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Free Coaching Call Replay- Q&A Part 2

Hosted by: Joe McCall

Guest: Gavin Timms

Joe: Welcome. This is The Real Estate Investing Mastery podcast.

Joe: Hey everybody, welcome. This is part two, dos, of the Q and A that we're doing. So we did a coaching call yesterday. We asked everybody to submit questions. We had way too many to answer on that call. So we're going to be doing a separate video here. This is part two, so if you want to go back, watch the other video we did. I'm going to give you a link right here and go get those videos, okay.

Joe: JoeMcCall.com/apply, JoeMcCall.com/apply. Probably should have come up with a better URL, but that's, that's we got, I was in a hurry. That's not a page where you go to apply for coaching, although there's a link there where you can apply for coaching if you want. But we have a bunch of videos on there. The coaching call, we did the Q and A calls that we're doing, the videos that we're doing now.

Joe: And then some other case study videos where we dive deep into what's working now with some of our most successful students. And they just taught and explained kind of what they're doing and you get some really cool fresh ideas from them. So we're going to go through and start answering more questions here, okay. This is a from Gi, he said, for a new guy investing in multiple markets, what is the best way to start a cold call or an inbound call from a seller? So they will not think you are a regular person to buy their home. I'm not sure I understand that, but number one is you got to be yourself if you're doing cold calling, outbound cold calling. Gavin, what's a real quick, simple script that you use for?

Gavin: Yeah, so if it's a cold call, I am calling, I don't know, Joe at 123 Main Street, so I can see that on my screen if I've got the information. It'll go something like, hey, is this Joe?

Joe: Yes.



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Gavin: Joe says, yeah sorry. Joe say yes. So hey Joe, this is my name's Gavin. Sorry to call you randomly out of the blue. Just calling about a property I think you own on 123 Main Street.

Joe: Okay. Yeah. Cool.

Gavin: Okay. You do own that?

Joe: Yes.

Gavin: Okay, awesome. Look would you, is there any interest in selling it at all? I'm looking to buy another one in the neighborhood. You got any interest in selling that property?

Joe: Hmm. I haven't really thought about it, but, you know, if the offer was good, I might maybe.

Gavin: Okay. If we could come up with the right offer, how quickly would you want to, you know, make a decision?

Joe: Well, I don't know. I've not even thought about selling it. I need to talk to my wife and it's an investment property. We've got a tenant in there now. If the price is good, I'll sell it.

Gavin: Okay. So there's a tenant in that right now. How long is the tenant been in?

Joe: We just signed a new lease about three months ago.

Gavin: Oh, okay. Okay. And have you done any remodel in the last five years?

Joe: No, no, no. It's a newer home. It doesn't need a ton of work.

Gavin: Okay. Okay. So we could come up with the right offer though. You'd probably be ready to make a decision.

Joe: Yeah, sure. Yeah. Talk to my wife about it.



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- Gavin: Okay. So what I'm going to do is I'm going to get my, run some numbers and I'll get my partner to give you a call back. They run all the numbers and then they'll call you back with an offer in the next 24 hours, okay. How does that sound good?
- Joe: Good.
- Gavin: All right, thanks.
- Joe: That was really good Gavin. Now that is a call from a VA. We use VA's doing cold calling. So when a coaching client comes to work with us, we actually set up their systems, do their marketing for them, and we give them a VA. And that's a typical conversation that our VA's make on the phones and which is so cool. I mean, you may think a VA in the Philippines make those calls for you. Yeah. And some of our clients are getting two or three leads a day. Seller leads a day from that kind of outbound marketing. And when we do cold calling, by the way, we cold call absentee owners with equity all right. And so that's a different seller than an owner occupant, right? They understand that it's an investment property. They're more open to talking about selling it like that.
- Joe: An inbound call. Pretty much like when a sellers calling me back, I like to go through maybe a simple three questions. Hi. Hey, you know, thanks for calling. Tell me what's your situation, right? Ask them what's their situation? And I ask them what would you like to see happen? And then I ask them if I can make that happen, how quickly would you need to sell the property? So we cover scripts and all that. But just be yourself. Don't try to be somebody you're not.
- Joe: Second question, I believe my option payments are too low. Instead of doing 60 days to find a tenant buyer, can I do 90 days or better yet? Not even give them a date. Being open and honest and saying that I will not make a payment until I find the right tenant. I have noticed that these tenant buyers have more money than I thought.
- Joe: I'm not sure what the question is, but in our contracts and lease option, we never commit ourselves to making a payment until we find a tenant buyer to live in the house. And we don't tie up the property either. So it's almost a no brainer. I mean, lease option deals are some of the easiest deals and negotiate. It's just like, if they're willing to do it, that's great because they can cancel the contract if they sell



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it or lease it before we do. They can cancel the contract. They have no risk. And if it's at least option assignment, they get the final approval on the tenant we put in the house. What were you going to say?

Gavin: Yeah, the easiest contract to ever get signed is a wholesale assignment lease option. That's the easiest to get signed because you're giving them what they want giving them the price, you know, tying the property up, they can still sell it or rent it if they want, and so if you deliver it that it's an absolute no brainer without selling it, you'll get them. Now we want the sandwich lease ones because that the big one, right? You're going to be fighting the price on that more than likely, right. It's going to be the price, the price of the rent or the price of the property, so their harder to get well then when you just give them what they want, you get that assignment. It's, yeah, it's definitely easy as contract to get signed the assignment.

Joe: This third question from Jai. I know you say to pay a realtor \$500 bucks to find a tenant buyer for me, but they laugh at this number. Is there a certain realtor I should be targeting since I do this in multiple markets? So if you're finding a leasing agent to lease your property when you're first getting started, you're just coming in. You may need to pay them a full month's rent or \$1,000 bucks. But once you start doing a lot of deals and you've got like series, you've got inventory and you're a serious investor, you can find realtors that you pay \$500 a month to do it for you.

Joe: I've done it before. It's not a big deal. But if, you know, if you're doing six of them a month, that's \$3,000 grand and all that realtor is doing is taking phone calls and helping coordinate some showings. You know, it's not that big of a deal. There are leasing agents out there that do that. They work for big property management companies and they only get paid \$500 for each property that they do. So it's a matter of, of volume. This is from, I can't pronounce the name so I won't even try. Oh, he's based in Scotland. Maybe you can pronounce this name. I don't even think you could

Gavin: If you couldn't, then no.

Joe: Cool. He says, I'm based in Scotland, but I understand I'm still okay to do deals in the US, you are. In Scotland lease options are nearly illegal. We have to use exchange of contracts with delay completion to go over this. The rest of the UK is fine with lease options as far as I know. Everybody thinks by the way that doing



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these kinds of deals are harder in their market or you know, it's more competitive in my market. You know, or your market is different. Your markets are better. I can't do it here. Everybody thinks that because there's too much competition, the prices are too high, the prices are too low, the population's too small populations, too big markets too hot, markets too cold. Got To get out of your head that you can't do it in your market and maybe you're really, really legitimately can't.

Joe: But most of the time it's in your head. Before I get into any trouble, which states in the US are totally fine with lease options and which ones do you have to do land contracts in? All right, so real quickly, there's only really two states that have kind of some stricter laws on lease options. Not that you can't do them, you just got to do them a little differently. Texas, you can't do sandwich lease options in, but you can do land contracts. It's the same thing using different paperwork. You can do lease option assignments in Texas. No problem. North Carolina has some laws on lease options. You just have to have more disclosures in a certain addendum that you add to your contract. Not a big deal.

Joe: If you're coming into a state and you're worried about like what do you do, what paperwork do you use, one of the things I recommend is find somebody who's already doing those kinds of deals in that state and offered a partner with them and learn how they do it, bring them deals. That's a great way to learn how they do it. Mike, how do I get your one page lease option agreement? Buy my course or you buy my book. My book, you can get it at WLOBook.com but, yeah, let's go to the next one.

Joe: Steven. I purchased your training I think in February. I've learned a lot of information from it. I have a question. I purchased a fourplex and I am the tenant buyer. Huh, interesting. So you're purchasing a multifamily as a lease option, which you certainly can. That's awesome. I've been taking in about \$1,600 a month from the property and I do the repairs and I manage the property no problem because I'm a general contractor. It is contracted for five years and it is getting close to the end of the five years. My credit is still not good enough to get a conventional loan, so I'll have to sell it and make around \$200,000. Not Bad. The question though is how can I sell and do a second closing so the owner will not see the profit I made? This is in California, it's in Sacramento.



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- Joe: Oh, this is awesome. Here's, first of all, one of the great things about lease options is guess what? If you can't buy it or you don't want to buy it, you don't have to. Yeah, you control without owning it, which I would argue is the best way to buy real estate, control it without owning it. And so Steven here, which is awesome, he did a lease option with the seller on a fourplex, multifamily and there looks like here about \$200,000 in equity. And so he's wondering how can I close it? Well, number one, you're going to need to do a double close, most likely, okay. You're going to need to close on it with the seller. By the way, I wouldn't, don't think you can't go back and try to renegotiate. You can still negotiate a lower price if you wanted to.
- Joe: You don't need to lie and tell them, hey, I need to, but you could just ask. It doesn't hurt to ask. You can call the seller up and say, hey, I know we agreed to sell it. I would buy it from you for \$330,000 and I still can. But I came into some money and I can actually close on it earlier. Maybe if you're willing to negotiate a little bit on the price, what's the least you'd be willing to take? You might be able to get them to, if they know they can get their money six months earlier, they may be willing to drop their price from \$330,000 to \$300,000. Just worth it's worth asking, right. But you're going to need to double close so you'll to, if you don't have the cash, you can't get a conventional loan. That's fine right not, right?
- Joe: You can borrow some hard money or traditional, I mean or transactional funding on the deal, close on it and then turn around and sell it same day, a week later or whatnot to somebody else. So I'm sure Steven, you know, some wholesalers, some investors that do wholesaling in the Sacramento area, so find out which title company they use or escrow company. Do they know of any good transactional lenders, hard money lenders. This sounds like this is a pretty good deal. You're not going to have any problems finding some money to borrow in a short term basis so you can flip this thing. Yeah, it's pretty sweet deal. Yeah. Okay.
- Joe: Another name I can't pronounce, so I won't try. This is person is from Long Island, New York clients in pre-foreclosure. Besides giving clients money to leave their house after an offer has been made, how do we get them to leave? They have nowhere to go. Interesting. So if, you know, I've never done this before. Oh, I take that back I have, you know, I don't know. I'm trying to remember, if the seller's facing foreclosure and you're going to either buy the house or take over the mortgage and there's enough equity in there, you're going to get the loan current.



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You want to do whatever you think is fair. Like you might need to give them, if you're going to make \$30,000 grand on a deal, maybe you can give the seller \$5,000 grand to help them pay for a moving company and maybe a down payment or lease option or you know, a lease security deposit on another property. Yeah. I don't know what to say.

Gavin: Well, the other thing is as well, I mean, if it gets foreclosed on the go live anyway, so they've got to have to figure something out.

Joe: Yeah. Don't make it your problem.

Gavin: Yeah. That sounds harsh, but you're exactly right. If you can help them, of course we're in the business to help. If you're going to make a massive chunk of money. Yeah pay them, give them some money, get them moved, give them a deposit to get into something else. Absolutely. But if not, you know, otherwise they've got to figure it out anyway because they're going to get thrown out.

Joe: Yeah. Clients with expensive homes after showing clients multiple options, most of them want the cash front up front offer. What should I do? If you're making a wholesaling offers for cash up front offer in that price range, you're saying here in the millions of dollars range, three and a half million. You need to make sure you've got somebody behind you that's a buyer that's looking for that kind of inventory. So I would, before I start making cash offers on those higher end homes, start networking with the local REIA's. Start asking around and find out who are the investors that are flipping properties in that price range. You know who you are, you're asking this, I know some investors that are flipping properties in that price range. If you shoot me an email Support@JoeMcCall.com, I'll send a quick little email and make a connection. Cool. Okay.

Joe: Muhammad on the REI. Oh, boy. Okay. This is a question I can't answer. I'm sorry. I'll have to skip that one. Kevin, how do you handle the situation where your tenant buyer that you selected does not end up buying the house? I've done many lease options for properties that I own and I find it very rare for a tenant buyer to actually end up buying the house at the end of the term. Does the owner have any sort of recourse to come after me? Okay, so if you are doing this, if you'd been doing lease options for awhile and your tenant buyers aren't buying the properties



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at the end of the term, 9 times out of 10, that's your fault. Number one is probably because then I see this over and over again. The house is too on the too cheap.

Joe: It's on the low end. You know, it's a \$75,000 house. Here's the thing you do a lease option on that kind of a property. Let's say the tenant buyer actually does get their credit fixed and they can get a mortgage. Are they going to want to buy that \$75,000 house in that \$75,000 a neighborhood or are they going to want to go and buy the house and the better school districts in the a \$100,000 to \$125,000 neighborhood? Retail buyers are not buying homes in those \$75,000 neighborhoods. They're buying them in the nicer areas, okay? That's number one.

Joe: Number two, you're not doing a good enough job prescreening your tenant buyers. You should only put tenant buyers in your house, pay attention and listen carefully. You should only put tenant buyers in your house who have a realistic chance of getting a mortgage in 6 to 12 months, which means they need to put down three and a half to 5% down so they can get an FHA loan.

Joe: They need to have the income and the debt to income ratio required to get a mortgage and they need to have things in their credit report that aren't that big of a deal that they can get cleaned up in 6 to 12 months, okay? If they're not getting a house, a mortgage, usually it means they're not putting enough money down, it's too cheap of a property in a bad neighborhood or there's no way they could have got a mortgage even if they wanted to because they have, you know, too many unpaid collections or judgments or they're just not paying their cell phone bills, right?

Joe: So that's the way it works. That's the kind of thing it is. And so let's say the tenant buyer doesn't buy the house. You're doing a lease option assignment. The sellers can't go after you because the seller signs the assignment, they're approving the tenant that you're putting into the property and you're assigning the paperwork covers you.

Joe: Of course, you can be sued for anything these days, but they have no legal standing on that. How do you handle the damage done to the house if or when a tenant buyer moves out of the house and leaves the property in bad condition? If it's an assignment, again, you have no responsibility for that. If it's a sandwich lease option, yeah, you need to take care of it. But I would just, if the tenant, the



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property is trashed, probably number one, back to the answer to the first question, you've probably not done a good enough job prescreening this tenant. It's probably not a nice home in a nice area because those kinds of homes, nice homes in nice areas usually don't get those kinds of tenants that are going to come in and trash the property, okay.

Joe: I have a feeling the person asking this, Kevin, has had some experience in lower end lease options. I would bet you a glass of ice tea, sweet tea that's the case. And he says you're, trust me. I know it does happen. Okay. I wish I could talk to you, Kevin, to see what you've been doing. So who's responsible for getting the house back in rent ready condition. So if I'm doing a sandwich lease option, I'm responsible, but guess what? I'm just going to clean it up a little bit, clean it up, take out the junk, but I can advertise that property as a handyman special lease option. Get a tenant buyer in the house who will fix it up themselves. I'll discount the price or I'll give them a work for equity credit. So yeah, okay.

Joe: That is my answer and I'm sticking to it. Brian, I'm looking for a way out of construction. I'm a general contractor and a master electrician. I've been in the trade for 21 years. I got injured on the job in 2013 re-injured in 2018 I'm not as young as I once was, but I'm as good once as I ever was. You heard that song? I'm not as good as I once was, but I'm as good once as I ever was. And knowing this guy, he's probably heard that song by Toby Keith, okay. I'm not as young as I once was, but I love the building industry. My dream is to do lease options and rehabs and spend more time with my wife and three kids. I don't have the money right now to partner with you and your coaching program, but I'm working on that. My question is this, what can I do today to start doing deals?

Joe: Well, couple things. I'd recommend my course, my Simple Lease Options course. And if you go to SLOClass.com you can watch the webinar, SLOClass.com. That's where I'd recommend starting. And um, if you can't even afford my course, you know, we've got tons of podcasts and videos. My podcasting, my podcast is called Real Estate Investing Mastery. Just Google it or go to iTunes, whatever you want to listen to your podcast with and do a search for Real Estate Investing Mastery, Real Estate Investing Mastery or Joe McCall and you'll find my podcast. And also I have tons of videos on YouTube and stuff like that. But go just watch the Webinar, get my course, SLOClass.com. That stands for Simple Lease Options. SLOClass.com. All right, and I hope it works out for you, Brian. I appreciate hard workers like you and



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usually guys like you, you'll figure it out and you'll make it work and you're going to provide them take care for your family.

- Joe: So don't sweat it. Just keep on working hard. Two questions if you don't mind. Of course I don't mind, Jeff. I cannot find language in any of the documents on the lease options course website that covers a 60 day notice to give the seller the property back for some reason. Okay that is in the Simple Lease Options. I mean that is in the Sandwich Lease Options contract. Now you might be looking through my old course. I used to have three courses, Wholesaling Lease Options, Sandwich Lease Options and Virtual Lease Options. About six months ago I combined them all, redid everything, called it Simple Lease Options and in my Simple Lease Options course, that's my new course right now. There is a sandwich lease option contract and it is in there. That's the sandwich lease option contract. You signed with the seller.
- Joe: Jeff is asking here, I'm still very uncomfortable with the paperwork or the process of the tenant buyer giving credit for their option down payment when they get a loan later. In my area in Seattle, 5% to 10% option fee is \$30,000 to \$70,000 with the median price in King County of \$700,000. As a long time real estate broker, I know how ignorant and pigheaded underwriters can be. Amen to that. I do not want a bean counter underwriter to tell the tenant buyer that their \$70,000 can not be credited as a down payment at all. And I have had a few idiots tell me since the seller did not receive the option fee, it cannot even be used for a price reduction, which is complete BS and I'd be banging on my table if we weren't being recorded right now. These are big numbers and I want the tenant buyer to have a fair chance of getting the credit of their option deposit fee on a lease option assignment.
- Joe: I will not be involved to deal with the idiot bean counter underwriter. Okay I totally get your question, Jeff. This is actually a really good question. So a couple things. Number one, find a mortgage broker in advance that is willing to work with you and your lease option deals. Number one, tell them what you're doing. Ask them how do we do this and ask them how do we do it? Number two, find an attorney or a local escrow company that can collect the option deposit money and then pay you back later. That tenant buyer has to have an option deposit check made out to an escrow company, not you, the investor, but to an escrow company. All right, that



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I'm can give you that money later. So when they get that loan in a couple years, they can show that made out to an escrow company as number two number.

Joe: But number one, get that mortgage broker who understands this because there are certain banks that will not allow it and there's certain banks that will, you need to know the right way to present it. Make sure your tenant buyer is working with that mortgage broker. The third thing is go ahead and have the tenant buyer tell the seller up front. Be completely honest with them and tell them, listen, this is how it's going to work. All right, I'm going to make \$30,000 grand on this deal as my assignment fee in an exchange, I'm going to get you full price for your house and you don't have to pay any commissions. By the way, let's see. Let's run the numbers here. If you were to pay a realtor to sell your house and \$700,000 house, 6% that's \$42,000 you'd be paying that realtor commission.

Joe: Okay, so I'm only going to be making \$30,000 but that's what you're going to be making. I'm looking at your numbers here. It kind of depends, right? So here's the other thing too. If this is a concern and it's a higher end home, you're talking to the seller and say, listen, I'm going to make a lot of money on this deal. You know, as a kind of as a joke, and I've never done this, I learned this from a friend of mine, Rick Auton, Rick Auton, he says, but how would you like to partner with me on this deal and we'll share the profits? How does that sound? 10 Times out of 10, sellers going to say, yeah, sure, that sounds great. All right. After you'd take them from like this low of, I going to make a lot of money on this deal, then, hey, do you want to split some of the profits with me, right?

Joe: Then you can partner on the seller with the seller on this deal and tell them, listen let's do this. This is the way it's going to work. I'm going to make an assignment fee on this deal. That's how I make my money. I make my money from the tenant buyer, not from you, from the tenant buyer. I will share my profit with you 25/75 so I'll give you 25% of my profits. Cool. All right, so this is the way it's going to work. We're going to advertise a property for this. I'm going to get about 5% to 10% down on the property, okay? I'm going to have the tenant buyer make the check out to you. And at closing, I want you to then immediately cut me a check for 75% of that. Is that fair? Great. Okay so that's what you do.

Joe: Make the tenant buyer, make a checkout to the seller, especially on the higher end. Bigger deals like this. It's not a big deal. The fourth thing I'll say finally, is you might



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consider just getting your license, Jeff do it as a realtor. Okay. I mean, just get paid through a listing agreement or as a commission. If you want to do it that way, that's a whole other thing. But you can do lease options as a realtor. Good questions, Jeff. Mohammed, how do we generate leads for multifamily properties? Direct mail. That's the best way to do it. All right. Just pull a list from List Source, Prop Stream and get multi-families and send letters to the mailing address. And I would skip trace the call.

Joe: Scott, as an investor from Canada without a current United States LLC or bank account in place, can I still do deals? And if so, how would I structure them until I have those things set up. If I was living in Prague doing deals in the United States, which I've done before, this is what I did. I found local wholesalers and I partnered with them. No, I had an LLC, but I didn't use it. I used their LLC. I picked a market, found somebody that was doing deals. I said, hey, listen, if I bring you motivated seller leads and if I can get them under contract over the phone, will you partner with me on it? Help me sell it and split the deal with me 50/50. They'll say, yeah, if you explain it right. Yeah, that sounds great. Who would say no to that, right? So just find somebody in the local market that you want to invest in and offer to partner with them. You get it under contract, send it to them. They sell it. Yeah. It's not a big deal.

Joe: If they sit, so you know, if you're wholesaling, you want the title company to send you the check. So you just have to tell them who you want the check to be made out to you. Maybe it's an LLC in Canada. That's a whole other thing. I curated a course on that called Automated Wholesaling, which stay tuned. We'll be coming soon to a website near you for free, which is pretty cool. I'm excited about this. Lillia, hello Joe. Thank you kindly for your great teachings and desire to help. I have a real estate license. I want to do lease option assignments. Do I need to have a brokers permission to do it as his agent? That's the problem with being a licensed agent. You need a brokers permission to do everything, to go to the bathroom to wipe your butt.

Joe: I'm just kidding. You need a broker's permission. Like if you're going to do anything in real estate, you've got every broker's permission to do it. They need to know what you're doing. Not a big deal if you have an investor friendly broker, but you need to tell them, yes, you got to tell them what you're doing and do I have to share my profits with them, etc., etc. Or can I do it as a real estate investor? So the



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answer is yes, you can do it any way you want. You want to make sure, number one, you're working with a broker that doesn't mind you doing deals on your own. That's number one, okay? Number two, you might consider doing lease options as a realtor with listing agreements, commission agreements, right? And we'll make sure you're working with a broker that's not taking the majority of your commissions or even half of them.

- Joe: You don't want to be with a broker that's not taking any more than maybe 20% of your commissions. There's brokers out there that will let you keep 100% of your commissions. Go out there and find them. So I hope that answers your question. That's a quick answer. And yeah, so sorry, I used that kind of a reference. That was a stupid. Ryan, what's the fastest, cheapest way to get a list of all the homeowners phone number, address and email of a homes that have pools in a given zip code, like a swimming pool or list of all vacant land owners in a certain area? What's the fastest way to get this data into Mojo ready for dialing? Okay, interesting. I've never pulled a list for swimming pools. But I bet you could probably do it maybe in, we use List Source.
- Joe: We have a significant discount that we get. We get about 3 cents a name. It costs the general public 20 to 25 cents per name. We do this for our coaching clients. So we get a list of homeowners from list source. We also use Prop Stream. We use Data Tree sometimes we have access to Data Tree, which is awesome. Some counties List Source doesn't have Data Tree does. And we can pull pretty ridiculous amounts of information for super dirt cheap, vacant land owners, not a problem. Homeowners. Yeah. So we get the addresses, the names, and then we send them to a skip tracing company that we use where we still using Need To Skip, Gavin?
- Gavin: Gavin. Yeah, just Need To Skip and Batch Skip Tracer.
- Joe: Right. So yeah, we just give Batch Skip Tracer.
- Gavin: Yeah, we have discounts with that as well. And that, but that's the fastest way. And then obviously like Joe said with our clients, that's kind of what we pull all together. So it's all sitting ready for you in Mojo with a VA ready to hit it.
- Joe: Yeah. Which is awesome. Nobody else does that. I checked nobody. Okay. Gavin, maybe you can answer this question so I can take a drink of water. Thomas, I have



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such fear and doubts that everything I've tried to make money has failed. Like I'd like to see something earning money. What upfront costs are we talking about?

Gavin: Well I guess anyone that I guess a lot of people are going to have that question. Okay, what you need to do is you have to analyze yourself. You need to look and be honest with yourself, right? The first thing is, is why isn't it working? We talked about this in the coaching call yesterday, is that if you don't have a why, if you don't know why, then you can't, you haven't got an answer. You have to come into it, one of the most common things that we do when people come, we take about 20% 25% of people that actually apply for coaching. And that's 25% of the ones that actually want to move forward, okay. So, and the reason being is, oh, well I've had this course, I've had this course, I've had this coach and I've had that coach, right?

Gavin: You have to analyze, is it the coach, is it the material? Or maybe is it you, right? And that's what the conversation we have. Well, tell me about it. Why, why is it working? And maybe sometimes, which is fine, they'll go, well, they gave me the course and yeah, there was a support call, but I can't figure it out and I don't know how to, you know, work the CRM and it's too much for me to set up. Okay, that's fine. We can help with that because we're going to do that for you. But if it's like, well, they said that I'd get a deal and it hasn't come yet. My next question, how many people have you spoken to? How much marketing are you doing? How much offers have you made, right? Because if them numbers are, or you're not going to make money with those either, so let's start wasting your time and don't do it because you've got to be here.

Gavin: So you have to be honest with yourself and you've got to give yourself enough time, right? I think for any business, six months, you have to give yourself six months to do anything to see a result. It should come faster. Will it come faster? Yes. We've had students do five contracts in the first month. Does every student? No, absolutely not. But it can happen. So, and they'll say, how quickly can I get my money back? How long's a piece of string? And they don't like that answer. Sometimes we laugh, but I don't know. I can't tell you. I am not willing to say I guarantee you this result or that result, but I will guarantee that if you do the work and do what we tell you to do, right, it will work and you will get results. And yet we have yet to come anyone that said, oh, here's my scorecard, I've done everything that you've done, you've said it's not worked. Because I want to have that call and you can fly out to Savannah and you can work me all week until we got



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to deal. If you are doing your numbers, I wouldn't put that off, because that's how confident I am.

Joe: Oh 100% agree. We had, we were doing some deals in Jacksonville and we brought on some people that we shouldn't have brought on to handle the calls. We gave them a ton of leads and they're like, oh, it doesn't work. We started digging in they were just taking them two or three days to call the sellers back. They didn't know how to negotiate deals over the phone. We thought they did. Gavin sat down and went through, I don't know how many leads was it, Gavin a hundred?

Gavin: Way less than that. Yeah, I probably did about 30 calls.

Joe: 30 calls and got how many properties?

Gavin: Well, three contracts from follow up.

Joe: Calling the leads they marked as dead and Gavin was able to get three properties under contract.

Gavin: Yeah.

Joe: This isn't science.

Gavin: It really isn't. So I guess, you know, you have got to analyze yourself and say, am I doing everything? When I came into this business, I was willing to give everything and I could honestly go to sleep and look at my wife and said, I did everything I could. It just didn't work and we figure something else out and it, and as long as I knew that I could do that, then I was content with it not working. But guess what? When you start doing it and then it works, it's awesome. So that's what you got to do. You just got to make sure five sells a day, three offers a day, minimum every day, five days a week, and start doing the mass. A hundred a month, 60 offers a month, 202 months. 120 offers. Something's got to give and someone's going to say yes.

Joe: We still got a ton of questions. We may have to do this in three parts. Okay.

Gavin: And we got another coach here. We've got a new client come in.



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- Joe: We got eight minutes. Okay, good grief. We could take this video and turn it into a book. We just may do that. That's not a bad idea. Jose is asking this question. I would like you to answer the following questions if possible. Do you reach out to real estate agents to ask if the owner is interested in doing a lease option? Sometimes, that's not our first primary target. Number two, what happens if the owner is willing to rent for a year or two and the real estate agent doesn't like the idea and the broker gets involved and tries to sue you for stealing their deals.
- Gavin: I love people's creativeness. To come up with this is like amazing.
- Joe: Yes.
- Gavin: Yeah I've got some. You've definitely got some imagination.
- Joe: Yes. Well, what if, you know, I was going to say something stupid, but like you can go through this for years. Like what if this, what if that, what if this, I don't know, what happens if the seller, what happens if the seller dies while you're still in the middle of your lease and the property needs to go through probate and the tenant buyer will not be able to buy until the end of the lease. What do you do? Geez. I don't know. I mean, I would say this, just real quickly, I mean, these aren't bad questions like, but if you get stuck in the, what if it's a downward spiral, you need to stop asking what if, and start asking what next?
- Joe: What's the next thing I got to do? So, if the owner is willing, the real estate agent has to do whatever the owner wants them to do. So if some how you get to hold of the owner and you're talking to them, and this happens a lot, the owner is advertising the house on their own in addition to what the realtor's doing and you find the owner's name or the owner calls you because you get their mail or they get your mail or whatever and you say, hey. They say, yeah, I want to do a lease option. You say, okay, great. I'm going to send you an offer and say, oh, well I've got it listed with the realtor. Okay, fine. What's the realtor's name and number? I'll send the offer to them or I'll send it to you. You'd give it to them.
- Joe: I never tell the seller to cancel their listing agreement, okay. But if the seller wants to do it, if they're motivated, I say, you need to figure it out with your listing agent. I'm not going to talk to them. I don't need to talk to them. You work it out with them if you really want to do this or not, I stay out of it, right. If the seller wants to



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do a lease option, the agent has to do what the seller wants them to do. If the seller dies while you're in the middle of a lease option deal, you have a lease you have a contract to buy that property. Whoever inherits the property, whoever gets it next, they have to fulfill that lease. Okay, that's it. Next question, Robbie, just getting started with wholesaling lease options. I read your book and I appreciate your insight.

Joe: Can you please give your opinions on some of the pros and cons of lease options while also getting your license? So this goes on and on and on and on here. So I don't know the answer to that. I recommend getting your license. You don't have to have your license, you know, I like to make sure I'm working with a broker that lets me wear my investor hat so I can do deals on my own. If you can make, when you're working for a broker, make sure you say, listen, if I buy and sell properties by owner, I buy it by owners, sell it for sale by owner. I know I have to disclose I'm an agent, you know, but do you have any problems with that? A good broker will say, no, I don't care. That's fine. Just make sure you're doing everything above board.

Joe: So that's what I do. And then when I can wear my realtor hat when I need to and I can wear my investor hat. But you always have to disclose that you're an agent. Okay, good. Next question, Stephanie, I have some clients in Colorado. I may have to sign up with a lease option because their home is not selling as quickly and they need it on the MLS.

Gavin: Matt's coming in.

Joe: Oh, is he? Hold on one second here. Sorry, Matt. I have to boot you off.

Gavin: Yeah, yeah.

Joe: Sorry. We're just going to, we're almost done. Lock the meeting up real quick here. Okay. Sorry. We'll answer one more question, then we'll end here and we'll do a part three. I have some clients in Colorado that have to sign up with a lease option because their home is not selling as quickly as they need it to on the MLS. I'm closing with them on a new home here in Texas today. So that really puts a rush on getting their current homes sold. My question is, how do you work the deal if your clients have recently refinanced the mortgage? I know different states have different rules, but they refinanced in Colorado, are they still allowed to lease out



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their home in the first two years after refinancing or do you have to be living in the home yourself? Can you work at least option a if the seller recently refinanced I guess is what I'm trying to ask.

Joe: Okay, so I don't know the answer to that. Here's the thing. Some mortgages have clauses in there that you can't lease the property, but what are they going to do? Like, let's say you, you know, let's say your spouse died and you have to, or they're sick and they've went to Rochester, Minnesota because they're in the hospital and you have to go live in Rochester, Minnesota., okay. Is a bank going to say you can't lease out your property while you're living in Minnesota. Like no, the banks can't do that. They can't. So I don't know what to say with that except don't give legal advice. If you're an investor, you need to tell them you need to make that decision. You need to look at the fine, fine print, you need to talk to an attorney and do what you think you need to do.

Joe: So there's really not a way that a mortgage company or bank and say that you can't lease your property. Because there are certain circumstances where you have to, it's either leased the property or you're going to lose it in foreclosure and it's going to be a pain in the butts. So Bank would rather see you lease a property. So the payments are still coming. Then the not make any payments. So if you wanted to, you could always call the bank and just ask them, have the client call the bank and say, listen I can't sell this thing. I've been trying to sell it. I know the lease says this or the mortgage says this and this, but I, I can't make any more mortgage payments if I don't rent this thing out I'm just going to have to give you the property back.

Joe: You know, it's going to ruin my credit. What am I going to do? And you can, most of the time you're going to be able to work that out, okay. So anyway, good questions. We still have more of, we're going to have to do a part three and we're going to need to go faster in part three. Thanks Gavin.

Gavin: Thanks guys. Thanks Joe.

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Gavin: Bye.