



Free Coaching Call Replay & Deal Evaluation

Hosted by: Joe McCall

Guest: Gavin Timms

- Joe: Welcome. This is The Real Estate Investing Mastery podcast.
- Joe: All right, cool. So, hey listen guys, glad you all are here and we've got a lot of people here. We've got quite a lot we want to do on this coaching call. Our goal for this is to help you guys, right. So Gavin and I, we've been coaching together for a long time, couple three years now together and have had tremendous success with our clients. You know, some guys aren't doing anything, some guys are doing okay and some people are doing a lot of deals, so that's just normal, typical, right? But we wanted to do, give you a little taste of what our coaching calls are typically like with our private clients. And we do coaching calls once a week with our private clients and we also have Voxer access. Those of you that don't know what Voxer is, it's pretty amazing.
- Joe: It's a smartphone messaging apps, like a walkie talkie for the smartphone, okay. And one of the guys we've talked about just left me a message here. His name is Phil. And so I can, you can communicate with me and Gavin by Voxer if you're a private client, if you have just one of my courses you get maybe once a month coaching call in private Facebook group, right? So you don't get the one on one interaction with me and Gavin. We also do every month, every one or two months we do a two-day implementation workshop where you come to St. Louis, roll up your sleeves and we'll start implementing and building your systems and doing your marketing for you. That's a lot of fun. And then about three or four times a year, we do a mastermind where we get our top clients together and we just mastermind on the business.
- Joe: So anyway, we wanted to give you a taste of what it is we do in our coaching program, but at the same time help you with some of the questions that you have now. We had way more questions submitted to the questions than we're going to have time to answer. So what Gavin and I are going to do is we're probably going to do two of these or I might do this one. We might record this live and then maybe Gavin and I will just record a separate video later answering all those questions, but we're going to do the best as we can to answer as many of those questions as we



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

can on this call live, right alright? One of the things that we want to talk about is we want to talk with you guys about some of your deals. What is a deal that you've been working on that is just kind of stuck?

Joe: What's a deal that you've been working on that fell through? Like you thought you had a good offer, a deal the seller said yes, they just flaked out. Or maybe you made an offer and they said no, you know, they found another seller. Who on this call right now has a deal that fell through? We want to look at that deal and evaluate it and help you figure out maybe what you could have done differently or what you can do next time or what you can do right now like with following up and maybe making another offer to the seller.

Joe: So we want to know number one, who of you out there has a deal that you're working on that that fell through a deal that fell through? Number two, who is here working on a deal right now that you want us to help you evaluate and look at? So in either scenarios, we want you to give us as many details as you can. Give us the address, give us the price that you think it's worth, you know, the repairs your offer. Give us some information, we're going to evaluate those deals, okay. I've got some questions I want to ask you guys too, I'm going to ask that in a minute and we're going to give you some really good resources and some videos here in just a minute where you can get some cool stuff. Gavin, did you want to say something?

Gavin: Yeah. The reason that we wanted to, you know, do this and the reason we take this approach is because we're always talking about taking massive action, right? And the reason is, is because some deals are going to fall through. And the biggest way of learning is understanding why it fell through. One of the biggest things we do with a client is oh we just had a deal fall through. The next thing is why? Because it's that why that's going to give you then and make you better next time round. That's how you're going to learn. So maybe it was oh well there was too much in repairs and the seller wouldn't go any lower. Okay, we have the reason why. So we need to make sure we're estimating better or I thought it was worth this, but the ARV was really that. Well why did you think it was that and ended up being this?

Gavin: Understand why that was because next time around you are going to get it better. And that's why we just like take action, make offers. We just had a workshop last week, and this is proof that it works. One of our clients from last week has messaged me every single day saying that he's made five offers since that event,



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

right? Because we were getting them to make five offers. Sorry, an offer within three minutes, not 45 minutes then days are gone, right? We've got to make fast offers and follow up because no, it's going to be no, right. It's going to be no, no means not now, and we'll share a couple of our deals later on in this proving that to you that no means not now.

Joe: No means not yet. And so that just means we have, we have so many deals. Gavin and I talk about this a lot, like the 58 deals that we did in Alabama last year, only four came from the first phone call. 54 of them came from follow up. So we're big on that. Like you guys just got, the goal here is to make it, write this down. You want to talk to five sellers a day, all right? And you want to make at least three offers a day. Maybe five like you should be making an offer to every single seller you talk to, but make at least three offers a day. And if you do that after one month, you're going to have 75, 80, 90 offers, okay? And then after two months, you're going to have 150 offers. After three months you're going to have 250 offers or whatever right now.

Joe: Then you start following up with them consistently following up with them. I can guarantee you're going to make money. We just interviewed a student yesterday on Facebook live is going to be a podcast real soon here. She was, all she's spending a couple of hundred a month, Gavin in marketing doing driving for dollars and bandit signs. That's it. She averages two deals a month. And the deal I was interviewing her, this is Shaneka. She made \$25,000 on it, just doing driving for dollars and bandit signs.

Joe: But you know what else she see does, she answers the phone. When the seller calls it doesn't go to voicemail. She answers the phone and she makes a lot of offers. And that's how she does it. It's not that hard, right?

Gavin: We were talking to Travis yesterday, another client and he just got two calls off his bandit signs as well. But he answers the phone. You're exactly right. I challenge anyone in your market. I guarantee you call 10 bandit signs you'll be lucky if one answers. You got to answer the phone.

Joe: Yeah. I just wanted to tell you guys too, we're going to, I just want to share with you a couple of things because this hopefully even inspires you a little bit, right? Like, man, I can do this too. This isn't that hard. We even have clients right now on



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

this call with us that are doing deals that aren't very strong with technology. Like they barely know how to open a computer and their Cincinnati Reds fans for whatever reason. Like I'm talking about Steve, I'm giving him a hard time, but like you don't have to be tech savvy. You don't have to be like a whiz bang genius with a spreadsheets or what, but just make offers and you can calculate these offers in your head. Like on our last workshop, we gave students three minutes to come up with an offer and guess what they all did?

Joe: They came up with an offer and you know, was any one of those offers wrong? No, none of them are wrong. They're all different, but none of them are wrong. You're only, the only wrong offer you can make is not making one, okay. Worst case scenario, you're offering too much. Well guess what? You go back and renegotiate or cancel your contract. Best case, you make a lot more money than you thought you would have made. So don't overthink it. Just make offers. We got this yesterday from a gentleman named Io. I'm just going to call him io. Sorry if he's on here, I can't pronounce your name. He bought my lease options course since joining. He got his first deal done recently and since then he's done., he sent us six different deals that he did. These are lease option deals.

Joe: Let me just run through the numbers real quick. The first one, he made \$3,500 up front, \$250 a month cashflow, \$26,000 back end profit. The second one, he received \$10,000 down, \$300 a month, \$15,000 back in the next one, \$2,200 down \$500 a month, \$53,000 in the back end profit did a wholesale deal, made \$13,881. Did another sandwich lease option \$8,500 down \$300 a month, cashflow, \$16,500 back end. He did another wholesale deal, made \$2,159 now I'm just going to show you, these are, I he did another wholesale deal where he made \$2,000. I'm going to show you real quick here, just the cashflow and the upfront numbers that it is getting from these lease option deals. And this is in the Pennsylvania market, right? So we got \$3,500 down, up front, \$10,000 down up front from another deal, \$2,200 down from another deal. Oops \$8,500 down from another deal.

Joe: One, two, three, four. Yeah. So he made over \$24,000 in down payment money from the tenant buyers. That money goes into hip pocket national bank. You don't have to save that money, okay. And the cashflow that he's getting, he's got, I should have calculated these numbers up here, \$1,050, he's getting \$1,350 in monthly cashflow from these four deals, \$1,300 in monthly cashflow from these things. And then on the back end he's got a 41, 94, and 120 he's got \$137,000 in



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

back end profit waiting for him. \$137,000 in back end profit just from making offers, okay.

Joe: And these are his first six or seven deals already getting \$1,300 a month cash flow, \$24,000 in upfront profits. And then what did I say? \$130,000 in back end profits that's waiting for him if and when the tenant buyer buys a house. Just crazy. I get so excited about this. Talk real quick about Travis. He was at our workshop just a month or two ago, wasn't he?

Gavin: Yup. Another coaching call yesterday. Can you hear me? You good?

Joe: Yeah. Now I can.

Gavin: So I spoke with Travis yesterday, doing good. He just closed two. He's got another one in closing, picking two more contracts up today. Doing awesome and a few of these properties as well. Like we were talking about, you know, we have a marketing plan, we have a game plan but opportunities come up, right? He found an investor that was looking for burn properties, burn out properties, right? And a lot of investors don't want to touch them, but you've got one guy that's like, I'll buy anything you've got that's been on fire. And he's like, alright. So then we decided to channel some of the marketing towards that before, you know, he's picking up more contracts cause no one else can do it.

Gavin: Building spreads. He's got some big, big spreads. He's done a \$10,000 and he's working on again, if you guys to contracts today, one was about \$30,000 spread. So there's some big spreads in there. And it's awesome because you've got to be doing it. And the thing that to take away, and I already said it was answering your phone and just going through the motion. Travis is the one person, Joe, probably anyone that I've coached, I've never actually said this with his scorecard. He takes his scorecard to a new level. Like I'm...

Joe: That's so awesome.

Gavin: It's awesome because he doesn't know how to use a scorecard. But he will detail everything else out underneath it. You know, and I'm like, well, you don't have to do it that detailed, but the numbers are awesome. But it just goes to show, because you have to be hitting your numbers to get results. This is a numbers business. You



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

need to make sure and he's working full time. So the big thing is that the game change and we talked about is that these got prescreened leads coming in that he's focusing on which then allows him to, you know, work them deals when he's not at his day job, which is awesome.

Joe: So we've been talking about these stories and testimonials from students to give you guys time to post some deals in here that fell through. And so Gavin, I'm going to share real quickly this page we built with some more case studies. Will you look at the question box to find a good one that we can talk about in the meantime guys, I'm going to share my screen with you. You guys already see my screen? You've been seeing my screen forever. Oh, I didn't know that. Here we go.

Gavin: We see the calculations and stuff.

Joe: All right. So here we built a page and I put this in the chat box. It's JoeMcCall.com/apply, alright. And a redirect to this URL, but this is just easier to understand. JoeMcCall.com/apply. Cool. All right, go to that link. It'll take you here and I put that link in the chat box.

Joe: We've got a video, Gavin and I did, you can watch later of how he grossed over \$155,000 in two months in a virtual market without doing any direct mail and without talking to any sellers. So watch this video here that we did go step by step what we did. Check that out and if you want to work with us, click this apply button. We put another video in here that we did with Rachel and Matt about how we helped them build some confidence up. And so that was good. Then we did a podcast interview with a guy named Gary Proctors, one of our students in, I want to say Ohio. No, no, no, no, no, no, no. He's on the east coast. Where's Gary again? Gavin, do you remember?

Gavin: Buffalo, NY.

Joe: Buffalo, NY. Yes. And this was a really good coaching call. We were talking about some of the deals that he's doing. I've gotten great feedback from this. So you watch this podcast video that we did with Gary Proctor. And then I just did this one yesterday, two days ago with Phil who's in small town Illinois and because of his relentless focus, he's doing a ton of deals in these small towns and crushing it like small towns. This was one of the best podcasts I have done in a long, long time, and



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

so on this page, you got to watch this video. The one with Gary Proctor, the one the interview that we did with Rachel and Matt and then the case study, Gavin and I did. You've got to watch it. You're going to learn so much from this. Even if you don't want to work with us, you're going to get tremendous value out of hearing what we're doing and hearing what our coaching clients are doing and that's not a pitch into coaching kind of is actually.

Joe: Maybe it is, but what you're going to get a lot out of it that you can actually start using I promise you, you can start using this in your business especially. I'm so excited about this one I did with Phil. Simple guy, humble guy. It's such an awesome podcast. I wish I could force all of you to watch it, but I can't, but go to again, go to JoeMcCall.com/apply and I'm going to put that here in a document and I'm going to make it big and bold so you all can see it there, okay. You see that JoeMcCall.com/apply go to that link, watch those videos when we're done with this later tonight or tomorrow.

Joe: Because you're going to get a lot out of that. All right, so how are we looking, Gavin?

Gavin: I'm going to send you, I'm about to forward you this email. She just separated it. Mary, we're going to look at your deal here. I'm just, she was adding, it loads different windows. So, Joe check your email right now and I've got the address in there.

Joe: And in a minute here, let's evaluate this deal and I got some questions I want to ask.

Gavin: I just sent it to your email. There's a bit more all that we can talk about, it's just broken up.

Joe: I don't see it yet.

Gavin: I sent it to your email.

Joe: Here it is. Deal. Let me open the seller. All right, so I'm going to share my screen. This is a deal in Florida so, you don't have to tell me who.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Gavin: This is Mary that's online.

Joe: Okay, cool. Is this a deal that fell through or just?

Gavin: This was a deal that she sent out yesterday, a proposal yesterday. Not being able to speak with her since, I mean dah, dah, dah, dah, dah. And she just gave me another offer. I'm going to some right behind that she just put in what she actually offered.

Joe: So pull this up...

Gavin: In separate windows I apologize.

Joe: Lease option, cash price. \$111,419 sandwich lease option. She gave them a three option letter of intent. Cash price.

Gavin: Yeah, just check out the second email it might look at it a bit better, what she actually offered. She cleared it up a little bit.

Joe: Okay. I see it here. Cool, okay. Here is the, you guys can see my screen, right? This is a proposal I sent her option one sandwich lease option, the perfect tenant program. We will be your tenant buyer and we'll sublease your property, blah, blah, blah blah. Oh, so she didn't give a cash offer, but if she would've, she would've given them...

Gavin: She changed it now.

Joe: The new, this is a new house and they wanted \$180,000 of comps of \$158,000, \$153,000, \$169,000 putting the ARV at \$139,000. The wholesaling lease option offer was so high because they wanted \$1,400 a month in rent, \$8,000 deposit and \$175,000 thousand dollars. Yeah, so this is interesting.

Gavin: Yeah, this one's a good one.

Joe: All right, let's look at it on a Zillow here. I'm just going to take this address. All right, so I like googling the address because this it gives, you can click this and it takes you to the map. You can kind of see where it's at. Let me move some things around here. Let's see where in Florida it is. Ah, cool. I like these smaller towns, by the way, even though it's not in Gainesville, it's not in Orlando. You think well who would



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

want to live out here in the middle of nowhere, Florida? Well, you'll be shocked, a lot of people do. They just want to get away from the big cities. Let's look at a street view.

Joe: You can tell it's out in the country, right? People like that. There's still a demand for housing out here. So I think it's this house maybe, we'll see.

Gavin: Yeah, I pulled it up on Zillow to check it. What came up and it did. Yeah, I believe that's it.

Joe: Okay. All right, so here is the Zillow link, they're asking \$180,000. It's a great picture. That's weird. Do you know what it is, they took a picture of a picture.

Gavin: I love that.

Joe: Anyway, three bedroom, two baths, 1500 square foot zestimate is \$158,000 it's been on Zillow 282 days. It's for sale by owner. It was built in 2018. Yeah, these are pictures of pictures. And so what Mary probably did is sent a text saying, Hey, we saw your property on Zillow. You wouldn't be interested in maybe leasing it for a year and then selling it, would you? And they probably said, yeah, maybe. So let's look at...

Gavin: Yeah. Mary let us know if you text the lead, called it. Let us know what you did.

Joe: Trying to find, here we go. Try to find the rent zestimate. \$1,295. Okay. And a Zillow value is \$158,340. Well, you know, let's open up the calculator. We have a calculator that we do, we have in our course, the lease option calculator.

Gavin: Okay. So it's a text message and they said that they would consider a lease with the right down payment. Is what they said?

Joe: Which usually means they're not motivated enough. If they're requiring a down payment, that's fine, but they're just not motivated enough. And maybe Gavin, you and I can do roleplay on this after we look to see what we would offer. So one of the ways that I like to come up with ARVs is just put some of the averages, get the averages of Zillow, appraisal and stuff like that, right? So Zillow is \$158,340. I know Mary already told us what these numbers were, but let's just look it up real quick.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Realtor.com , Redfin.com Propstream.com and then finally, let's just look at Express.RealQuest.com right? So if you go to Realtor.com, paste that address in there, Realtor.com they're estimating \$163,00 \$163,300 and I know I'm not getting the right numbers in here in the right spot but they're not in Ocala, Florida. Let's look on Real Quest, Real Quest Express requires a subscription but you can get free estimates from them on the value of the house. Just go to Express.RealQuest.com and you will get a report like this. They're estimating \$145,000.

Joe: And let's just look at Prop Stream and by the way, Prop Stream is amazing. I use it every single day. Go to PropStreamJoe.com PropStreamJoe.com. This will tell us about the property, the history. We can pull up lists of other investors in this area. They're saying the house is, where is it? They don't give an estimate here. Normally they do. Am I missing it? Okay. That's all right. But here we can see this guy bought it and when did he buy it? He bought it in April of 2018 so maybe they bought this as an investment. Yeah.

Joe: See this is what I'm suspecting. They bought this hoping to fix and flip it and make a quick buck. So they bought it for \$147,000. They're trying to sell it for \$180,000 and he's got a mortgage on it for \$151,000 approximately. Doesn't matter when he bought it really doesn't matter what he bought it for. It doesn't matter what his mortgages, we're still going to make an offer and the numbers that worked for us, right? So we can also look at comps here, which is going to be interesting. You can see, we can look in the last year, certain bedrooms and baths that we want it within a half mile radius. We can do a search or sort this from low to high. And you know, we can see comps all over, but the highest one is \$155,000.

Joe: That's the highest comp \$155,000. This guy's trying to sell it for \$180,000. That's just, you know, whatever, right? So let's just put in here, let's say Prop Stream says it's \$155,000. So the average of all of those, and we could go and get some from Eppraisal. There's others, right? So the average \$155,000, the median is \$156,000. I sometimes look at the median because that removes the outliers. Let's just say in our calculations, we're going to go \$155,000. What did Mary say? She thought the ARV was Gavin.

Gavin: She said, sorry it's on your notes, that's in that description.

Joe: Okay, hold on.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Gavin: She gave it about four or five and then give you an average.
- Joe: She said \$139,000, \$170,000. But that's, yeah, we'll just, for illustrative purposes, we'll stick with this. So if we're going to make a cash offer here. Let's just put \$5.00 bucks in for repair. Well, look at the pictures. It doesn't need any repairs, does it?
- Gavin: No. And she said \$149,000. Oh, sorry, \$159,000 was ARV on it.
- Joe: Okay. Okay. \$159,000 close to what we had. So I'm going to do zero for repairs if we're going to make her a cash offer. Just a typical 70% mayo formula. We want a \$10,000 wholesale fee. We're going to offer cash about \$98,500 right? The market rents on this thing, I think Zillow said...
- Gavin: \$1,295.
- Joe: Yeah, so \$1,295. Now, if you wanted to look at rental comps in the neighborhood, what you do is you just x out of this. The house that we were just looking at is in the center of this map and now we're looking at rentals. We get a three plus bedrooms. Make sure we just have houses, okay. Rent low to high or we can do high to low. And you can see in this area there's too many, just to zoom in now there's 24 results.
- Joe: We got \$1,750, \$1,500, \$1,425, \$1,400, \$1,400. So yeah, I think if for our offer, if we do \$1,300 we can probably rent this right? It's kind of right in the middle of the ballpark in the upper end. And there's some that are cheaper too. So if you're going to do a lease option on it, you've got to think, well, all right, why would somebody want to pay me \$1,295 if they can get this house, if it's nicer or not for \$200 cheaper? So you got to make sure your house is good. And these are just active listings, active rental comps, okay. The cool thing about lease options to, Gavin is like we get it under contract.
- Joe: Let's say we can't find a tenant buyer. Are we locked in? Are we tied into that deal?
- Gavin: Absolutely not. That's the beauty of it.
- Joe: We can go back and renegotiate, okay. So our sandwich lease option offer is going to be, we're going to offer her \$13,750 that's an A to B option price. And then we're



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

going to give the seller \$971 a month in rent because we want at least 25% of the rent for cashflow. I hope you can see my screen okay. I'm going to zoom in a little more. We want at least 15% equity for the sandwich lease option. We want at least five years is what we're going to shoot for and we'll put \$1,000 down. Now does that \$1,000 dollars come from our pocket? No, it comes from the tenant buyer money that they put down. Now the seller says they would consider maybe doing a lease purchase and I think Mary said at \$175,000 so boy, I don't know. That's a tough one.

Joe: If we're going to do \$175,000 I would probably to do, I would probably try to do three years or four years, three or four years because there's no comps right now, looking at Prop Stream above \$155,000. Maybe if we make the mileage bigger to one mile, we got \$169,800 and this is why I like Prop Stream so much. Go get, go get it. PropStreamJoe.com if you get it through my link, you get more downloads than you do with the regular link.

Joe: So yeah, I don't know, that's tough. So I might give them \$175,000 if they are willing to do a longer lease option, maybe three years. And an automatic extension if the house doesn't appraise. Does that make sense? So I'm going to advertise this house for maybe \$182,000 to \$183,000 and if it doesn't appraise for \$182,000 or \$183,000, then the seller, the tenant buyer gets an automatic extension every year until it does appraise for that higher price.

Joe: Now what kind of profit am I going to make? Let's say they take option two. This is just a lesson in deal evaluation, okay. Let's say they take option two. They're going to accept our option price of \$131,000 which is less than what they owe? So chances are what? They're not going to do it. We're only going to pay them a thousand down if they want. I think Mary said they wanted \$8,000 down.

Gavin: Yeah.

Joe: So yeah, that's not going to work. Well I'll get to that in a minute. How much money are we going to make on this deal, right? Well, there's a tab here in our calculator. Let's say we do it for six months. The current as is value is \$155,000. We're going to do a 3% premium and we're figuring on 5% appreciation. So we're going to sell this house in three years for \$182,900. Let's just be more conservative here. Let's do a 2% appreciation or 2% premium.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: Now let's do 3% premium, 3% annual appreciation. We're getting \$324 a month in cashflow, and we're not going to do any rent credits to the tenant buyer. And we might have 2% costs. We're going to make \$50,000, \$50,870 on this deal in profits, which is really stinking good for a sandwich lease option deal. And how much of our own money did we use on it? None. Did it go by the House and get a mortgage? No. Did we do any work to fix it up? No. Even if it needed a little work, we could get the tenant buyer to fix it up. So anyway, sandwich lease options are very, very profitable. Now in Mary's situation, there's not enough equity. That's probably why they said no to the sandwich lease option. But they would want the lease option assignment. But what happens, they said here, she said in her email, let me open it up here.
- Joe: They want \$8,000 down. What's the problem with that? Where does that money going to come from? Mary's, Mary's not going to pay for it, which means if it comes from the tenant buyer, she better find a tenant buyer that has \$16,000 to put down. So Mary can keep \$8,000 and the seller can get \$8,000. Well that's going to be pretty hard to do in this deal. So probably, I'm not sure Mary, I'm a little confused here, because this is if you offered \$5,000 to the seller on the sandwich lease option, that's way too much and you're offering to the seller \$1,250, that's way too much. You need to offer to the sellers 75% of the current rent and we'd went to \$1,295. So which means you're going to offer to the seller 9\$71 if you're going to be responsible for the maintenance and repairs and the vacancies, you need some cashflow in this deal.
- Gavin: Yeah. And I think Mary, what you've probably done is that you've gave them what they want, right? Because you've probably maybe heard them say that, but the only thing that you're giving them what they want is purchase price over your terms, not the actual option money down. For me it would be a \$100 bucks in the final offer option three, you'd be starting at \$100 bucks. Maybe going up to a month's rent.
- Joe: Yeah. Yeah. I usually offer a \$100 bucks or \$10 bucks to the seller. I can negotiate up to half a month's rent, but already they're stretching it. You know, you might want to do instead of two years, you might want to do three years, but use this calculator, use this calculator. It's really easy, right. You take the average of these things, forget what the seller says it's worth or what they're advertising it for. They're advertising it for way too much. Well, if we go back to the property here,



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

they're advertising it. Yeah. 282 days. And who knows if it's vacant or it might be rented out or it might be on Airbnb, I don't know.

Joe: But you know what, here's the thing. Make the offer, let them cook because they're probably going to say, no, we want a lot of money, more money down. They're just not motivated enough yet. That's fine. Make the offer anyway based on the numbers that work for you on this calculator. And listen if it doesn't make you feel uncomfortable. Like, Oh man, like you feel queasy in your stomach. Like I don't know. If I can give them this offer, then you're probably offering too much. It's got a win for you. You can't just win for them. You're not a charity. So yeah...

Gavin: I just want to say as well on this, this is really important, right? If you're working, it doesn't matter if you working a day job or not, right? You've got so many hours in a day to work this business, whether it's eight or whether it's one hour. You cannot treat every lead exactly the same in terms of you've got to prioritize your lead. So you get, this person has raised their hand, right? So there's an interest. If another four people raise their hand, you're not going to give this lead the same time as a more motivated lead. Does that make sense? All right. So what I'm saying is me coming into this deal, I know that they want money down. Depends on the money. So they're going to ask for a lot down. That's probably what's going to happen. So I'm going to jump. Next thing I'm going to do right, I'm going to call them again on Zillow.

Gavin: I've got Zillow in front of me. So I have that we have 282 days on Zillow. That's going to be a talking point. Why is it not selling, okay? And then I'm going to on the fly and this goes on experience. I'm going to make sure that they understand that I'm not giving them \$8,000 down, that's not going to work. Well, one thing I will do is I'm going to make them an offer anyway, right? And then when I make the offer, this is going to be then the speed of the offer. I'm not going into much detail. We've analyzed this to show why it wouldn't be a deal, right? But if it was me making that offer, I'm coming in and I'm just going to make the offer very quickly. I'm going to get some averages, I'm going to use a calculator, I'm going to work it out and I'm going to send that offer in. Does that make sense?

Gavin: So for instance, if I was calling, I'm just going to use it as Mary. So let's say, I'm just calling about this property I believe you own on Pine.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: Gavin let me be the homeowner. You call me.
- Gavin: Okay. So this is okay. So I'm going to call Joe up, but I'm going to use this as the information that I know I'm going to be faster on the call, right? So let's go. Let me have it open in front of me, so I can see it. Okay. No, I've got it I've got it on my screen. You're good, okay you got it. So ring, ring.
- Joe: Hello.
- Gavin: Yeah. Hi. I'm just calling about this property that you've got listed on Zillow on Pine Circle. Is it still available?
- Joe: Yes, yes it is.
- Gavin: Okay, good. Is now a good time? Can you just talk for a few minutes? I just have a few questions?
- Joe: Yes, this is a good time.
- Gavin: Okay, awesome. Appreciate it. My name's Gavin, by the way. I'm sorry, what was your name?
- Joe: Mary. No, not Mary, Joe.
- Gavin: Okay, awesome. Joe, how are you doing? Yeah, this really caught my eye, Joe. Seems like a great house, but I can't get my head around. It looks like you've got it listed for 282 days. Is that right?
- Joe: Yes, it is.
- Gavin: Oh wow, okay. Is it currently vacant or is it, I guess you probably live in there, right?
- Joe: We have some family living in there right now.
- Gavin: Okay. Okay. Well we text yesterday. I don't know if you remember, I asked about potentially renting it for a year or two. Yeah. Okay. Awesome. You did say on there that you wanted, depends on how much down, if you don't mind me asking, how much are you looking?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: Well I saw your offer. Yeah. We want at least \$8,000 down if we're going to do a lease option.
- Gavin: Okay. \$8,000. Yeah. That's not going to work. You know, I feel, you know, it's been up for \$180,000. And why do you feel it's not selling right now?
- Joe: Well, that's a good question. I think the market is changing and there's a lot of houses that are for sale in the area that are cheaper to be honest.
- Gavin: Yeah. Yeah. I was kind of seeing the same thing. Well I'm going to be honest with you Joe, you know, what I tend to do is I'm going to be offering you even less than that, for me for a deal for me. And might have a client that, or one of our clients that might be interested in, I'm not too sure, but I want to be honest, you know, if I could do anything at all and I probably can't because as you said, it's probably overpriced. I could maybe get you a months rent down as an option down. I mean, is that going to work? Could you make it work?
- Joe: All right? Are you going to live in this house or, I don't understand that.
- Gavin: No, no. I'm not going to be living in it. Like I said, for us to control it, it's going to be way less. I'm probably only going to give you about \$135,000 so I know you're not going to take that, right?
- Joe: No, I can't do that. Yeah. We, you know, I might be able to take \$6,000 down, you know, but not, not anything less than that for down payment.
- Gavin: Yeah. Yeah. Well, if you don't mind me asking, what are you going to, obviously you're fixed on this down payment. Do you need the money? Are you going to reinvest it or something?
- Joe: Oh, we just want to make sure we got somebody in there that is really going to take good care of the house and you'll have some skin in the game, you know?
- Gavin: Yeah, no, I get that. No, I understand. We'll, it sounds like it's not going to work right now, but if you don't mind, I'm just going to make you an offer. I'll send something over if I can get the best email address. Is that okay if I just send you something over?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: Yeah, yeah, sure. That's fine.

Gavin: Okay, awesome. So what I'll do is I'll send it to 123@gmail that you gave me and then we'll follow up in a couple of days. I want you to look over it and we'll get back on the phone. How does that sound?

Joe: Okay, that sounds good.

Gavin: All right, thanks. Okay.

Joe: I love it. Simple.

Gavin: Yeah. So, and this is because the money down, right? I'm not wasting my time. I'm not fighting them on the price. It's not happening. I just want to get off the phone and I need my next call because the next call might be the deal. I can't be on with Joe for 50 minutes trying to bash him on a down payment, right? I'm just going to make him an offer. I'm going to let him sit and I'm just going to follow back up. And the good thing is with a follow up, it's real simple and fast, right when you come in, whether it's a 30 days or whether it's in three days, it comes in, pick up the phone, you call Joe answers, and then I'm like, hey Joe, is Gavin, how you doing? We spoke a month ago about your property on Pine Circle. How are you doing?

Joe: Good. Yeah. Thank you.

Gavin: Is it still available, Joe or did you end up selling it?

Joe: Yeah, it's still available. We're just renting it out to some family members.

Gavin: Oh, okay. Yeah, you're still doing that, okay. Well look, I've only got a minute and I'm sure you're busy as well. I just wanted to follow back up. I take it you've got my, yeah, my offer that I made. Is that right?

Joe: Yes. Yes.

Gavin: Okay.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: I'm still kind of interested, but you know, I, you know, I know the sticking point, I think before was you, you only wanted to put a \$1,000 down or one month's rent or something.
- Gavin: Yeah, yeah, yeah.
- Joe: Is there anything like we can I get like at least \$3,000 or \$4,000 down?
- Gavin: I don't know. I mean we could, we might be able to try it. Let me ask you this, is that purchase price? If I do that, if I could get, and again, I'm not saying I can, if I can get you \$2,000 or \$3,000, what about that purchase price? You think you could get it down for me, maybe \$170,000?
- Joe: Oh no, I mean like we don't want to just give this away.
- Gavin: Okay. No, but I mean we, I thought we both agreed it was a little high. I just want to give someone a fair shot. I don't want to waste your time. I don't want it unless you can afford for it to sit there for another hundred days and maybe you should just leave it where it is.
- Joe: Well I needed to think about it.
- Gavin: Okay. Yeah, it sounds like it's probably not going to work. No problem. We'll look I just wanted to check in anyway. You have a good day, Joe. And that I'll, I'll up with you in the, in a few weeks alright.
- Joe: Alright. Thank you. Alright, so on a scale of 1 to 10, what would you say my motivation is?
- Gavin: Two. And I'm only giving you a two out of a 10 is because you were even engaging with me, otherwise you'd be none, right. And again, I'm not wasting my time. I need to get off the phone. I need to get to my next call.
- Joe: Yeah. So good. Like I wanted to bring up an example lead here in REI Simple. This is our database, our CRM. And whenever you talk to a lead, it's so easy, right? You just change the status to whatever different kind of follow up you have follow up, cold, warm or hot. You go right here to tasks, you create a task. Well actually let me



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

just, I complete the old one, okay. Create a new one. Follow up. It's not the other f you and you do a due date, in a month, you know, oops. You know, whatever. And now the other cool thing is you can add them into an auto responder series, right? So you can add them into an auto responder where they get a series of emails and text messages that are cold read or whatever. So there's also something that is I think, new here. No, not yet, okay. It's coming. I wish I could show this to you.

Joe: Let's see. I think we can, let's say the status follow up is cold. This is new, brand spanking new as in a couple of days ago was added to REI Simple. You should check this out, Gavin. So when you, you can set up a workflow inside of REI Simple. When the status changes to something else, you can automatically add a task. Send an SMS text message, send an email, move it to a group, copy it to a group. Those are like labels. You can distribute it to a different campaign. You can add that number to a do not call list. So, in other words, if you mark the lead is dead or whatever, you can automatically stop and add it to the do not call list. And you can also stop any follow up, future follow up. And you can mark it as a lead, which is, oh, I love this because listen before, like if you import in 3,000 leads from Craigslist records from Craigslist, you don't want to mark them as a lead unless they say, yeah, I might be interested and then it becomes a lead.

Joe: So you can set it up now where when you change the status to follow up or whatever, it can mark it as a lead automatically, Gavin. And then you can send it. Yeah, this is really, really cool. So this is brand new into REI Simple. You can add a task, add an SMS, send an email, move into a group. Add do not call or stop any future follow up. Mark them as lead with the updated when the status becomes something. So this is, this is really, really huge. This is amazing. I just wanted to talk about that. All right. So Mary, did we help you at all with that? I think that was really good feedback. Do we have another deal that fell through? Maybe we can look at a lot.

Gavin: Yeah. People who give just, well no one's giving us an address. So give us an address guys. If you've got another deal that you want us to look at. Just give us the address and a bit about that the situation.

Joe: Travis is on. He said, dude, that workflow update is awesome. Exclamation point. And I said, yes, it is.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Gavin: Travis, I spoke with you today. I know you were late. Travis is the burn out guy, South Carolina people if you have any burn outs Travis is your guy. So message me and I will get you in touch with Travis.
- Joe: Hey, Jim gave us an address here. Jim tell us a little bit about that deal? I'll pull it up here while you type in the question. Tell us about this deal and why you're sending it to us. And let me put the address in here.
- Gavin: And Jim just to help us try and put it in all in one go and then send, because if people message I have to go through and try and piece it together.
- Joe: All right, so this is a house in Green Bay, Wisconsin. Go Packers. Just trying to show you all where Green Bay is in case you don't know. It's really warm there in the summer. It's like almost tropical. No, I mean I mentioned the winter that was supposed to be funny. I was trying to say it's really warm in the winter time. It's almost tropical, but that's okay. Like one of the coldest spots on earth.
- Gavin: I just needed to clarify. Sorry Linda. When I say burn out people, I mean the house is, I don't know if you're on earlier when I was talking about it. So any house that's been on fire or anything, a lot of investors don't want them, but Travis wants them in South Carolina. That's what I was saying. So anything that's been like set on fire or had a bad fire, something like that.
- Joe: So this is the house right here, okay. I'm going to take this address. Let's Zillow it.
- Gavin: Jim's not good with anything. Oh, here we go. So look at Jim's last, [inaudible]. Friend owes \$86,000, which is where the comps are at. Have a tenant buyer with \$25,000 to put down, and will do \$107,000. So this, I mean this happens, but it's amazing that you got a tenant with \$27,000, \$25,000 on a property that he only wants to move into for \$170,000 and he can't get a loan.
- Gavin: But the wife insists on the realtor. So you've got a tenant buyer for the deal. They owe \$86,000. But all the wife wants is to list it with a realtor. I guess, why does the wife want to list it with a realtor? Because they just want to get rid of it. Probably they don't want to deal with maintenance anymore. So maybe that's why.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: Let's talk about that real quick. Like when the, we tell sellers all the time, almost every time, you should probably just list it with a realtor. Why? This looks like a beautiful house. Why hasn't it sold yet? If it's a for sale by owner, you know, like Gavin asked earlier, why don't you just keep on renting it? Why don't you just list it with a realtor? If you want that price, you know, you had it for sale by owner here for a hundred days or whatever. Why don't you just sell it with a realtor? And you always want to do that because it plays, you play the role of the reluctant buyer. You're pulling away and if they're motivated, they're going to be like, yeah, okay.
- Joe: But then if they're not motivated, they can never, you can never be accused of taking advantage of people when you're telling them you should list it on the MLS, get the most price for it, but you know what you're going to have to do. They're thinking this in their head. They're going to have to, oh man, I'm going to have to clean it up. I'm going to have to pay a realtor a bunch of commissions. I'm going to have to handle all the hassles dealing with buyers coming and out of the house.
- Joe: I don't want to mess with that. I'm sick of it. I just want, you know? So the more you and harder you chase them, the faster they'll run. And when you pull away like that, if they're ready to do a deal, there's going to say, yeah, okay, that's fine. Let's do it. I don't want to mess with the realtors. I don't want to list it. So again, back to this deal though, the wife insists on using a realtor friend. They owe \$86,000 which are where the comps are at. I'm writing this down. They have a tenant buyer, \$25,000 k to put down and would do \$107,000 but the wife insists on a realtor. I gave them a flex option for \$86,000 and I'm putting it into follow up for now.
- Joe: Okay, so they sent in a flexible option, just like a straight up normal option for \$86,000. Let's look at this though, just to see, you know, zestimate says \$80,000 or \$99,000 Realtor.com says \$117,000 Prop Stream says \$116,000 Real Quest Express as \$114,000 Eppraisal says \$107,000. So I don't know what the averages of all that is, but you know, \$9,900, \$ 105,000, \$110,000 so the average is right around \$110,000, right? If you just average those. You could, if you wanted to, you could go spend more time digging into it, like looking at solds on Redfin and stuff like that. If Redfin's available, it's a good way to get solds.
- Joe: Here in Prop Stream. You can also sort it here from high to low. \$133,000, \$129,000, \$128,000, just play with it a little bit. So I'm going to just guess rafts out



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

my head the ARV is around \$110,000 and the rents, let's just do a estimate rent here \$1,095.

- Joe: So bam just like that. Oh, I don't know if it needs work or not. It's an off market property. Let's say the seller says, it just needs carpet and paint. So let's do \$10 bucks a square foot then. All right, so I'm going to give them a cash offer \$52,000 sandwich lease option of \$78,000 and when you look at the questions again, they wanted a hundred, I don't know what they would list it for. They would probably listed for \$110,000. So those would be my three offers. Cash offer \$52,000. What did he say, he offered cash?
- Gavin: No, they owe \$86,000. He didn't say that he offered...
- Joe: He didn't say yeah. But you know what...
- Gavin: He had a tenant buyer with \$25,000 down. That's what it was.
- Joe: Yes. So by the way, if you're doing a lease option assignment, it's going to be tricky for you to keep the whole \$25,000 down, right? You can probably keep on this type of property. I would keep it maybe \$5,000 for myself and give the seller the rest. So I keep \$5,000 give the seller \$20,000 on a lease option assignment. Hopefully I would try to get it under a sandwich lease option so I could keep the entire \$25,000 down. But that's what I would offer on this one.
- Joe: You know, you make the offer, they're not ready right now. Both wife and husband got to be on board, right. So I wouldn't be wasting much time on this one. But follow up, follow up, follow up sometimes that they just need time to cook. The wife needs time to figure out, you know what, it's going to be a pain in the butt to clean this and get it ready for a realtor. And, you know, three months later they has not sold yet because the realtor is asking too much and there's a bunch of tension now because it's a friend of, you know, so it's just like, oh, we're sick of this. Cool. I don't know if that helps or not. But very good. I want to ask everybody a few questions here.
- Joe: Horseshoe LLC gave us some details here. Oh, we got an address. All right, let's do Horseshoe LLC next, okay. I want to do a few questions for you guys because I want to get a feel for where you're at. And I created these poll questions because I want



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

to see where you all are at. So how many of you guys, you should see a poll pop up on your screen? How many of you guys have done a deal before? I have done a deal before. I have not done a deal yet. While you guys are answering that. I'm going to text my son for a coffee, okay.

Joe: I also got a notice that there's a brief rain shower coming and I have a bunch of my tools outside, okay. So 61% of you have voted, I'll share the results here. 57% of you have not done a deal yet and 43% of you have done a deal before. Cool. So I want to do another question for you guys.

Gavin: Joe, did we record this?

Joe: Yes, it's recording.

Gavin: Perfect.

Joe: Another question here is do you struggle getting seller leads? Select one of the following. Yes, I struggle. No, I don't struggle. Can we move the new tool units into the garage? 53% of you have voted. Let's do some more here real quick. I'm texting my wife and kids because I bought some brand new tool boxes and they're all outside. Okay, cool. Here are the results. 75% of you say yes I do struggle getting seller leads. Just the big red boxes and anything. Hold on one second and anything else question mark. Okay, I've got another question for you guys.

Joe: Are you struggling with setting up your systems, your systems, sending out offers, etc.? Maybe a virtual assistant. Are you struggling getting that stuff done? So 45% of you have voted, let's get some more. 50% of you have voted 54%. Let's get up to 60%. 58% of you. Okay, here we go. Look at this.

Joe: It's understandable. 83% are struggling with setting up systems, sending out offers, getting some help. We totally get it. Totally understand. All right. I'm going to ask you some more poll questions. Let's get back to this deal. This was, Horseshoe.

Gavin: Who's deal was that?

Joe: He wrote a bunch of them here. Here's the address. I'm going to go Everhart Place in Fort Washington, Maryland.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Gavin: We just got a message from Mary. I just got a text that they are interested option two. What do I do now?
- Joe: Well, who was option two? Remember there, Mary your option two you were offering way to much.
- Gavin: You want to continue would be, well I'm guessing Mary, this is just another lead, right?
- Joe: I'm a little worried about option two. She was offering way too much down payment. Wasn't it like \$5,000?
- Gavin: \$8,000. But I'm thinking it's same lead. It was the sandwich lease option. Yeah. You were giving them \$10,000 grand down though or something. So in a sandwich lease option, you don't want to be giving them \$10,000 down.
- Joe: Maybe a \$1,000 max.
- Gavin: You've got to negotiate that down.
- Joe: All right. So this is, is this a townhouse townhome? Maryland townhomes are more acceptable. All right. In St. Louis, Midwest, it's like townhomes are hard to sell. So the numbers really have to be attractive. Like if in a townhome, I wouldn't do it unless I can advertise that rental unit as a rental. Well first of all, you got to make sure you can advertise rentals in their HOA as a townhouse. But then you got to make sure, like if market rents in those townhomes are \$1,200 a month, you want to work your numbers and maybe at \$1,100 a month. So then you need to be that much lower in your rent on a lease option offer because they're just not as many buyers who want townhomes. Now Maryland maybe it's a little different because it's more, you know, acceptable out there. So let me just pull this property up on a few sites so we can get some values.
- Joe: Another reason why, by the way, I like getting it on Google Maps because Google Maps will help you format the right address. And usually then I can just copy and paste this address and all the different things.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Guest: So he was going out because they're doing drywall and he was wanting to drop mud on them. Do you want him to stay?
- Joe: They need to be, it might rain. There's a, I got a message for a spot shower, but I don't know. We can just look at the sky and see how it looks.
- Guest: Because your concerned about rain, right?
- Joe: Yeah. Yeah. Okay. Thank you. Okay, so zestimate says \$265,000 a Realtor.com says \$284,000 Prop Stream, wow \$235,000 Real Quest Express \$249,000 Eppraisal \$290,000 normally he appraisals, the buzz killer, I always say Redfin \$285,000 so right there you've got six different estimated values. I mean maybe if we average them, you'll get something close to what that really is, right.
- Joe: So \$268,000 when I'm making my initial offer, bam, boom, done, that's it. \$268,000 is my ARV. I'm just averaging them, right. This is just my initial offer. It shouldn't take us more than a few minutes. \$268,000 I don't even care yet about their situation. Let's put in the numbers in this calculator and then read his notes on kind of where he's at now. Maryland is a hot market. Let's do 75% of ARV. The square footage is 1,440 let's say the seller says it doesn't need any repairs, but I've not seen pictures yet. So I'm going to do \$5 a square foot for repairs. So I'm going to give them a cash offer. I want a \$10,000 wholesale fee minimum. So I'm going to make a cash offer of \$183,000 and the market rents on this thing. Wow, \$1,920 that's pretty good. We'll just put \$1,900 in there.
- Joe: So I want at least 15% equity, at least 25% of the rent for cashflow. And let's say the seller wants \$250,000 they'd be willing to negotiate \$250,000 on a on a sandwich lease option. I mean on a lease option assignment. So these would be my three offers. \$183,800 cash, \$220,600 sandwich lease option offer \$1,425 a month in rent. I'll put \$1,000 down five years. On a lease option assignment, wholesaling lease option. I'll give the seller, let's do two years. I'll give the seller a \$250,000 \$1,900 a month in rent. I'll put a \$100 dollars down and two years. That's my offer. Send it. Now let's look at the situation that Mr. Horseshoe says. So I'm wondering if there's a way we could like sort by people. So I'm kind of like looking at his messages mixed in with a bunch of other ones.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: The sellers don't have any equity. They owe \$272,000 so they owe about what the property is worth or maybe our estimated ARV is way too low. Oh, he's estimating the ARV is \$280,000 the rent is about \$1,850 so we were close. They don't want to be landlords, but they can't afford to sell it. So I offered \$160,000 in cash. Good. That's less than what we would have offered. That's awesome. And by the way, you know, even if like the they, oh, does it begin to get this in your head guys? It doesn't matter what they owe you should still make the cash offer, right? And you never, never know. Sellers will come to closing with money if the pain is that great, they may have money from great aunt Edna who's like here, you know, just have some to get rid of this and I'll help you out.
- Joe: So they made a sandwich offer, sandwich lease option offer of \$1,500 a month in rent, three years, but \$270,000. I'm not sure if the ARV is \$280,000 and you're making a sandwich lease option offer at \$270,000 I don't think there's enough equity spread in there for you as the sandwich deal to stay in the middle. On the sandwich lease option deal, you want at least 10 to 15% equity. All right, my max out-of-pocket repairs of \$100 a month, they're thinking about it. All right, so let's say you did offer a sandwich lease option. Where you're staying in the middle at \$270,000 and they come back say, yeah, you know what? That's great. Let's do it. Okay, what you can do, here's if you ever have to renegotiate a deal. I blame it on the three R's. Blame it on the numbers, okay. I'm not saying you don't accept responsibility, but like say, listen, I sharpen my pencil.
- Joe: I looked at the numbers and I don't think this is going to work, I'm sorry. But like the repairs were more than we thought they were. The rents are not as high as we thought they were going to be when we first made our offer. And the retail value or the resale value is not as high as we thought it was going to be. So either we're going to have to renegotiate this and this is what's going to have to work or we just need to cancel this. I'm really sorry. That's why in our lease option offers, we'd never tie up the property. We don't tie up the property. The seller, if they sell it before we do, they can cancel our contract and they don't owe us anything. Does that make sense?
- Joe: And that should help you like ease a lot of the burden and stress of like, Oh man, I'm going to get this offer wrong. It's not, you know, no, it's okay because if it is wrong, it's fine. You can renegotiate it. It's not a big deal. We've got one more deal here. Do you want to look at Phillip Johnson's?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Gavin: Sure. And there's a few of you guys that have put them in, but we're not going to be able to get to them all.
- Joe: This is San Diego, California. There's a dude posing in the, what you would call it street view. So let's see where this is in San Diego. It's my home hometown stomping grounds. I went to school in, near Al Cahone Cajon Oro right here. My mom lives in Humul. So anyway, this is where it is. This is the street view, typical San Diego house or neighborhood, you know it's a good blue collar area.
- Gavin: I can't find it.
- Joe: How much do you guess, how many of you just got, how much are you just going to guess that that house is worth, just guess before we look it all up? I'm going to guess \$550,000.
- Gavin: \$495,000.
- Joe: Zestimate. \$478,000. It's nice to have all these tabs open, right? Because you can just copy and paste the addresses in there.
- Gavin: Yup. So Phillip, give us some, you know, numbers. What do you think, what do you think this is going on?
- Joe: Give us a story behind this deal too.
- Gavin: So he said the sellers in the process of rehabbing but is interested in lease option.
- Joe: \$475,000. \$502,000. Zillow is \$478,000 Real Quest Express. Wow. \$387,000. Prop Stream \$385,000, Realtor.com \$484,000. Wow. So with such a huge variation of just typical normal of California, I mean we might need to like look at the median. So Zillow, I know I'm not getting this exactly right. I'm just doing it like I'm writing it down. Wait, \$475,000, \$502,000, \$478,000, \$387,000, \$385,000, \$384,000. Okay, so the average of those is \$451,000 median is \$476,000. Okay so here's something that happens a lot actually, where your average is going to be lot less than the median. What should you do? I'm going to pick the lower one. That's what I'm going to do.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: So \$451,833. And the rents on this is \$2,495. Okay so the sellers in the middle of the rehab, so I'm just \$1,548 when I'm making my initial repairs, I do price per square foot. So I mean generally speaking, depending on where you are in the country, the seller says it doesn't need any repairs. It's \$5.00 bucks a square foot cosmetics, \$10 bucks full gut rehab, \$20, right? So let's just say, you know, if I did \$15 a square foot, that's \$23,000 grand in rehab money, then maybe halfway through the rehab that might be good. And I'm doing 75% for California. If you have really good buyers, maybe you can do 80% right? Like if you know your market really well, but I don't. So I'm just going to do 75% be more conservative.
- Joe: So I'm going to give him a cash offer \$305,000 market rents is this, I want at least 25% of the cashflow. Now I tried to get 15% equity on sandwich lease option deal. But in a hot market, maybe you can get away with 10% equity, but let's just stick with 15% five years a \$1,000 down. The seller says they want \$475,000 let's say. So those are my three options. \$305,000 cash, \$360,000 lease options, sandwich lease option, \$475,000 wholesaling lease option. Lease option assignment.
- Joe: Okay, if I was making a cash offer, there's another way you can make cash offers. You can take the average of the lowest three or four times 80% so one of the ways I like to do that is with Redfin. So this is a house that I know needs work, right? So I'm going to scroll down here. One of the cool things about Redfin is the way it gives you comps. I'm going to scroll down to this map right here and it says map nearby homes for sale. All right, so this is a, again, it's a three bedroom, 1,548 square foot. Now what I just did, there is the house I was looking at is right in the center. I'm going to zoom out and it's showing me other homes that are currently listed for sale in that area.
- Joe: And I'm going to sort this by price low to high. I want to go to here to more filters. I want three bedrooms houses only. I'm going to switch off for sale. I want to do last six months square foot. I want to do 1,250 to 1,750 apply filters. I got 35 homes. Maybe that's too many. I'm going to zoom in to get a few less. And this is sorted by price A to Z, low to high. So here's a nice sold comp. \$442,000, \$453,000, \$470,000, \$479,000 but these are fixed up properties.
- Gavin: Yeah. And that's what I was going to say when he said that it needed work or he's doing the rehab, you need to know what rehab is he doing? Why if it's the salary, if it's not an actual rehabber it's this boy and it's the seller, you need to know that it's



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

rent ready, right? You might not need to be rehabbed so you can still make your offer to keep that value down to make it more attractive for a buyer in the area. Because if they do a real good job and do a full rehab on it, that's when you're going to run into, well, we need money down because we put all this money in. So if you get it early enough, maybe it's good enough just to be a lease option. Does that make sense? And so make sure you're asking what rehab they are doing. You know, why are they doing it? And it may be, it's like, well we need a kitchen. There's no kitchen or obviously it needs to be done at that point.

Joe: Yeah. So these comps here, it's interesting as I sorted it from low to high, they're all properties that have been fixed up and they look pretty nice. So what I would do is the ARV, I would pick, I take the average of the lowest for and let's set the ARV at \$461,000 sometimes what you can do if like you're making, if this is a property needs a lot of work, a lot of times the cheapest properties listed for sale were junkers that needed fixing up. So you take the average of those times 80% to come up with your cash offer, or you can still do the same here.

Joe: Actually, now that I'm thinking about it, I'm going to take the average of those four times 0.8 so I would offer maybe \$369,000 which is a little more than what I did here with this calculation. 75% of ARV. So there's different ways to do it. Find two different ways that you like to do it and just pick the lower of the two, okay.

Gavin: Yes.

Joe: Good. All right, so what time we're doing, 12:21? There are so many questions here. This is insane.

Gavin: I'm trying to answer some of them even on our chat, nevermind what we've got in prior.

Joe: Okay. So let me look at what we have prior here for questions. Hold on one second here. I'm looking it up. 57 questions. What should we do here? Should we maybe let's do this since you folks are on, let's answer some questions here from the chat box we can answer then I've got some more questions I want to give to you guys. More poll questions here. And then Gavin and I, we're either going to record a separate video just answering these questions or we are going to do a second coaching call. We'll let you all know. We'll let you all know. So let's, can you pick



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

some good questions here? Oh, hey, Lena Bay is here? Lena, the one that did the Airbnb.

Gavin: Airbnb, yes.

Joe: What's up Lena? All right, let's look at this. After tenant buyer is ready to cash out, do they have to come up with another down payment for their new traditional mortgage? Not if you do it right. If you're working with a good mortgage broker and if that tenant buyer put down their money originally made out to an escrow company, a good mortgage broker can help you find the right way and the right bank to get that money applied towards that tenant buyers down payments. So you need to have that conversation with the mortgage broker in advance.

Gavin: Someone asked earlier, I can't see it now, but about why don't you take more than 3% down on an assignment lease option?

Joe: Well you can, but see the problem is you got to build that into the price of the home. So like if the seller wants \$150,000, you're going to probably advertise it for \$160,000 hoping to get a \$10,000 assignment fee. Well, if you find somebody that wants \$25,000 grand down or that wants to put \$25,000 grand down, how are you going to do that? Because you added your assignment fee already to the price.

Gavin: Because you'd have to then do it if it was \$150,000, I have to list at \$175,000, to get \$25,000 down, which that it's way overpriced and they wouldn't do it. And option three, how does B make money?

Joe: B, that's the sandwich lease option?

Gavin: An option three. How does B mean and how does the investor make money and in assignment lease option is how I would think he meant?

Joe: You make your money from the assignment. So you assign or sell that contract for a fee. It could be \$5,000 or \$10,000 grand. That's how you make your money. It's an assignment fee.

Gavin: Awesome. Sorry, I'm just trying to find some people sending prompters guys, if you got any new questions, start putting them in. Sorry if we've missed it.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: Cathy's asking here. Do you consider, nevermind I don't understand that question. Travis is saying, Hey Travis, I'm sorry we didn't get to your deal. Travis is saying he's got to go. But he says, I appreciate you guys taking the time out of your day to do this and sharing your knowledge with us. Nice.
- Gavin: Appreciate that.
- Joe: Here we go. Thomas has got a good question here. I have been having doubts, just getting started, making offers with \$0 dollars to work with. If you've got a motivated seller, Travis, they don't care. They can't tell you how many option deals I've done. I didn't give them any money or when I did, I gave them the money that I got from the tenant buyer.
- Gavin: Yes.
- Joe: LG asks the question, not all cities will allow Airbnb. Where can I check that out whether that city allows Airbnb or not? So good question, but it's usually, if you go to your local landlord associations or the local REIA clubs, you can find out what the rules are with Airbnb. But here's the thing, you probably get, you asked 10 people, you'll get 10 different answers. So sometimes you just need to go online and call the city or the county and ask them themselves what the rules are.
- Joe: But here's the cool thing, most cities, usually it's in the center of the area, the most popular areas where they have the most strict Airbnb rules because it's just been abused and you know, too many people are doing it, but you go right outside those areas and those, those places don't care. So if you can't do an Airbnb in the hot touristy area, fine, go do an Airbnb where you can do them in different areas.
- Gavin: Any suggestions for a national mortgage company that will qualify, tenant buyers?
- Joe: Will you don't need one that you don't need one, Will you can find somebody locally. You just haven't asked enough people yet. So ask around and start asking around investors and realtors that you know and say, Hey, listen, do you know any mortgage brokers that work well with people with challenged credit? And then ask them, you know, do you know anybody who's doing lease options? Find out other investors in your market that are already doing lease options. Because they are out there and ask them, who do you use for mortgage broker? Who do you



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

recommend? The other thing I'll say is this real quick. I'm sorry. Go check out some Facebook groups, Bigger Pockets. Find out who's doing deals in your city and just ask them, ask a hundred people and don't stop until you get the answer you're looking for because you'll find them. Awesome.

Gavin: When you get it under contract, where do I find clients?

Joe: When we advertising our properties, we, for lease options, we use Craigslist, Zillow, for rent and for sale by owner if we can Facebook Marketplace, which is huge Facebook Marketplace, and then a signs, sign in the yard, signs in the neighborhood on the weekends. John is asking, how do I get access to all the modules without waiting if I need to speed up? You can't, John. We do this intentionally for a couple of reasons. The biggest reason is when we've done it before, we get a few people that complain about not getting all the modules, but when we've done it before, we give everybody all the modules. We get way more complaints of people being too overwhelmed and don't go through everything. But here's the thing that's important. Listen, pay attention. You have enough information in the first module to already start making offers.

Joe: We go through an example deal from beginning to end. We give you bonuses of books, we give you two different books in the bonuses. One is Multiple Streams of Income. Another one is my Wholesaling Lease Options book. And then we give you an entire course on lease purchasing called Lease Purchase Wealth. And that's the course that got me started 10 years ago. You have access to that. So with just the first module and all the bonuses that you have, you can actually get out there right now start marketing, talking to sellers and making offers. And with that Lease Purchase Wealth manual extra course that I have in there, you can do a deal from beginning to end right now. So we literally, I don't have a way to give somebody all the modules. It has to be timed release as a weekly content. So that's my answer. Hope that helps.

Gavin: Good.

Joe: Neeley's asking a good question. Where should we put our energy and focus in order to launch the fastest? Why don't you answer that, Gavin



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Gavin: Yeah, great question. To launch the fastest talking to sellers, making offers and following up. If you've got no money, Craigslist and Zillow, text them rather than that and call them. If you have got no money, you should have a cell phone I'm sure, and you can make calls. So that will be the fastest way. If you don't otherwise, hey, if you want to do it and if you want to work with those, that's an option. Again, I'm not here to pitch you out, but if you want to work with those, we set all the systems up for you so you allow leads coming in so you can focus making money as fast as possible. Our hit rate with clients is the highest it's ever been because we set all the systems up. So we've completely changed our coaching program a year and a half ago. We do not do the group coaching and things like that anymore. We do the case study but not the group coaching because we want to impact faster. So that would be my recommendation.
- Joe: Good. Okay. Hold on here. Somebody, hold on a second here. I wanted to...
- Gavin: By the way, the calculators in the course. If you have a course one of the courses you will get the calculator.
- Joe: All right, so listen, we are running out of time because I know you guys have been here longer than we hoped. We got to maybe 25% of the questions but I think it was good. It wasn't a Gavin that we spent some time evaluating deals and did some role plays and show you what's going on. I just want to make sure you guys know again, go to, I'm going to share my screen again here. Go to JoeMcCall.com/apply that link take you here and we've got some videos that you need to watch. This first video and I'm going to put that again in the chat box, okay. For everybody it's called Case Study Videos. I'm going to put this link in the chat box. I'm also going to put it in the question box, okay.
- Joe: So the link is in the question box in the chat box. If you're watching this video later because we will be sending out a replay, go to JoeMcCall.com/apply JoeMcCall.com/apply and they'll take you here. Why? Because we have a video that Gavin I did of how we grossed over \$150,000 grand in two months in a virtual market without direct mail, without talking to any sellers. We walked through step by step how we did that. Watch that video. We did an interview with Rachel and Matt, two of our students about how they're starting to do deals and have some success. Watch that video. We did a video with Gary Proctor, one of our students, turned it into a podcast of how he's focusing on lease options doing really, really



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

well. We did some role play and talked about how to talk to sellers and stuff like that. Watch that. This is another podcast I just did the other day with Phil. One of our students from Springfield, Illinois who's crushing it. He's in a small town. You're going to get so many golden nuggets.

Joe: I've done 800 something podcasts in the last 10 years and this is one of my favorite podcasts ever. It's with Phil. Watch this video. You're going to love it. You're going to love Phil and we're just talking about like, you know what he's doing. He came to one of our masterminds that we do with our private clients and walked away with just one little gold nugget. We walked away with a lot of them. One that he really resonated with him and he implemented and is changing his life, okay. Watch this video and if you want to work with us, there's a button here to apply to work with us, okay. And I'm going to put this, I'm going to put a link to this because some of you may like, I don't want to watch these videos. I want to work right now with Joe and Gavin.

Joe: Apply to work with us. I'm going to put this link in there right now in the chat box. You guys can just go there now I have some more questions I want to ask you guys, okay. I'm going to ask you some poll questions here. Let me ask you this. Let me know when you can see this, Gavin.

Gavin: Yes.

Joe: Okay. Do you want to do this business on your own press one or do you want some help, press two. Do you want to do this business on your own or do you want some help? It doesn't have to be our help, but do you want some help?

Joe: All right, this is really good. And the answers are coming in. Keep on answering. I'll do 30 seconds and then I'll show you the answers. Boom, okay. Look at this. Share the results. It should be coming up. 90% of you want some help? I get it. I wanted help when I first got started. Well, let me do this question here. What has been the biggest reason for you not achieving financial success in real estate investing? Is it not enough coaching or access to one-on-one mentor? I don't know how to do a deal yet. I have no clue, you can only answer one. I don't know how to do a deal yet. I have no clue how to generate leads. I don't have enough time or money to start. I'm not tech savvy.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe: We want to hear from you. What is it? What is it, like your number one reason why you feel like you're struggling to achieve financial success in real estate investing today. And we'll share the results with you guys here in a minute. This is really interesting. The responses are coming and keep on coming. Keep them coming, keep them coming. Okay, this is really interesting, okay. All right. I'm going to show you the results right now. 25% not enough coaching or access to a mentor, 31% I don't know how to do a deal yet. 9% I have no clues to generate leads. 23% I don't have enough time or money to start and 11% are not tech savvy.
- Joe: Number one, it's important to have a coach and a mentor. And number two, once you learn how to do your first deal, it's actually really easy so stop complicating it. Number three, I have no clue how to generate leads. That's cool because it's so low. That's actually really, really easy. We do that for our clients. It's a cake walk. The fourth one, I don't have enough time or money to start. That's obviously a big challenge. You've got to make sure you got to get the time. And if you don't have the money to start, you got to think about how can I listen to me say this. The most important real estate you'll ever invest in are the four inches in between your ears. You've got to invest in yourself. And if you don't have any money right now, that's fine, but you got to find it somehow, right? And some of you are not tech savvy. Okay, let's do the next one here.
- Joe: I'm just curious to know how much money would you guys like to make per month? I'm just curious. I was curious to see what guys think about this. Like how much, and be realistic here. Like realistically, how much money would you like to make per month to make this worth your while?
- Gavin: It is interesting, especially I love question, like because it shows that you're not on your own, right. That's a good thing. Like some people think, oh, it's only me struggling. No, it's not.
- Joe: Yeah, okay, here we go. Here's the results. I'm not surprised. 30% well, at least 57% of you want over \$10,000 a month. Some of you only want \$3,000 to \$5,000 grand a month. Oh man, that is so easy. I can tell you, you know, looking at this, this is all easy. Like it's, you know, it's, yeah, it's easy for you to say that Joe, but I mean Gavin and I doing this long enough and seeing this client's success that we've seen like making over \$10,000 grand a month, guys is easy once you learn how to get the



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

systems right, the marketing consistently going out the door, you get a VA helping you, making the offers, updating the CRM, doing your follow up.

Joe: Man \$15,000 grand a month is not that hard at all. Trust me. You've got to believe in yourself that you can do it and we're going to tell you that you can. Let me do one more here. How many hours a week would you be willing to work if you knew you would make that income each month? How many hours a week would you be willing to work if you knew you could do \$10,000 a month or more?

Joe: This is interesting. Polls are coming in the answers are coming in and we'll show you the answers. You got five seconds. Hurry up five seconds. Okay, cool. Check this out. 48% say whatever it takes. I love that answer. I love that answer. Some of you got a job, that's fine. Cool. I get you know. 60% 11 to 20 hours a week. 23% 21 to 30 hours a week. 8% 31 to 40 hours a week. Here's the cool thing about this business, Gavin, how many we're doing? Couple, three, four, five deals a month. Right now on average, how many hours a week are you working with our student, Melissa, doing these deals?

Gavin: I mean my time is just liaising with the team, right? So through just Voxer, you know, I probably spend, I talk to the VA twice a day when they start. I talk to Melissa, you know, a few times, let's just say even if it was an hour a day throughout, right? And sometimes depending on the lesson, the strategy could be more or sometimes it's five minutes a day. And that's the beauty of systems, right? To be able to do that. I mean, we just started an influx. We did \$270,000 in the first three months, right? And then we had a dip, our deal dipped, we changed a couple of things. Our deal flow and I'm realistic. We did, when we have three deal, three deal month, one of the slowest that we'd have in time. Changed a few marketing things, got back on track and then launched again, right?

Gavin: And then kind of just blew it back up. And then we got 12 contracts in the first 10 days of this month. So it, you know, and we changed our, that's what we do as coaches. My job is not to teach you something that doesn't work. I teach you what is working. What I chose to do two months ago had an impact on the business. Okay, we won't be doing that again. But you try, you live, you learn, right. And we're still making money so I can't complain. And we're very big on realistics. All the time, it's frustrating because we get alot of well you guys actually doing deals right? And those people out there just do an info or whatever it is. But we do, we



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

literally do, we show up, we do webinars where we actually prove that the content and it's in the follow up.

Gavin: You know, I wish I could sit here and say that you every phone call we got to deal and it's so easy and we just do tons of them we don't even follow up. I wish that was what I was saying and that was true, but it isn't, comes from follow up. You know, we do over months I'm going to show something here. Can I share my screen or not?

Joe: Yes.

Gavin: I know we're running out of time but and I'm not, I'm going to be real quick, but this is important. How do I share my screen? I'm not being on go to webinar.

Joe: Well what is it that you want to share?

Gavin: I was going to share a lead with follow up. I don't have time. Let's carry on. We'll do that in the next one.

Joe: Yeah. Okay. We'll do this again. But one of the things that Melissa that we're working with, sorry, my camera's out of focus. Let me try to show you this Cardinals hat because I know you want to see which team I'm okay. Okay. So now is it in focus better? So anyway, I'm going to show you one, a couple more questions here for poll questions. Where would be the ideal place to work from or travel to? I love this question because the student client that we're working with to do a bunch of our deals right now, they go to the beach all the time and you can, you know, let's say you are working 30 40 hours a week on your business.

Joe: Here's the cool thing. This is why I get so excited and passionate about, you can spend that 30 or 40 hours a week working from your RV in a national park or a beach down in Florida, or a cafe in Prague or a chateau in France. Like Gavin and I have literally done deals from our RV or from traveling around Europe. You can do, maybe it's your basement, maybe it's your backyard. Maybe it's the local Starbucks. Like you can do deals anywhere in the United States from anywhere in the world. If you've got the right systems in place, the right people in place, you understand marketing automation and delegation, okay? Look at the answers here. Some of you would like to work from home I get it. My wife would answer that question.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

She'd say, I love to work from home. Then most people like, man, I'd love to be able to work while I travel.

- Joe: It's not like you have to go travel and be on vacation mode the whole time, although that's nice. What we did is we traveled, we went to Europe, we went to Prague for three months, stayed in Prague and then every weekend we would go do touristy things for three days. We'd go somewhere and travel. But I was able to do my business from Prague and we did deals in three or four different cities in the United States. And I never talked to sellers. I only talked with my team, my virtual assistants, the partners, the wholesalers that I was partnering with.
- Joe: So I just want to get you guys excited and open your mind to the possibilities. If you understand marketing automation and delegation, you can do this business from anywhere in the world and that's not hype. Let me just ask you two more questions here. What is your primary motivation for doing deals and wanting to build this business? What's your primary motivation? Is it to spend more time with your family, love to be able to just fire your boss, be a business owner has some time freedom. You want to retire or when you retire, make sure your retirement years are actually golden. Or do you just want to supplement what you're currently doing? I want to see what you guys say here. Oh, this is interesting. I'm surprised by this.
- Joe: This is really good. I'm surprised by this. Yeah. Let's get a few more of you in here. Okay, great. I'm going to show you the results. This is really cool. 50% or 48% of you just want to make sure your retirement years are actually golden. Amen to that. Next is you want to be a business owner with time freedom. You don't want to own a job, you want to want a business that gives you freedom of time, right? The next is I just want to spend more time with my family. That is awesome, that's for me, that's my number one. And then next is firing my own boss and just supplement what I'm currently doing. Cool. All right. So I got one more question for you guys. Please choose one of the following options to indicate your interest in working possibly with me or Gavin. Please choose one of the following to indicate your interest in working with us. Okay, cool. Keep on coming. Bring them in. Keep on coming.
- Joe: Nice. Awesome. All right, let's do it, are we good?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Gavin: Wow. Okay. Yep, we're good.

Joe: Alright, here we go. Check this out guys. This is exciting. I'm excited. I want to start doing some deals and I'm interested, but I have some questions. 98% of you guys have some interest in getting some coaching and some help. So listen, we are here for you. We are here for you, okay? Again, go to, I'm going to share my screen with you one more time. Go to JoeMcCall.com/apply, JoeMcCall.com/apply and watch these case study videos right here, okay. You're going to learn a lot from it. You're going to get some inspiration from Rachel and Matt, Gary Procter and Phil Marsh, guys that are doing deals that we've worked with and we've coached. We're going to show you how we're doing deals. And on these videos you're going to see how our students are doing deals and you're going to learn a lot from this.

Joe: And then you can apply to work with us right here on this button. So these links are in the chat. I just put them in the chat. We put them in the Q and A box as well. And those of you watching this replay and you don't see the chat again, go to JoeMcCall.com/apply and it takes you to these videos, okay. So I know we're going to wrap it up here. I have a training class with our new dog. I got to go. We got a new puppy. She's four months, so I got to go, but we're going to be doing, Gavin and I were going to do another one of these or we're going to just go through and do a video where we answer all your questions and we will send you a replay of this call and we'll send you more information about the next one that we're going to do. I appreciate you guys. Thank you very much, Gavin. We'll see you guys.

Gavin: Bye. Bye.

Joe: Bye. Bye.