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How A UK Investor Came To The US And Did A Deal With No Money

Hosted by: Joe McCall

Guest: Samuel Leeds

- Joe: Welcome. This is the Real Estate Investing Mastery Podcast.
- Joe: Hey guys, welcome. This is the Real Estate Investing Mastery Podcast and hopefully this is working. We're broadcasting live right now to the YouTube and Facebook and I'm excited because we have a special guest. His name is Samuel Leeds and a lot of you in the US might not have heard of him but almost everybody from the UK and around Europe has heard of him. This guy is a property investing beast or as we'll say here in the US he's a real estate investing beast. This guy, I was, I didn't really know much about Samuel. He contacted me because he did something crazy when he came to the US and flipped a deal while he was here. We're going to talk about that. But I started looking at his YouTube channel his Facebook his Instagram and I was like, holy smokes, this guy is awesome.
- Joe: I like Samuel and he's one of the most prolific and like in terms of deals and one of the most sought after educators and trainers in England and I'm honored to have him on the show today. Let me first tell you guys if you want more information about this podcast, we're going to have, Samuel's going to be giving you some links and some websites and places you can go. We're going to keep all of that in the show notes, at RealEstateInvestingMastery.com and if you're listening to this on the podcast, just when you pull over, go to RealEstateInvestingMastery.com and then in the search bar, do a search for Samuel and you'll find this episode. You'll see the transcripts, the links, the references, and all of the show notes.
- Joe: Let me say one more thing in terms of an announcement. Please leave your reviews in iTunes. If you like the show, we're on Stitcher, we're on Spotify, we're on Google Play a bunch of others. If you like the show, give us a thumbs up and say that you like it. Leave us a review. We'd really appreciate it. Cool. Samuel, welcome to the podcast, man. How are you?



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- Samuel: Dude I'm absolutely stoked to be on your show. So thank you so much for having me. It's really good to connect.
- Joe: Guys Samuel has got a real cool story. I'm going to ask him to share in a minute. But last time I was in England, Samuel, we brought our four kids. We have four kids. We flew into London. It was about a couple of weeks before the Olympics. So what year was the Olympics in England?
- Samuel: Oh Dude, don't do this to me. I think it was 2012.
- Joe: 2012, right. So about seven years ago that's about right. And airport at Heathrow was insane and I was praying, God just give us grace because with four kids jetlagged we were stuck in customs for ever, but we got through, spent some time in London, London's gorgeous it's incredible. But we had been like three months in Prague, in the city. We want to just get out in the country. So we went to Northern Ireland for a week and had just a blast. You guys have got some of the most beautiful countryside in England and you just posted some pictures of your new house I think on Facebook, is that right?
- Samuel: That's the one we're renting yeah. I think your on about that looked amazing.
- Joe: Yeah. Beautiful house, loved England and I still have a lot of friends in England. I've done a couple workshops in Spain teaching people how to flip lease options in England and it's a cool place. I'm glad you're here. So not a lot of people, Samuel know about you here in the US can you tell us a little bit about your history, your story, how'd you get started in real estate or property?
- Samuel: I started in property just over 10 years ago. I don't know how, I've just got back from the states. I'll probably, you'll ask me about a bit about the challenge that I was doing, but I bought my first house. It was a no money down deal and it was just before the recession.
- Joe: Was this in the US?
- Samuel: No, no no. Well because the recession was like worldwide, so in 2009 everything crashed. So the property market in the US same as England. So my first house was just before the recession and it was basically a property that I put in a family



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member's name because I was too young to get finance, but I effectively just bought it a hundred percent finance and then rented it out. So and the way I did that with negotiating to buy it below market value, buy it on a bridging loan and then refinancing up to its true value. So it was quite a creative deal. So I did that based on the back of going on a course or training program. And I was literally, you know, pretty much just fresh out of school. And that was my first house. And then the recession came. And in one sense you could say I had everything going against me.

Samuel: Like when people come up with excuses, now, you know, I can't do it because of this, that the other, you know, I'm from a family of property investors. My dad was an entertainer and a gardener. My mom, a mobile hairdresser. I didn't have any money. I was too young to get a mortgage. I didn't have any particular knowledge about property apart from what I was just learning at the course. And it was just on the brink of a massive recession. So it was, you know, you could argue that everything was against me, but with real determination and a real reason, a real, almost desperation to be financially free, because I really, really didn't want to work a job until I was 65. I just didn't want to do that. So, yeah I began joint venturing and raising finance and doing a lot about lease options, rent to rents, all these different credit strategies.

Samuel: And I guess I had nothing to lose. Sometimes people think, oh, if you're on a hundred thousand pound salary your a bit comfortable, it's easy. But actually I think it's really tough. I mean, people in their forties and fifties who have got a wife to please who's used to having two Range Rovers and three holidays a year. So it'd be a paycheck with four kids and actually they've got a lot of loose so it's difficult. Where it was me, I was learning about property, but I had absolutely nothing to lose. So I just went really went crazy, went for it. And it just snowballed my portfolio. And now I've got a ridiculously large property portfolio and I'm 28 I just bought a castle last year.

Joe: Are you really 28 years old?

Samuel: Yeah. I just turned 28 I was 27 last month.

Joe: I would have thought you're in your mid thirties, late thirties or something.



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- Samuel: I'm going to take that as compliment. Is that because of my great wisdom? Hopefully.
- Joe: Well, just how much that you've done. And the success that you've had. It's good...
- Samuel: I've got 31 member's of staff, we've got a very large property training company and, you know, I'm building, I'm in the process of just building six houses from scratch on a piece of land that we got up in Lincoln. So, you know, really aggressively growing my property portfolio. But at the same time, I've got my training company and I do some, I just love making YouTube videos. Like I pretty much, pretty much most of what I do these days when I'm thinking I'll be driving and I'll discuss anything about what's going to be a cool project for a YouTube video that's just constantly, I just love doing YouTube videos and blogging every time I buy a house I have to blog it.
- Samuel: So that's how I became well known in the UK for my YouTube channel. So you know, some of my videos have really gone crazy.
- Joe: You did some crazy things. One of the things I liked about your videos, Samuel, is you did one of them where you pretended you didn't have any money. And you get yourself a deadline, you'd lock yourself in a hotel room pretty much, right?
- Samuel: And I didn't pretend to have no money I just locked myself away and shut myself out of my bank and literally had no money.
- Joe: You had no money. You took it all away you removed your access to it as you camera guy following you around and how did you have a deadline of how quickly you had to do a deal or something like that?
- Samuel: Sort of yes. So I had \$50 pounds in my pocket and I had a hotel room booked for seven days and after seven days if I haven't made any money I would've just been on the streets. So it was, it was a case of, you know, make it or break sort of thing. And the idea was to try and make a deal happen from nothing apart from my knowledge.
- Joe: This was so cool. I mean, this, these videos were really well done. You have this guy following you around. I felt like I was watching something on, you know, like a



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documentary on TV or something like that. And it was like down to the wire, you are building the tension and the stress and like, oh no, I got to hurry up and do a deal. Your wife was nervous, worried for you, like what's going to happen?

Samuel: She cried quite a lot.

Joe: So talk about what you did. Like you were in, you took away everything. How did you find a deal? How long did it take? And talk about that.

Samuel: So what happened was I actually went to some like property networking events and stuff because I think the first, when you're starting out from scratch and you've got no money or anything like that, at Brutus Empire, great to have you here man. I'll recognize that man. The first thing is to get yourself in the right places, so to get down and get in front of people, meet other investors. So I went down to some property events and I was calling agents...

Joe: This is funny because you were trying to hide yourself. So you're wearing costumes.

Samuel: I had to be in disguise because then people would have said, oh we know you because your known in England and people did a deal with you because they knew who you were. So I had this, this wig and glasses. I went by an alias name of Lucas Ruby, and obviously you know a different name. So I went to this property event and I was undercover and I was trying to like talk to people. I was trying to network and stuff, but the event organizers recognized me through the costume and threw me out. They go so freaked out they thought I was trying to sabotage their event or something. I don't know what they thought. And then it was over the microphone and it was awful.

Samuel: But anyway, what I did was I managed to find some apartments for rent and the apartments were owned by a developer who I spoke with, and this was in Sheffield. And I said to the owner, I said, if I were to give you a guaranteed rent of X, would it be okay if I take it on as a corporate rent? And he said yes. So a few checks and stuff, I had to do on that front.

Samuel: And then the idea was that I would put the property on Airbnb and Booking.com and rent the property out almost like as a hotel. We call this rent to service accommodation, I don't know if you do it this states. And that was the concept. So I



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found two deals and I was like, boom shack it, I've got my two deals, I ran the numbers. And I worked out that from these two deals alone, I would be financially free all over again from scratch.

Samuel: However, there's a big problem and the problem was that I need some upfront cash to pay the landlord upfront to furnish the property. Just general stuff. It wasn't a lot of money, but I needed some quick cash. So what I did was I just told the landlord and the agent. Yeah, I want the deal. I'll get the money to you in a couple of days.

Samuel: And then I found an HMO and some below market value deals and my basically wholesale flip them or whatever you call it, in England is a little different. What we tend to do a quick deal packaging whereby we find an opportunity, we then find an investor and then we pass the opportunity that deal onto the investor but charge an upfront fee. So I did that. I made...

Joe: Do you call it sourcing property sourcing or packaging?

Samuel: Yeah, property sourcing or deal packaging Yeah.

Joe: Yeah. Okay cool.

Samuel: So I did that. I'm in at \$8,000 pound cash and my videographer, who was filming this was freelance, he was also a referee. He was a little skeptical. So he was refereeing the whole thing. Every time I did business with anyone or made any money, he would interview them and check. Did you, find out if they knew who actually was? It was all done completely like legit. And I'm at \$8,000 pounds cash, boom, in my new Lucas Ruby bank account, Lucas Ruby limited. And then with the \$8,000 pounds, I then took on my two apartments, which is still today doing really well and renting them out and making good income off them. And it was literally just from scratch, the whole thing happened in seven days and that video went viral. I mean it just went crazy and gave so many people so much hope.

Joe: Oh yeah. I love that video. And I thought, well, I never heard of you. And then we were exchanging messages on Facebook a little bit. By the way, you sent me a friend request and I replied, but you're at your 5,000 limit, so you need to, you need to kick somebody out of your friendship circle so you can let me in.



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Samuel: I'll delete someone from my Facebook.

Joe: I'm just kidding. So that was such a, inspiring video. And I was encouraged by that and I even shared it on my Facebook because I thought this is somebody that I could tell you were a teacher because you know, you educate and you help people and people recognize you at that real estate club meeting or whatever, but you're actually out there doing it. The stuff which is so important in the these days, isn't it? There's so many people that are teaching it from things that they've done five, 10 years ago but aren't currently active in the business today, right.

Samuel: Yeah, I agree.

Joe: So one of the things that we've been doing as well is with through lease options, turning them into Airbnbs. And I'm sure it's exploding and doing really well in England right now. But in the US it's also been doing really well where before, you know, like if you were to package a deal together as a lease option, put somebody in the house, you might make \$300 or \$400 a month in cash flow. If you turn around and do an Airbnb with it, you can make a \$1,000, \$2,000 a month in cash flow. So are you seeing the same thing right now in England? Taking properties set of just renting them out, but turning them into vacation rentals and is that working for you right now? And how long is it going to be working, Samuel?

Samuel: Great. Really good question. It's working very, very, very well right now. It's quite unregulated in the UK, so you don't need to have a license, you don't need to. There's very little regulation around it as long as you've got consent from the mortgage company to do it. And also, if it's an apartment, you need permission from the lease, but it's very unregulated. HMO's that's something that I do and that's very regulated. Where service accommodation is very unregulated. I suspect it'll probably get more difficult and it will probably, regulations will come in. Then also there's more people are doing it. It's of course going to mean that there's more supply. There's always going to be demand. So I think it's not, maybe at the moment you can do it.

Samuel: Oh, I'll just rent an apartment and rent it out service accommodation Airbnb and make a of money, I think maybe down the line, even now I'm seeing it happen. You need to be a bit more careful about the area you choose. Make sure that there's a real strong healthy demand. But no, it's great. And I mean just, you know, this, this



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challenge idea was only a few months ago and my apartments or renting out really well. And the cool thing is, is you don't even need to own the property or even have an option to buy it or anything. You can literally just rent it off the landlord and then rent it this way. People will say, well, why doesn't the landlord just do it himself? The obvious answer is because he doesn't know how. And knowledge is everything in this business.

Samuel: People think, oh, you need a lot of money. Money helps but you can have money. But without knowledge you're screwed. But if you have knowledge you don't need money. So how long it will work for, I don't know. But I think that you've got to make hay while the sun shines, you know? But at the same time, a table needs more than one leg, so make hay while the sun shines. But what I encourage my students to do, I'm like, YouTube videos is the profit that you're making from the cash flow, save it up and put it into some slow power stuff. Why? You know buy to lend or whatever.

Joe: Yes, yes. One of the things that's working well now in the US I'm seeing this and I'm curious if you are too, with Airbnb, you don't have to do airbnbs in the popular vacation areas of your city, you can do them in the smaller towns, in the more blue collar working class neighborhoods. We're going next weekend to a small little town in Iowa called Anthony Island, and not a lot of people have heard of that, but you know, I got four kids and we're bringing our new dog that we just got. So we can't stay in a hotel guess where I'm going? I go to Airbnb and this is a little town, it's maybe half hour, 45 minutes north of Des Moines, Iowa, which is the capitol, right?

Joe: But here's the thing, we found it's hard to find anything out there. We found a four bedroom house, maybe three bedroom, \$200 a night, \$200 bucks a night. Why? Because there was nothing else out there. This guy can get away with charging that. So there's still, you may think like, oh man, I can only do Airbnbs and the expensive areas or the tourist areas. That's not true. There's a lot of opportunity in the areas where that smaller town in the blue collar working class areas, because people are going and looking instead of going to the hotels, they're going to Airbnb and they're looking for places that they can stay for a few days and have their own kitchen, right?



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Samuel: It's so true. And when you're doing a deal like this, which is going to be an Airbnb or Booking.com deal, we call it serviced accommodation, there's two things that you, number one is you just need to make sure that you got the right permissions and all the legalities. Everything's good and everything's done properly and legally. Number two is you need to make sure that there's a demand. And how you find out if there's a demand, if there's hotels in the area, then there's not a demand. And to determine how strong demand is, is to just try and book the hotel. And if you can't ever book a hotel because it's always full, then it's like boom shacka. But just look, speak to the, I even do this right now. I'm in my home in Litchfield and in the whole city of Litchfield, it's not big city, but it is a city. There's only two hotels and they're both always full. So I'm thinking, actually, I might, I might as an investment area. I don't think they should feel as great, but it's, it's, it's you know, it will work for service accommodation. So...

Joe: The cool thing too is that there's less regulation in those smaller towns isn't there?

Samuel: Well when I was in New York I couldn't do it, so restricted with the rules and stuff. But then I moved slightly outside, ended up in New Jersey, Philadelphia only an hour and a half. But suddenly, I mean Philadelphia is a different state so it was just.

Joe: So I want to talk about this. This is so cool. What Samuel did guys, he went, he's got a big social media following in England, right. And by the way, it's getting dark outside. So if I lose the Internet we'll get back on here in a minute.

Samuel: How does the weather affect the Internet, how can it go dark and then you lose internet? That doesn't make any sense.

Joe: I didn't get high speed internet because I'm out in the suburbs, you know, about 45 minutes from the city. But I'm out in the sticks and we didn't get high speed internet until about a year ago. So it's still, we're still kind of spotty anyway. So Samuel has a big social media following and he goes on Facebook live and he just had a harebrained idea and he said I'm going to go to the United States, he's at the airport,

Samuel: That is not quit true.

Joe: What is it?



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- Samuel: So after I did my financial freedom challenge in England, there were people in different countries saying, you could never do that in my country. You can never do that in my country. So I said, okay. So I went to an airport near my house. I got a Facebook live out and I said, where did you want me to go folks? Wherever the country comes up the most, I'll just, I'll just follow that. So I didn't plan on going to America. I just did a Facebook live video the states was coming up more than any other country. The second one was Australia and the third one was Germany. So I was like okay, and I literally just there and then went to the states, jumped on a plane. I've got an escort at the airport and people were saying, can you do that though?
- Samuel: Do you not need a working visa? I'm like, I don't know. But sometimes you just got to just step out and see what happens. I didn't tell everyone I was going to succeed. My plan was to go and deal in a foreign country with no money. I didn't know if I was going to succeed or not. I was just going to try it. So that was the difference. The difference was I didn't go to the states. I went to an airport and not knowing where I was going because I was very happy to go anywhere. Because I believe that when you have the knowledge and when a property entrepreneur has then knowledge, I believe that the skills will pretty much just about work anyway, but they just restrict themselves to that country.
- Joe: So did you have camera guy with go with you and film it?
- Samuel: Yep. The whole time. He literally called me while I was sleeping.
- Joe: All right so where did you fly into the US?
- Samuel: I flew into New York City.
- Joe: Okay and what did you do?
- Samuel: And the whole, I mean the actual footage you can see on YouTube, but I got to New York City and I just started stopping strangers in the street in New York City saying, talk to me about the property market here. You know, do you buy or do you rent, do you own or do you rent? How much do you pay? And I was just literally doing that. Then I just started making phone calls to do estate agent brokers, real estate brokers saying, can we meet you as soon as possible, please to discuss your



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properties that you're selling? And I just got loads of viewings lined up and properties...

Joe: In New York City.

Samuel: But I very quickly realized that New York was going to be really tough because lease option agreements the way I do them. You need motivated sellers, particularly people that have got negative equity in New York. They are not motivated and there is not negative equity because the market is just absolutely it's not London, it's just crazy. Rent to rents you can't do it, it's not allowed in New York. I didn't know any of this I had to figure it out while I was there. They have like a rule within New York City where you can't do it. And I just realized that my strategies worked, it didn't work in New York. Now people in New York, would say, oh, I live in New York and the strategies don't work. But the thing is, there's a reason that we have cars. So I just drove a little bit outside, I went to Staten Island, then New Jersey, then Philadelphia, frantic and viewing loads of houses, knocking on doors, talking to real estate brokers and solicitors going crazy.

Samuel: This is our connection with you because I was just Googling locations, all lease options legal in the states because I didn't even know if it was legal or not. And I'm just giving all this stuff because I don't know if it's legal not. Your name popped up and I thought, ah, Joe McCall. And it says, Joe McCall, lease options, blah, blah, blah, blah. I just jumped on Facebook messaged you, Hey, I need to chat to you and you got back to late.

Joe: I know I'm kicking myself because it was a week later.

Samuel: Yeah, I think you're like assistant maybe messaged me and just said something like I'm Joe's really busy but he'll get back to you on June 4th. So anyway...

Joe: Sorry about that.

Samuel: No man, you know what like be the same if someone messaged me. Some crazy person messaged me from in England. But I ended up negotiating a deal in Philadelphia, which was a lease option agreement deal, which is basically a no money down deal and it was incredible and you can see the whole negotiations and how I structured the day on everything like that on YouTube, but it was insane and



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put it out there. And the cool thing is, even a guy that I just saw on this channel I think his name is Brutus. He, there he is. Knowledge is key. This is him, I believe, and he can correct me if I'm wrong, but he said, because he's been following you for awhile, he's been following me. I went to the states and did a lease option agreement. There are people and he's one of them who are now getting lease option agreements and doing deals no money down deals and stuff. As a result of watching these type of deals, he says, yeah. So Brutus congratulations on your lease option agreement, man.

Samuel: People saying, oh my gosh, I just did the same thing now after watching you do it. So, and a lot of people credit you as well. I've seen a lot of people credit yourself because there's so few people that teach first lease option deal, boom good man. I've had like four people message me in the last week from the states saying, I've just done a lease option or I've just done this. Or just to know that as a result of watching the video in the states there possibly the same people that would have moaned a few months ago and said it only works in England. It doesn't only work in England. I mean, of course there's different rules in different countries and you've got to be careful and you've got to know your stuff. But there's always you can count the things you can't do or you can count the things you can do.

Joe: Okay. So this deal you got, you find a motivated seller. Got it under contract. How did you get the contracts? What contracts did you use?

Samuel: I basically did it as a little bit of a joint venture. So I found somebody who was a real estate broker. I found the deal, then I found a real estate broker who knew of the deal and all of that. I did it as a lease option agreement, but I said, I won't count the depreciation, but I'll give you all of the cash flow if you just saw everything. Because I knew I was going to be going back to England. I didn't want the headache or the hassle.

Samuel: So it was a really good, really good for him really good for me. Everyone was happy and I didn't put a penny down.

Joe: Did you find a tenant buyer to live in the house before you left?

Samuel: No, no tenant buyer. So you guys, you guys do tenant buyers like, do you even understand Joe, do you understand what all I mean, because I think when the



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people in the states say lease option agreement and when I say lease option from England, I think that they mean different things slightly.

Joe: Well maybe there is similarities.

Samuel: Tell me what it is. What's a lease option agreement?

Joe: Well a lease option agreements where you find a seller and you come to an agreement to lease their property for a couple of years with an option to buy it in the future.

Samuel: Okay, so why do you need a tenant? Why can't you just put a normal tenant in?

Joe: Well, you could certainly but most people will do what's called a sandwich lease option, right? So we have the A to B where we have an agreement with the seller and then we have the B to C where we'll rent it...

Samuel: You guys make it so complicated, you said called it a B to C and X to Y, what.

Joe: Okay. There's two different ways to do it. I wrote a book on that. We call it Wholesaling Lease Options. And I think this is what you do...

Samuel: Mate, mate this is what I wanted to talk to you while I was out there because everything I was doing was so confusing. Let me tell you what a lease option agreement is to me and you tell me if this is the same, maybe you make more money I don't know. You might make more money doing it, but I'm loving this combo. I'm loving this combo. So for me a lease option is this. You buy a property now and you pay for it later.

Joe: That's a good way to put it.

Samuel: Yeah, you buy it now you pay for it later. You take control of it, you rent it out, you pay the landlord in mortgage payments or a small fee and then anything left over when you rent it, you keep that cash flow and then down the line you have the option to buy it and you hope that the value's gone up. So you've made rent each month and capital appreciation. If it hasn't gone up and your like, oh I'm not going to buy it, you have the option, not the obligation but he has the obligation. That's a



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lease option. But then wholesaling and sandwich lease option agreement, all that stuff is foreign to my mind.

Joe: Well what you just described, I would call a sandwich lease option. I'm staying in the middle and I'm collecting the difference in rent. I'm staying in the middle like a sandwich.

Samuel: You're making me feel hungry though. That's what I did in London a sandwich lease option. I gave someone else the monthly cash flow. He all, I did at least a sandwich lease option and then he almost did a rent to rent on my sandwich lease option to relieve me of the headache.

Joe: So yeah. Then you made the money from the tenant who lived in the house that they put down a deposit, right?

Samuel: There was no tenant it was an empty house. It was an empty house the mortgage was \$59,000 pounds. \$59 yeah, \$59,000 pounds. He had it on the market, was it \$59 or \$69 sorry, \$69 \$69,000 he had it on the market for \$75,000 and I worked out, if he started at \$75,000 by the time he pays his fees and stuff, he's going to be left with nothing. All going to go straight to the mortgage company. So if I just say to him, hello, you struggling to sell it for \$75,000 and even if you got what you wanted, you'd make nothing. How about I'll just you on and I'll pay \$75,000 in five years time and in the meantime give you X a month.

Joe: How much rent spread where you making? So you're the mortgage payment was what? And what was the rent?

Samuel: The mortgage payment was \$191 pounds. So we said we'll pay him \$200 pound a month and then the rent would be somewhere. I don't believe there's a tenant in there yet because I literally got back from the state only a couple of weeks ago. So we're still going through all the, all the contracts and stuff, but the rent will be somewhere between \$800 and a \$1,000 and we're paying him \$200 so the cash flow is really good. Now I'm just reading all those watching and thinking for all those watching this thinking like it's unethical, oh, why, you know, why wouldn't he rent it out himself or you know, part of my strategy is I always tell the landlord, I always say your best option is to rent it out yourself. You know, that's your best option.



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- Samuel: And only when they say, oh, I want to do that I don't want to be a landlord. I exhaust all the options first and then give them this as like a last resort. So the cash flow is going to be pretty good. So the cash flow is going to be pretty good. But as I said, what I did and call me crazy, but I sacrificed 100% of them to cash flow because I've passed it onto a wholesaler out there. And I've said to him, look, you can keep all of the cash flow but I want you to just manage it and deal with it. Because I don't really care about the cash flow, but I have the option to buy it the \$75,000 in five years and the market is trending. So I'm thinking I'll probably end up making a whole lot of capital growth out there in five years time. So that's basically I have almost a benefit because in property you get paid twice, you get paid in cash flow and you get paid in capital appreciation. One pays the bills and one gets you rich, so.
- Joe: So the way we do it, we give the option to buy to our tenants. You keep the property and you just put a regular tenant in the property.
- Samuel: Yeah that's correct. So it's a little different. When I was talking to people about these options though when I was in the states. I was saying like I was talking to people, but I might be speaking with you know, a solicitor or a broker and I tell them what I'm doing and they'd go, yeah, yeah, I understand lease options. But then when I started to do it in practice, they'd be like, whoa, it would almost freak. I think it's people misunderstood. But now you've called it a sandwich option maybe that's what I should have said and they would have understood.
- Joe: Well I like your approach to it is a little simpler language. You use it a little simpler in some ways. But one of the strategies that I like to do, it allowed me to quit my job back in 2009. Is I would find a seller that had a property that didn't have much equity or didn't even have much cash flow in it and I would get it under a lease option contract and then I would just sell that lease option contract or assign that contract to a tenant who's going to take my place and then I stepped away completely out of the deal and I would make anywhere, you know, \$5,000 to \$10,000 grand, sometimes three but I'm making about \$5,000 on that. So that's what I call a wholesaling lease option or a lease option assignment
- Samuel: Another thing you can do as well is in five years time and I have the option to buy it for \$75,000 if it's doubled in value, let's say it's worth \$150,000 I'm like boom, and



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I've got \$75,000 thousand in equity. Rather than buy it for \$75,000 I can then sell it for \$150,000 and just keep the profit.

Joe: Yeah, exactly.

Samuel: Because people get stressed out. People are like, oh, but you know, it's not normally down because in five years you have to buy it. But no, I don't have to buy it in five years. I have the option to buy it for \$75,000 but if it's gone up more than that, I can just keep the difference or I can just buy it %75,000 and then we finance it. Like the world is your oyster when you've got a \$75,000 grand property that's worth \$150,000.

Joe: Well that's the great thing about options. Lease options is they give you a lot of flexibility. There's different things you can do with it. You know, you can keep it and put it, make it an Airbnb. You can put a tenant in there and just rent it out. You could sell your lease option to the tenant and then walk away. Or you could actually maybe just rent it out for five years. If there's enough equity at the backend, you actually buy it hold onto it. Yeah that's great. We like to say here it's control without ownership. Does that make sense?

Samuel: Yup. Yup. A million percent. I mean were a bit obsessed in the UK with owning things, but you know, I regularly say this on YouTube the most successful companies that control rather than own. Like Amazon don't own their stock, they control it, Uber doesn't own their taxis they just control loads of massive, massive companies they don't own they just control.

Joe: That's good. One of the reasons why I will put a tenant buyer in the house is because sometimes in order to pass on the responsibilities of the maintenance and repairs of the property, I don't want just a regular tenant in the house. I want somebody who wants to buy it in the future and it's going to take care of it and the maintenance and repairs of that, right.

Samuel: That makes perfect sense. I tell you something as well. Anyone who's watching this who's maybe thinking it sounds too good to be true because it kind of does sound too good to be true. I mean, it blows your mind a little bit when we're taught all our lives that we have to work really hard save up all our money. And then when it's big enough for a deposit on a house, buy a house, which is the biggest investment



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you'll ever make. And then we're talking about you just control this property and you can do these things. And it can sound a little bit too good to be true, but I'll just say even myself who's got all the experience, I've been in the game for over a decade, all the knowledge and stuff like that. When I was in the states, I've got a lot of rejection before I got my deal.

Samuel: You know, I've got a lot of rejection and you can literally, I'm on the video. You should watch it if you're not already seen the, you know. I'll get doors slammed in my face. I get told no, no, no time and time again. You know, quite some people get really uppity and stuff. So it kind of, you know, it is possible, but of course it takes work. You've got to be compared to get a no. And people say, oh, it doesn't work. You know, because I tried it. Well, what did you actually do? I made three phone calls and speak to one person. Come on. You know, you can't say it doesn't work. after making three calls and speaking to one person, you've got to really, you've got to speak to a hundred people.

Samuel: And even on the first day of my challenge in the states, I met over a hundred, I made a 112 phone calls, and I only spoke to nine people and getting voicemail after voicemail after voicemail after voicemail, you know, I was losing the will to live. It was so depressing and I was so bummed out and I was like, oh my goodness, I can't get hold of anyone. It's really depressing. But then the following day, some of those people that had got through to voicemail started phoning me back and it began to pick up. So it just takes perseverance and hard work, which I think a lot of is missing in people's actions.

Joe: I've often said the three m's to success in this business is marketing momentum and mentor. Marketing is the foundation of everything, right? You got us plant the seeds, you got to throw out the marketing, but it takes time to build that momentum. So many people get impatient, don't they have, like if I don't get a lead now, if I don't get a deal now, it's doesn't work. But the momentum builds slowly as you're consistently marketing, the momentum starts to grow and then you know give it a couple months, three months. And that does the deals that you start doing are not from the new leads that came in there from the leads that came in from before, that you have been following up with, I was just talking to one of my students today, Dustin in San Diego. He's doing deals in Oklahoma right now. And the deals, he's averaging about five deals a month right now.



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- Joe: And these deals that he's doing right now have been from at least the last three to six months of follow up, right. Just continually calling and texting, emailing, sending letters and doing that follow up, taking and building that momentum, right.
- Samuel: Absolutely. And what was the third m?
- Joe: Mentoring, yes. Get a mentor. Hey, real quick. Next time, Samuel, I want to challenge you to not come to the US you can do all of that over the phone super easily. Like, you know, it's important to go see the house if he can. But when I was in Europe, when we were living in Prague and traveling around Europe for three months, we even did this while we were traveling around the US in an RV for three months. We did all of our deals over the phone without ever even seeing the house, right. It's just a matter of marketing. We do a lot of text messages. We, send a lot of direct mail and text messages. One of the cool things about investing in the US we have an easier time pulling data from public records.
- Samuel: It's like heaven, it's like paradise in the states. It took me a few days to figure it out and I'm like, you can just see the addresses of the houses for sale and you can look to see who owns it and how much they paid for it and you can find the homes that are in negative equity and target them. I'm like wow, if this was in the UK, like my goodness. But again it goes back to you just got to take the cards you've been handed and make as much money as you can. Like in the UK there's advantages in the US there's advantages. I'm sure in South Africa, in Germany and Holland there's always pros and cons of every country and you just got to take the pros and run with it.
- Joe: I love what you did, man. That is so cool. I think it's inspiring. I get, because one time Samuel, I had two students in the same city complain within two days of each other. One student was saying, there's not enough sellers here. I can find tons of buyers, but no sellers, the other student in the same city says, I can find tons of sellers. I can't find any buyers. This doesn't work. Same city within a couple of days of each other, right. I think it's all a matter of perspective. Like you just came here and you said, I'm going to figure this out. I don't care, you know, like how many times I have to fail. I know there are deals here and I'm not going to be, I don't know if I could have done what you just did. That's crazy, right. But like you just determined to make it happen and it worked. So people got to stop making excuses. Don't you think Samuel?



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Samuel: Oh man. That is the reason that I keep doing these challenges I just keep doing to pull the excuses from under people's feet so they can, you know, and when you do, that is what happens when you take excuses away from people. They either react one of two ways. Number one is they just get angry or upset because it's like, how dare you take away my comfort excuse because it challenges them. Or number two is they just pull the finger out, get to work and get some results and seeing the success of people. I mean there's people in England making headlines in the newspapers just for their outrageous success. Just from a result of watching my YouTube videos and the satisfaction that that gives me, you know, putting stuff out for free people watch and then become financially free is just super rewarding. And I think success is great, but significance is even greater.

Joe: What did you say? You get more excited seeing your students do deals and doing deals yourself.

Samuel: Potentially yeah, because you know, your first deal is always your hardest deal. So my first deal in the states was really hard. If I went back, I probably be able to do three or four deals in the week. So it's always the hardest. So today if I do a deal, oh, it's not really a big deal, it's just okay, I've completed on the house today, it's no big deal. Whereas if one of our students does a deal, it's a real big deal. So for me, because it a big deal for them, it becomes a big deal to me. So yeah, I do get more excited about it unless it's a massive deal for me. Like, when I bought my castle last year, geez, that was, for me that was a real big deal because it's a multi million pound project. So but yeah, depends on the deal. But I love, I get real excited yet seen people do well, seeing people's minds changed and seeing people get out of their jobs.

Samuel: And I think there's a rippling effect as well because people will usually, especially people who've got a real good reason to do it, if people want to become financially free so they can then go and you know, set up charities and be with their family and really good stuff and then you can help them do that and then they can then live the life they want and then inspire others to do the same and it's like a rippling effect making the world a better place. As cheesy as it sounds. It's good.

Joe: No, it's good. How can people find you? What's your YouTube channel? Do you have a website and...



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- Samuel: Yeah I have a website. Which is Property-Investors.com.UK. But probably best is to just put my name into YouTube. That's probably the best thing to do. YouTube is really where it's at for me. So and all of us got Instagram and all that stuff. So if you just put Samuel Leeds in YouTube and then just check out some of the videos. There's videos on buying properties and renting properties on lease options, on deal packaging, all kinds of stuff. And I also interview like every week I interview one of my success students and so it's just a brilliant channel. So yeah, check it out, man.
- Joe: Good. Can you make a lease option offer to a homeowner that is represented by a realtor?
- Samuel: Yeah, you can Daniel. Yes. In fact, my deal that I did was represented by a realtor and what I did, and you need to check out the video one billion percent. But what I did was the realtor didn't want me to do the deal because he wouldn't have got his fee. So that's why I told the realtor that he can manage the property and keep the cash flow if he lets me do the deal.
- Samuel: So it was through realtor, but you just need to always be thinking what's in it for them. Whenever you do business, what's in it for the realtor, what's in it for the seller, what's in it for the, you can in the states now you can pretty much do anything. So you can definitely do that.
- Joe: Would you say it's easier doing creative deals in the US or in the UK?
- Samuel: I think it's quite similar. So I looked into like HMO's and regulations are pretty similar. Lease options are pretty similar. I'm not sure if you can, can you do rent to rents in the states? Where you rent something and then sublet it Airbnb or whatever if you do it properly.
- Joe: Yeah, there's if you could get the seller to agree to it, you know, there's a couple of things that you need in a contract to make it valid in some kind of consideration. Some kind of exchange. You need signatures and agreement of the minds I think is what it's called, right?
- Samuel: Okay. Yeah, it's, you can do, rent to rents are good. Well I think it's quite similar. I think that the thing that I noticed in the states where I was anyway because the



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states, saying the states is kind of silly because it's so massive. But where I was, I think there's massive opportunity to buy a property, do it up and then sell it. I was coming across people that had bought property and I couldn't get a deal from them because I'm trying to negotiate a lease option on them and they just don't need my money. They just don't need my deal because they bought a property for \$16,000 spent \$20,000 on it. So they put \$36,000 in total and now it's worth like \$80,000 I was seeing that. And I know the stats because I can see on the online, because it's all public information and I was speaking to the seller about the work that done.

Samuel: It's just insane. So it really gave me a bug to want to buy a property, do it up and sell. I think there's, you make a lot more money doing that in the states than you would in England. Certainly at the moment where like Brexit and stuff and some of the uncertainty around that. So I think strategy, I think that it's probably similar. The opportunity in the states and in the UK is probably similar depending on state, depending on strategy, but massive opportunity in both. And I can't wait to go and figure some stuff out in some other countries are Germany and Holland and South Africa, Australia.

Joe: I interviewed a guy, Rick Ott and we talked about him earlier. He was, when I last interviewed him, he was in Greece doing some deals in Greece and I couldn't believe it at first. I was thinking like, you don't even speak Greek. How do you do deals? Like, you know, any of those obstacles that most people would be intimidated with and pull away from, you can make the choice, you can turn around and walk away where you can blast right through it. And so he just brought a translator with them. He brought a solicitor or a an agent, broker, whatever in Greece, brought them with them and just talked to people and was doing deals. So you're asking about rent to rent. We might call it a master lease here in the US where you get a property under a lease with the seller, with the right to sublease it out to a tenant buyer.

Joe: A lot of people that are doing Airbnb's here have a similar agreement where they just, you know, tell the seller, listen, I'll pay you the rent that you're asking for and I'll take care of all the maintenance and vacancies and repairs. You don't have to worry about any of that. Just let me turn around and do an Airbnb on it. And I have one student, this is so cool. I had one student negotiate with the seller to keep all of the furniture in the house. So the seller kept the furniture in the house. She's paying the seller full asking rent for three years and that's all the seller wanted. You



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know, they just wanted to get somebody in the house and they knew was going to take care of it within four days. So she's paying \$1,250 a month in rent, \$1,250 a month in rent within four days of putting it on Airbnb. She already had \$1,245.

Samuel: Yeah I can believe it. I see the same thing happen here it's incredible. The opportunity right now is so good, is so good. That's a great story.

Joe: Oh, I haven't seen a deal since like seeing a house that I wholesaled sense probably eight or nine years. And even when I was doing deals in my own backyard here in Saint Louis, Missouri the house would be 30 minutes away and it was too far for me I didn't want to go there. I didn't have enough time. I was working my full time job. I have my family and kids at home. If I would have taken that drive out there I would have got stuck in traffic on the way back. And so I just determined in my mind, you know what, I'm going to do these deals over the phone.

Joe: And that's why I love lease options so much because at least for me, it's so much easier to negotiate a lease option deal than a deep discount at 60, 65 50 cents on the dollar for a what we call a wholesale deal. But they're easier to negotiate over the phone. And so I'm telling you, a lot of people get intimidated by that. Like how could I do a deal without ever going to look at the property? I think what Samuel just did was brilliant. He found somebody local there and you partnered with them. I do most of my deals now, we JV partner with local realtors, local investors. I've done deals in over 10 different states from four different countries while traveling and it's all been by understanding marketing, getting systems in place, getting a lot of virtual assistants to do that stuff for me.

Joe: But then partnering with local boots on the ground people, maybe it's a real term, maybe it's a another investor and joint venture with them on the deal. That way you can do way more deals and it's a lot easier, a lot easier. One of the best things about doing that by the way too, is when you're partnering with somebody local, you can get access to their resources, their contracts, their solicitors, their attorneys, their title companies that can help you prepare the deal. If you had to borrow money, get property management, whatever. Yeah, that's there. One more question and then we'll call it a day Samuel. Where do you get negative equity leads? Where do you get them? In England?



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- Samuel: In England, what I do is I go on to Right Move, which is a little bit like, what is it, what's the name of yours? Is it like Zillow or something?
- Joe: Zillow, uh huh.
- Samuel: Right Move which is the equivalent to where you can just houses and you can find properties and then what you have to do is you have to find properties whereby they were bought say, I don't know, 10 years ago and the values have dropped. So if you can find, this is all public information on Zillow or whatever these websites, depending on what country or state you're in. So if you can find a property whereby they bought it and now they're selling it for less, sorry. Yeah, for less than they paid for it a long time ago. What that tends to mean is that unless they bought it cash that boarding of a mortgage, let's say they put down 20% deposit, 80% mortgage if it's dropped, they've now got no equity at all. So that's how I do it. And then I'll usually just send them a letter or, you know, post them a card or something and just say, Hey, I noticed that you're selling your property has been on a while. Would you be interested in a rent to buy type scheme where I can take over the property, become the landlord and give you a fixed fee down the line, if your in the market or your interested, give me a shout.
- Joe: Yeah, that's good. By the way, we don't say scheme here. That sounds a little spammy.
- Samuel: We love the word scheme.
- Joe: Scheme It sounds like it's sneaky or something.
- Samuel: No I think scheme sounds like quite official.
- Joe: Maybe it's just me. I don't know. One of the things I was going to say, it was really funny, the guy that I coach with, my coaching business partner, his name is Gavin, he's from England. He's been in the US for maybe five, six, seven years. He does a lot of deals with me and it's funny, he tells the story. He's like, I don't want to go in these houses and look at it because if I did, I wouldn't know what I was looking at. Like he would have no idea. It would actually be a hindrance to him too because he doesn't know how much it costs to replace the flooring or what is a good furnace or a bad furnace, you know what I'm saying?



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- Samuel: Interesting. Yeah you know what sometimes being smart can actually hinder you and hold you back. When I do a lease option agreement deal what I tend to do negative equity leads or a few hours from my house, I don't view them either. I don't view them. I will find them online, send them a letter. They'll then phone me or do the negotiations over the phone and I'll take their word for it on the condition. So I'll say to them, look, what's the condition? Does it work? What's the condition? Based on photos and their word, I'll take them at their word, but I'll tell them subject to. Then once I call them at random and of terms signs. Before I complete on the lease option, I'll get a survey on the property, cost me \$300 quid, I'll get a survey out of the property and then the surveyor will go around with a fine tooth comb and give me the accurate, this is the condition.
- Samuel: And if then it's, they've lied to me, I'll pull out of the deal and I've lost \$300 quid and it's a pain. But the way that you position the conversation and stuff, usually they'll give you a pretty honest, you know, description. But what I say, Joe, on that point is the surveyor is going to have a much better idea than I would have because I'm pretty good and pretty knowledgeable. But he has all his tools and stuff, you know, he goes around with all his damp measuring and all this stuff. So he's going to have more of an idea. So people say you can't, you bought it blind. I didn't buy it blind. I bought an educated based on what other people have told me, who have actually more informed than I am. So I think that, yeah, it was a really, really good point what you said.
- Joe: One of the things that we're doing is we're using what we call mobile notaries. So a notary is somebody that can go and it gets something officially signed and put a stamp on it. And so we're hiring these mobile notaries. Instead of getting these contracts signed electronically or digitally, we're sending the notary to the house and it only costs about \$50 to a \$100 bucks. We're sending them to the house, they're getting the paperwork signed right then and there, and then they're walking around the house taking pictures and filling out a report, sending it to us. But that's another topic for another thing.
- Joe: All right, so guys, you can get more information. Go to Samuel Leeds YouTube channel at RealEstateInvestingMastery.com. I will have a link to these videos that we're talking about. You can go watch them, check them out, follow him on Facebook, follow him on YouTube. I'm looking forward, Samuel, to getting to know you more, helping you in any way I can here in the states. And it's been a great



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podcast. I appreciate you sharing. I, you know what, I appreciate you having the, what's the politically correct, polite way to say it, the balls to come here to the US and show us off. Like, listen, if this guy from England, he doesn't know how we do deals here, can come to the US and do deals. What's your excuse? I love it. Thank you for doing that. Thank you, thanks. All right, we'll see you guys later. Again, go to Real estate investing mastery.com to get the show notes to get the links and even get a transcript of this podcast as well. We'll see you guys later. Take care. Bye. Bye.