on the price equation that may make sense but focusing on the properties that have been on the market for a period of time because then, you know.

And there are certain metrics there whether it's 69 or 120 days that you begin to far... target and focusing on to those properties there may be more price elasticity or willingness for that price to come down so even though it doesn't appear to be in your price range because of the length of time it very well may be... And that's something that's been really effective for us and then that way we know going in, hey, though it's listed at the 195 we know we can make it work based on our internal numbers if we get it for 172 and so then were able to go in and offer, you know, 167 with a little bit of room to come up and so that's also then a numbers dead game there too, because not everybody's going to be willing to take that haircut even though it's been on the market for 3-4 months.

Joe: Right.

Randy: You know, so or like a lot of times what happens is people just go after price and then in that scenario you got 10 people offering on that so the price that's listed is really not the price that it is.



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Joe: Yeah, it makes sense. And you make a lot of offers every day, is a key to just make... you have a certain number of offers you try to make a week or?

Randy: Yeah, exactly, we have a person that's, you know, focused on that and then they have a target that they've got to you know, focus on of how many that they're sourcing and finding and, you know, they're going through a lot they're scouring through a lot to, you know, to come up with it but again the end result is that it provides ideals and the cost structure of that is you know cheaper than, than other sources and again that won't always, the volume of that won't last forever but it is always that there is stuff there if you're looking for.

Joe: Right.

Randy: You know, and I would say a lot of times, Joe, a lot of times people maybe don't want to work and somehow or another we've kind of been cultured to think that success should just be easy and that like, you know, if I just think it or if I just say it, it's going to happen for me and that's just simply not the truth, you've got to think the right thoughts, say the right things and then back it up with the massive action, you know, and that may not sound sexy but it's the truth... And so I think that, you know, sometimes people look at it and they, they think like 'Well, I want to make tons of money and I don't want to put any effort in', but it's like that's not really the normal case.

Joe: Yeah, I don't know if I ever met somebody who's taken massive action and been unsuccessful.

Randy: Yeah, yeah, it's true.

Joe: You know, if anything you, you figured out what doesn't work out but you're still taking massive action your forward progress, your momentum is behind you, you'll figure it out, if you make a mistake, if that doesn't work you'll figure out something that does work.

Randy: Absolutely.



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Joe: Forward progress is so critical and important in this business is... You know, I love... I think there's... I sometimes say there's 3M's to success in this business I got this from my friend Craig Fewer... Number one is marketing, number two is momentum, number three is getting a good mentor.

Randy: Yeah.

Joe: And the, the idea of the marketing obviously you got to constantly be marketing I don't think there's any real estate problem that marketing can't solve but, for the most part, right? But leads... if you get enough leads coming in you can do a lot of deals but there's something about momentum... the momentum, the forward moving momentum where you, you're doing so much marketing is consistent and you're persistently out there knocking on doors, hitting the streets, and making offers after offers, I mean, I work with people and I tell them 'You need to be making five offers a day', can you imagine, making five offers a day, it's 150 offers a month that's what? 900 offers in six months, do you think you could do a deal, one deal if you made 900 offers?

Randy: Oh yeah, for sure.

Joe: So it's about momentum and persistence I, I harp on that a lot.

Randy: Well it's true, I mean, and that's, you know, that's the thing, especially it's, it's necessary is to, to put the work and do the volume and do it consistently because then that consistency is going to yield results, and like you said, I mean, if you've got enough deals to work on then you don't have to take the thin deals, you don't have to focus on a bad deal, because there's other deals, it's like, just the other day I looked at a property it's, you know, nice area, South Tampa kind of, you know, strong marketplace.

But the house itself was like three doors down from a gas station, not the best road, you know, had a full concrete driveway, I mean, front yard was all concrete the neighbors was all concrete so I didn't have a number of the things necessary to have the appeal to be a \$300,000 home and so by having enough deals that were working on, it's like I just said 'That's not, it's not... Unless we could get it at this price, it's just not worth it', you



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know, and, and so... But, you know, what's going to happen is somebody is going to take that and they're going to end up with a thin deal that's then not going to be that great for him.

Joe: Good. Hey real quick Randy, I'm looking at your real estate preacher Facebook page and you had some good tips in here about building your real estate business plan.

Randy: Yep.

Joe: And let's talk about this real quick... We've only got a few more minutes here but seven tips for making your real estate business plan. Number one: don't get carried away with this exercise or spend months doing it; don't get into the paralysis by analysis syndromes, it should take you a week or two maybe less than a week, right? Numbers two: make a first cut revise it a few times and get some input from appropriate people. Very good. Number three: take massive action. Hope you guys are writing this down, right?

Number one: don't get carried away don't spend too much time on this thing, number two: make it a first cut just get something done revise it a few times get some info from important people who know the business, number three: take massive action. Number four: revise your plan as you go along. Number five: there's a lot of free business plan templates online including essential sections along with associated definitions, just Google business plan templates or business plan sections for instance, there's a lot of good free resources online to help you with this; your business plan should contain at least 46 sections and here are the sections, the some key sections that that they should have. Number one: executive summary, number two: market analysis, number three: financial and timing projections, number four: organizational structure and number five: exit plans. And you say here 'I'll post a podcast for more details in each section in the coming days'.

Randy: Yep.



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Joe: Proverbs 24:27: "Prepare your work outside get everything ready for yourself in the field and after that build your house." Very good advice. So why is a wise a business plan so important do you think?

Randy: Well, I think, you know, by writing it down it helps you to become focused and strategic and you can oftentimes work through stuff that's not good thinking, you know, some of the most challenging stuff that you'll do is to think, you know, it's... a lot of times people just will do stuff but there's no clear thoughts behind it and so by having a plan in place you're able to, you know, whether it's, again, whether you're going to be wholesaling, rehabbing or developing rentals, you know, you're really thinking through 'okay what's my plan, what's my objective, what does this look like?' and then being able to put those in place help you to crystallize it, narrow it down to become more focused and in that way you've got something that's concrete that you're able to run with every single day and, you know, if it doesn't fit within your focus, you know, right off the bat 'hey, boom, it's not for me.'

Joe: Very good. Good stuff Randy.

Randy: Yeah, it's, it's... You know, I mean, I would say this that a lot of times people want, kind of the magic bullet, you know, it's kind of like the 1995 weight loss pill on late-night TV and the truth is that achieving your dreams and achieving the things that you desire there are certain principles, certain laws that exist, that will yield the success in the desired outcome you want, not all of them are complex but they require to one know them and to execute them in, in, you know, do it consistently.

And so there's a lot of things just like, you know, making a plan, it doesn't sound very sexy, it's not very fun to do, per se, for most people, but it helps to sharpen your focus to then give you actionable steps to get to from point A to point B, it's just like, you know, when you're going on a road trip most people will say 'okay, hey, where... here's the path we're going to go, here's where we're going to stop, here's where we're going to end up', they make a plan to get from point A to point B. Same thing should be when we're, you know, looking at making money we should have a plan to get from point A to point B.



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- Joe:** Right. Very good, very good. Those who fail to plan, plan to fail?
- Randy:** Absolutely.
- Joe:** Something as that...
- Randy:** Yeah, that's right on the money, bro, that's right on the money, you know? And that's an axiom that, again, it sounds, you know, so simple but it's also simple truth, you know? So, a lot of stuff is common sense but not common practice.
- Joe:** Yeah.
- Randy:** You know, so... And I love, you know, just hearing some of the different people that you have on the show as well too, because it's like you hear a lot of the same truths coming from different perspectives because again at the core level there are certain principles of truth that govern how we're going to succeed and, you know, one of the biggest things like you said is that in the 3M's is the mentor, that's one of the things I failed to have in the early stages and I had to learn the hard way by tons and tons of mistakes.
- Joe:** Yeah.
- Randy:** So, praise to God, now I try to cut that down by, you know, not only knowing what we know but also if there's something that were doing new, hey, I contact a friend or someone who is doing it and say 'hey, tell me what you're doing there, boom, boom, boom' and then, run with it, you know?
- Joe:** Very good. Well, Randy, how can people get more information about you, you have a new podcast, you have a website, Facebook page, all like it stuff?
- Randy:** Yeah, absolutely, connect with us, you know, on iTunes, on our podcast, definitely, love to, to have you there and then you can hook up with us at TheRealEstatePreacher.net on our website and, you know, or email us there or contact us at TheRealEstatePreacher.net and then, of course connect with us on Facebook, any one of



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those three channels and look forward to being a, a value to help you in your overall objectives of what you want for your life.

Joe: Yeah. And your podcast is called the Real Estate Preacher. Your last episode is called 'Pass me the MAO.'

Randy: Yeah, yeah... exactly.

Joe: MAO as in MAO 'maximum allowable offer' that was funny, I've never heard of that before.

Randy: Yeah, yeah, it's a... Well, I mean, it was funny like, in that episode we were talking about, you know, really dialing that in to, and again, that is something I've learned in, you know, the '06, '05, '04 days, right, that people are willing to fudge the numbers based on hope, you know, and hope is not a great business strategy so it's like by having a true maximum like this is the most that I'm going to do and sticking with it helps save you a lot of heartaches, you know, so... That's a great one to listen to for people.

Joe: All right, and your website is TheRealEstateInvesting... TheRealEstatePreacher...

Randy: Yeah, TheRealEstatePreacher.net.

Joe: TheRealEstatePreacher.net, I'll put that in my notes we will have these links and all that stuff in the show notes TheRealEstatePreacher.net, good, they're in the show notes and Randy, thanks for your time, you're real gracious, I appreciate it.

Randy: Thank you, my brother, it's so great to talk to you and look forward to connecting together with you here man so have a, have a Merry Christmas there with the family.

Joe: I think our next mastermind will be in Florida, isn't it?

Randy: Yes, I know it's a nice 20 minute drive for me so, praise God for that.

Joe: All right Randy, take care, see you.



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Randy: All right brother, take care now.

Joe: Bye, bye.

Joe: Hey guys, I hope you enjoyed that interview that we just did with Randy Lawrence. Randy is a great guy and his website again is TheRealEstatePreacher.net and I want to just tell you again go to RealEstateInvestingMastery.com to look at the show notes we have a ton of really great episodes on there, we even mentioned some previous episodes that we had done with other folks on the podcast. We have been doing this for a long, long time. We have a wealth of great information almost any real estate topic you can think of we've interviewed somebody who's a master at that, that's why I called the show the Real Estate Investing Mastery Podcast.

So please go to RealEstateInvestingMastery.com to get the show notes even a transcription of this call if you'd rather read it instead of just listen to it, you can get a transcription of that, we appreciate you guys, please leave us a review in iTunes and I appreciate the positive reviews and if you, if you have a negative review, good, feel free to leave it, but please contact my office if you have any problems and would love to help you out in any way we can take care of your issues. All right, take care you guys, RealEstateInvestingMastery.com, see you later. Bye, bye.