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LIVE Deal Evaluation- Sample Coaching Call

Hosted by: Joe McCall

Guest: Gavin Timms

- Joe: Welcome. This is The Real Estate Investing Mastery podcast.
- Joe: Hi guys. How you doing? I'm Joe McCall with Gavin tombs. How you doing Gavin?
- Gavin: Good, Joe. How are you?
- Joe: Awesome. This is our deal evaluation coaching call. We did this two weeks ago and it was awesome. Such great feedback and we thought let's do it again. We want to answer all your questions and we want to help you evaluate your deals, okay. So what I'm hoping for right now is, we just sent out an email blast to my list. Everybody saying, hey, come on over. This is a big party. We want to evaluate your deals. Maybe you've got a seller lead that you got today, yesterday, a week ago, and maybe you just botched it all up, right? Like you talked to the seller and you felt like you just screwed it up and you said everything wrong. That's okay. We want to help you with that.
- Joe: So maybe some of you have a deal that you want us to evaluate. So what you need to do is we want you to type in, try to type it all into one comment so we don't have to like feed through five different comments to see that. Does that make sense? So if you can type into one comment the address of the property and tell us as much as you can about the situation about the seller was at a, you know, what if you know what they owe, what were they asking, what kind of repairs does the property need?
- Joe: So we find this to be really helpful for folks just to kind of like see, to teach how we look at deals, how we evaluate them. Let me just tell you something to hear like, and Gavin, you can maybe I've been talking enough, you can describe this of the, all of the deals that we did in 2018, which was a long time ago actually, but the deals that we're doing now, like 90% to 95% of our deals come from follow-up, right?
- Joe: So while people are typing in their questions and their deals, they'd like us to evaluate and look at and we're going to show you like what we would've said maybe to the sellers. Maybe Gavin and I will do a roleplay. Maybe we'll bring on one of you guys as a roleplay,



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but we'll show you kind of what we would have said to the seller, how we would make the offer a cash offer, maybe an owner financing offer, at least purchase offer. And we'll show you kind of what we send and how we do the follow-up and stuff like that. But Gavin, talk about the leads 58, 60 of them that we've done in the last 12 months or in 2018 whatever. When we looked at the numbers last, how many of them came from follow-up?

Gavin: Yeah, so we did like 58 deals, which 54 of them came from follow-up. So the key is that when we look at and analyze the business, if we don't follow up we only do four deals versus 58 deals, right? And I would say out of the 54 that we did on follow-up, obviously there was some interest there, but they all said no to start with because our close ratio is probably about three to four months on average. Sometimes it's two or three weeks, sometimes it's over a year. So that's obviously always going to be changing.

Gavin: And that's why it's so important to keep the marketing going consistently so that you are consistently closing deals from months ago. And I think that's where most people go wrong. They're so busy with what's coming in today trying to close today that they're not following up. So that's why they can't, they just grab a deal here and grab a deal there, which is going to happen, but you can't turn it into a, you know, into a business. So you have to keep the pipeline full. Just remember as the older the lead gets, the better the lead is. That's the way that we look at it. The older the lead gets, the better the lead is.

Joe: That's really important. And sellers, you got to assume motivation sellers are really good at not being motivated, like pretending they're not motivated, right? They're not going to just open up and tell you on the first call, hey listen, I'm super motivated. I got to sell this house today. That's just not going to happen, right? So you've got to just make the offer and follow up. You got to make the offer for the numbers that work for you. This is something that we see a lot where people say, well, the seller wants, they're trying to make a least option offer and the seller wants \$25,000 down. What do I do? Well have you made an offer yet? No. Well, why not? Like you don't matter. Almost kind of does, but it almost doesn't matter what the seller wants. You know? Of course, every seller wants full price for their house.

Joe: They want all cash. They think it's worth way more than it is. They think it needs less repairs than it does. If you were to ask a seller like, really, what do you want? Of course they want to close in a week. They want all cash, full price. Of course they do, right? Who's going to say no to that. So that's why you got to make the offers for the numbers that



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worked for you. And when you're making your offer, if it doesn't make you feel like uncomfortable and like, oh man, this guy is going to hate me, or I feel sick to your stomach, like you'll get over that. But if you don't feel that discomfort when you're making the offer, it's probably too high or your terms aren't right. So the great thing about what we do is we, when we're working with sellers, is we don't care about the house.

Joe: We just want to see what their situation is, what is their motivation? And because we can do lease options and owner financing and we can do creative deals, we don't even care how much equity is in the house, right? I don't care what they owe. I can make an offer that will work for them as long as, I can give them whatever they want as long as they can give me the terms that I want and if terms are more important to them, I can give them whatever terms they want, if they can give me the price that I want. So when you understand creative real estate, creative financing, like lease options and owner financing, you're not just a one trick pony that's only making cash offers.

Joe: You can now make them offers that... you have multiple different ways you can make these deals work. So when you're talking to sellers and when you're making offers, it's important to be flexible, not just have only a cash offer that you can give to them. Because now you've opened up your wide open now to so many more deals. Instead of getting 1 out of 20 or 30 offers accepted, you can get 2 or 3 out of 20 offers accepted because you're doing more creative stuff like lease options or owner financing. And Gavin has said this many times and Gavin's done a lot of wholesaling deals. I've done a lot of lease option deals, but like some of the easiest deals in negotiate are these lease option assignments. It's like explain why Gavin real quick.

Gavin: Yeah, he's definitely the easiest one to get a contract because especially with the positioning because what you'll learn is when you start to do the assignments you will position the other offers to make the assignment look better, okay. So, if you for instance offers sandwich lease option and the price is the problem, okay. Well if you then transition into an assignment lease option, you're giving them then the price that they want, the rent that they want, you're often going to get it signed. And here's the key with the short off of wall that we use is a non-exclusive agreement anyway. So because it says that you need to use that to your advantage. Tell the seller. One of my main things I used to say is Mr. Seller, if someone knocks at your door with the cash tomorrow to buy this property, I want you to accept it.



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- Gavin: Even if you sign this agreement today because it's non-exclusive. Now I know that's not going to happen, right, because he's already probably sat there for three months. It's going to be there for six months, but when you do that, you have to without selling it you tell the seller, why don't we work on it together? Let me see what I can do while you're doing your own thing, which you can continue to do. Continue to market it, try and rent it, do whatever, and then when all of a sudden I'm ringing him saying, hey, I've got two people that want to see the property that want to do a rent to own.
- Gavin: All of a sudden they stop doing their own marketing and then they just focus on what I'm doing. Because you have to have good communication. One of the biggest things that we see is when someone right gets a short offer form signed Joe, is that they don't talk to the seller for two weeks.
- Joe: No. Yeah, no.
- Gavin: And then their doing all this work and then they call and go, I sold it last week.
- Joe: Yeah.
- Gavin: You know, you've got to keep the communication because they need to know that you're working that deal. And just from that, if they're probably over trying to rent it, so they'll just stop doing their ads on Craigslist, they'll pull it off Zillow. They'll probably even give you the space because you're being more efficient than they are.
- Joe: Yes. Very good. Especially when you can offer on a sandwich on a lease option assignment. It's a flexible option. So if they sell it before you do, you can, they can cancel the contract. And the way I do my lease option assignments, the seller gets the final approval of whoever's in the house. Like it's a no brainer. There's no risk at all. And here's one more thing I'll say and then we're going to go on just some questions here. One thing that's really important, if you have to try to convince the seller to do at least option, you're talking to the wrong seller, okay. Like you shouldn't have to try to convince them or sell them on anything. You're just asking questions. You're just making offers and give them permission to say no. It's like so cool and relaxing when you can just say, listen, if this isn't going to work for you, that's totally fine.



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- Joe: It's okay to say no. I don't even know if this is a good deal for me yet, but I just wanted to ask you some questions and then just ask questions, okay. I want to say something too real quick. Why are we doing this? Well, Gavin and I coach students all over the country, literally all over the world. We were just talking to two of our new clients from Israel yesterday, and we coach clients from all over the world how to do deals in the United States. And even we've coached people how to do deals in England before so, and in Canada. Any other countries. I've done deals from Prague, from Spain, from France, from Germany, Hawaii. That's not a country though. Same difference.
- Gavin: It's on it's own isn't it?
- Joe: But you know what? It doesn't matter. Whether you're doing a deal from Hawaii or a cafe in Prague or beach in Barcelona, Spain or an old chateau in southern France? Doesn't matter. Gavin, you're going to England in a couple of weeks, right?
- Gavin: Next week.
- Joe: Next week. For how many weeks?
- Gavin: Two weeks.
- Joe: Now are you going to stop doing your marketing and Alabama running?
- Gavin: Absolutely not.
- Joe: So we love working with folks who are either just getting started or maybe you've been doing deals and you want to grow and expand and automate and systemize your business. We've always said there's three keys to success in this business. Marketing, automation and delegation, okay. Marketing, automation and delegation. So when we work with folks, we're going to help you set up the systems and the automation and the delegation and do the market. We're going to set up and do the marketing for you at the beginning. We're going to set up the systems and the automation. We're going to help you find the VA's. So if you're interested in working with us, nobody else has a better coaching program than we do in my humble, honest, correct opinion. Like we help people set up their systems, find their VA's, get their marketing, we get them leads.



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- Joe: That's like the easiest part of this business. Getting those systems built, getting the leads coming in and we'll coach you through all of that. We do, all new students that clients that come and work with us. We have a two-day workshop in St Louis, just a small 10 to 12 people roll up our sleeves and start doing the work. And then we do follow up masterminds in St Louis. And then we do weekly calls. We have you have access to Gavin and I on Voxer. You can ask us questions anytime. So, if you're interested in that, no pressure at all, just check out JoeMcCall.com/apply on that link you're going to see some case study videos that we did, some of the deals that we're doing right now. We tell you what we're doing and how we're doing those deals in Alabama. We also interview three successful students and you can see what, excuse me, you can see what they're doing and how they're doing it as well.
- Joe: So go to JoeMcCall.com/apply, okay. JoeMcCall.com/apply if you're interested in that. Now we've got a bunch of questions here and I just want to start going through them and do our best to answer them. Some of them are really long, so I'm not sure if the comments will come in here, but this is from Chris. Any tips on how to evaluate or value properties in the country? How far out should we go on comps? Do you do deals with sellers wanting retail? Good question. Chris, how do we value properties? One of the first things that I like to look at is Redfin, okay. Redfin is free, but it's not in every part of the country. So where it is available, I like to look at it. So I'm looking for somebody that gave us an address. Sam gave us an address here of a property and so let's actually look at this one and then we'll answer two questions in one, okay.
- Joe: 6641. I'm not even going to ask how to pronounce that Cherimoya Fontana, California. All right, so I know Redfin is available in California, right? So I'm just going to type in that address. Cherimoya Fontana, California. Now, if you don't have Redfin in your area, that's fine. You can do the same thing on Zillow. One of my favorite resources is Prop Stream. If you go to PropStreamJoe.com, PropStreamJoe.com, it's a tool that lets you evaluate deals and get comps, get property detail records, and I'll show you what you see in Prop Stream as well. So go to PropStreamJoe.com. Actually, this is such an important tool. I'm going to put it right there. Prop Stream Joe, you see that, okay? I'm going to log in to my Prop Stream account. I use this every day and let's, I'm just going to take this address, copy it, put it into Prop Stream and show you what Prop Stream gives us, okay. And then I'm also going to show you what you can find on Zillow.



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- Joe: So every market is different. Like you're going to find in some markets you get sold data. Some markets don't give you any of that. So just kind of depends. But here's a house. Let's say I want to estimate or kind of come up with a quick offer. Redfin's estimate is \$285,000 last sold price is \$20,000 grand, three-bedroom, one bath, 825 square feet. I'm kind of curious to see where it is. So I'm going to open up this map here and just zoom out. So it's in probably what does that Riverside County or San Bernardino County maybe right there on the border. It's near San Bernardino and it's you know, it's a lower priced area, right? Okay, so one of the things I like to do when I'm here on Redfin is I pull up the address and I get this information. By the way, let me say this to, you know what, maybe I should just open up my, I have a couple of calculators that our students use and I'm going to open up two of them here.
- Joe: I have a seller financing calculator and a lease option calculator. And one of the things that I do in my lease options offer calculator is when I'm making a quick offer to the sellers. I just take the, and I'm not going to walk through this year cause it takes a little too much time. I just take the averages of Zillow, Eppraisal, Redfin, Prop Stream, maybe Icoms, Real Quest Express. I just take those values that they give you. Maybe Realtor.com in fact, I would probably put Realtor.com here, okay. And just average them. Or you can take the median because sometimes one is really high and one's really low. Like this one, Redfin on this property was \$139,000 and Realtor.com was one oh one so sometimes I'll just do the median, which kind of removes those outliers, right? And that's how I come up with my ARV. Super simple fast, right?
- Joe: Just take the average of all of those that's going to get you in the ballpark. That'll get you at least within 5% to 10% of what the real ARV is. But we don't want to spend, I'm already spending way too much time evaluating this property on Cherimoya, right? You know, you should be able to like quickly go through these things and, and just make quick offers. So let's look at this property here. This was last sold I don't know. Sometimes what I do is I go to prop stream here and I like Prop Stream because it shows me transaction history right here. This was last sold in 2004. I can see the property details here to three-bedroom, one bath, 825 square feet. The estimated value they're saying is \$191,000. There are not many comps out there. They're estimating equity of about \$80,000, \$83,000.
- Gavin: Zoom in a little bit.



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Joe: Oh yes. Thanks. So here, if I go to a mortgage information, it tells me the last mortgage on the property was 2004. Again, this is Prop Stream. This is why I like Prop Stream, because I can do this in any part of the country. And I can also download leads. I can download vacant properties, properties with liens, free and clear, high equity, bankruptcy's, cash buyers, foreclosures, auctions, pre-foreclosures. I can download tons of these properties. So this one, there's a bank from, there's a loan from 2004. I'm not sure if it's still there on the house, but if I go to transaction history it probably is because the last transaction was a 2004 I can see that this Natalie Henderson owns it and her mailing address is, she's an absentee owner. I can see it's an individual owner, non owner occupied here. So the question is I want to make an offer.

Joe: What's the property worth? One of the fastest ways to make a cash offer is just look at the last solds. Now I'm only seeing three here, so I might actually go out a mile distance like in a radius and still not that many, okay. What I might do then here, what I like to do in Redfin, if you don't have Prop Stream, you can look at Redfin. If you scroll down on this property, you go to a map right here and it says map nearby homes for sale. I click on that and what this does is it puts that property right in the middle and I'm going to zoom out just to see what other similar homes are currently listed for sale. I'm going to go here to sort it by price from low to high. Let me zoom in one more time, okay.

Joe: And I can see there's a vacant lot here for silver. \$174,000, \$445,000, \$478,000 zoom out again because I want more now I've got 75 homes and I'm actually going to go to more filters. I only want houses, I just click houses, click apply filters. And these are news. These are nicer homes that had been fixed up, okay. I can tell by looking at the pictures. These are nicer looking homes right. Now I'm going to do something else? I'm going to go here to turn. I'm going to turn for sale off. I'm going to turn sold on. I'm going to go to last year and there's a gazillion of them, right? But remember that house we're looking at is right in the middle of that map. So I'm just going to zoom in. Oops. Let me click apply filters.

Gavin: And I will say as well, this is my opinion that I try not, guys to cross major highways or anything. You will start to learn the market yourself. Sometimes you come in a completely different neighborhood. If you see like a million dollar house versus \$200,000 it's just a different subdivision.

Joe: Yep. Okay. So I zoomed in here. Now I have nine properties so I can zoom out if I want a little bit more zoom out. Now again, this property member, it was super small. This was a



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825 square foot property. So I could go here and I could go to more filters and I can say square feet. I would do 750, 12, oops, 750 to 1,250. So these are the smaller homes here. And again, I'm sorting this by price a to z. So it's low to high. And I can see here there's one the property that's sold, \$245,000, \$285,000, \$299,000 and I'm okay like this is in the last year. Sometimes you know, if you need more comps, you can go to six months or one year or whatever I like to get is one year if I can.

Joe: So, when I'm talking to the seller, I can say, man, I see a property here that's sold recently, for \$245,000, \$285,000, \$299,000. So what I do is when I'm making a quick cash offer, I'm just going to go in and I'm going to average the lowest three or four depending on what you see as kind of like the grouping there. And you can do this by table as well. And I'm going to average that, multiply it by 80% is what I like to do, okay. So I'm just going to get my calculator out and let's just take, I'm looking here at the grouping, you know, and I can see there's kind of grouping right in this area and then these are probably houses that need fixing up. Um, so I'm going to do \$245,000 plus \$285,000 plus \$299,000 plus \$299,000 hopefully I'm doing my math right divided by four.

Joe: So the average was \$282,000 times 0.8. So I'm going to offer \$225,600 now I'm assuming this property needs a lot of work, okay? But by the way, first I'm going to find out what price the seller wants for it, right? I'm going to ask them at least five times. What's the least you'd take for this property? If they tell me the least they would take as \$400,000. It's probably not going to work, right? I'm not even anywhere near the ballpark. The second thing that you want to do is after you're looking at this, if you're going to offer \$225, that means you're going to sell it for maybe \$240,000, right? You're going to try to sell it for \$240,000. So what is your competition like in this area? And so what I like to do then is go here and I switch now to for sales, I click apply filters and I want to see what are other similar properties currently listed for right now, if I want to sell them.

Joe: These are still active. Let me, well here we go, I've got sold turned sold off. Apply filters, zoom out. There're very few homes in that size it looks like you're right. Zoom out some more. Here we go here's seven homes sorted by price. So do you think if I sell my, if I'm going to buy it for \$225,000 and I'm a sell it for \$240,000, \$245,000 do you think I'm going to be able to sell it quickly? Yes. Why? Because look at my current active comps in that size, right? I'm going to sell that thing really crazy quickly. In fact, I might even be able to sell it for \$40,000 or \$50,000 a wholesale fee. And you all in California do that all the time.



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In fact I'm going to have dinner tonight with Todd Toe back because I'm flying to San Diego and that's his average wholesale fee on these deals.

Joe: Like \$30,000, \$40,000 grand on average. Like a minimum. He won't look at a deal. He's not going to make \$30,000, \$40,000 grand on it. Okay. So if I'm making a cash offer, that's what I do. I either go to Prop Stream here. I'm going to sort this by. I'm going to look at my comps here. I might have to go out a little bit. I might go to Redfin, but I want to look for the three or four lowest solds and the average then multiply that by 80% and that's my cash offer. If you're thinking, man, that's sellers. The seller would never accept an offer for \$225,000. You never know, guys, we're buying vacant land right now that's worth \$20,000 to \$30,000 for \$1,000. We're buying vacant land sometimes for \$500 bucks, like in the middle of nowhere. So you just never know.

Joe: You might think, well, like who on earth would sell? Like if you go to garage sale, this is maybe a bad example. All right? Let's say you go to a garage sale, right? And you see a treadmill, somebody paid a \$1,500 bucks for, right? And they're selling it for \$25. You may think, what are they thinking? Why would, here's why they're selling it for such a huge discount, right? They've used it twice. Every time this guy looks at it and walks by it and reminds him of how fat he is and how out of shape he is, right? And his wife is ticked at him because he's never used it. He wasted all that money on it. So she's always yelling at him and like all it does now is collect clothes. It's like where you hang your clothes and all of that.

Joe: And he's just like, I'm so sick of this thing. Or his wife is and they just next garage sale, they throw it out there and they sell it for \$25 bucks. But it works, it's a perfectly good treadmill. Why would somebody sell it for so much cheaper than what they bought it? Because they're motivated, okay. And you can only do deals with motivated sellers. So when it comes to making offers, make offers on the numbers that work for you, okay? Don't worry about what the seller, if they're going to get mad or get furious that you're offering such a ridiculously low price. And here's the great thing about knowing how to do lease options. Let's say that I offer them, what did I say? My memory is bad \$225,000 and I'm like, no way I wouldn't sell that thing for less than \$350,000 then you say, well you should probably just list it with a realtor then.

Joe: Have you thought about that? Oh, I don't want to listen with a realtor because they're going to have to what? You can just clean it up a little bit. I can refer you to some agents.



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You're going to have to clean it up and fix it up and you know, get ready to show it to a bunch of buyers, I'm sure. But you know, if you want the best prices, what I'd recommend, and here's the thing, it's a negotiating trick, but I'm also helping the seller get the best price possible for their house. So they can't come to me later and accused me of like taking advantage of them. I said, no, I told you should list it with a realtor. So anyway, here's the thing. I said, well, I don't want to listen with a realtor.

Joe: Well, what are you going to do if you can't sell this house, Mr. Seller? Are you going to rent it? I know you want for \$350,000 but what are you going to do if he can't sell it? Are you going to rent it out if they say yes, boom. There you talk about a lease option. Well what if I could get you, I don't know if this will work for me or not, but what if I could get you \$350,000 for that house? Would you be willing to rent it to me for a year or two first and then I'll buy it? That wouldn't work for you? Bam. There you go right into a lease option, okay. Super simple. Super easy. Cool. Gavin, why don't you, do you have anything to add to that? While I look at the comments here, I want to make sure we answer the questions.

Gavin: Yeah, speed of the offers is important as well. So the more whack they are like they want this example you said earlier, \$25,000 down, right? That's not going to work for us. So your speed of your offer should be as fast as you can get numbers on a piece of paper, like 30 seconds. Zest on Zillow, work three offers out and send it because you're not even slightly close, right? You probably want to give him a month's rent at best and he wants \$25,000 so you've got to think, don't think about, well how could I make this work?

Gavin: How could I get in \$25,000 then make this work for me? Like, no, it's not going to work. Just make your offer and get onto the next call because remember your time is important. He is stopping you making money, right? So you have got to get him off the phone. You can still be polite, make the offer and then move on and follow back up. Because he's just not realistic because the next person may want to sell and if it's the same again, you go again. You only spend time with motivated people. Otherwise get them off, get them off your phone and onto the next.

Joe: Gavin, do you have that slide that we do in our workshop of that example deal? Real simple example deal?

Gavin: Yeah.



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Joe: Is there a way you can, you can send that to me. One of the things we do in our workshop, which is really fun, we show somebody an example deal and I'll share it with you guys because this is such a great exercise. You know, when you're, when you've got leads, you should be talking to five sellers a day, five sellers a day, right? And you got a bunch of leads coming in. You need to just make quick offers. You shouldn't be on the phone longer than three to five minutes. If they're ready to do business today, if they're motivated, then you can talk to them more. Otherwise you just got to talk to them, make an offer, and then follow up. You can spend more time with them if they're ready.

Joe: But again, most of our deals come from the follow-up. So when you're on the phone with them, you want to get a number from them first you want to find out what's their situation, what do they want to see happen? What's the least they'd sell it for? You ask those questions. You get a feel for where they're at. You know, do they have to have cash? Can they wait for it? If you can give them a better price. So you want to learn how to quickly evaluate these deals. And like I told you before, just take Zillow and Realtor.com and Redfin and Eppraisal and Prop Stream and real quest express and get those values. Just average them to get to the quick ARV. You might rather, the example I was just showing you, you might rather take the, the nicest properties that are sold.

Joe: In fact, if I go back here to this while Gavin is sending that to me. I'm going to go back to the solds. I'm going to go back to the last six months, okay? I'm going to click apply filters and I'm going to do price high to low. And I might look at this and say, all right, well, I'm going to take the average of the highest ones. Let's just say \$390,000 so I'm to go to my calculator, I'm going to do \$390,000 and this is the typical 70% Mayo formula. But I know in San Diego and this there and Kent Southern California, I can do like 80% of ARV, right? So I'm going to do \$390,000 times 0.8 and I know just, you know, it needs \$50,000 grand, it's cosmetics and you know some repairs it's going to cost, let's say \$40,000 grand for repairs.

Joe: I'm going to take the ARV times 80% minus \$40,000 grand in repairs and I want to make at least \$20,000 assignment fee because I live in California and I can do that. So I'm going to offer close to what I was doing before \$252,000 so take the average of the nicer homes times 70% to 80% minus repairs minus your wholesale fee. That's another way you can make a quick cash offer like that. Did you find that Gavin?

Gavin: Yeah I sent it. I shared the Google drive with you? Your normal email.



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- Joe: Okay, let me go there real quick because this is a good exercise for you guys.
- Gavin: Second to last slide.
- Joe: Okay, cool. This is really, really cool here. Second to last slide. Let me open it with Google slides and I'm going to move it up here and share my screen with you all. We've got a ton of questions here. This is really good guys, keep your questions in. We're going to be answering them as we go here. David is asking, are your VA's trained and ready to go? What company? Is there a time zone problem?
- Joe: Our VA's, yes, they're already trained. They already know how to use Mojo Sells. When we do we set you up with cold calling and when we find our VA's, we actually post the job description. You must have Mojo Sells experience and we find VA's with auto dialer experience and we usually, what we do for our clients is we find three of them and we send them to the coaching client and that client will interview them and hire one of them and they work with our team. We have a team of how many cold callers do we have right now in the Philippines?
- Gavin: Last I knew it was about 50.
- Joe: So we have 50 cold callers and are they all in one office or are they working at home? We're all in one office. Gavin we have is managing that. We have a VA that manages all of them, which is so amazing. I'm just so impressed with that.
- Gavin: And we're not marking that up, by the way. We're not making, it's not like another business or anything.
- Joe: We don't mark that up. So you get, you pay them directly yourself and there's no markup on that cost. But they will do the cold calling for you. They'll prescreen the leads just to do the initial prescreening. And if you want to we can help you find and hire and train another VA to be more like a general admin data entry VA to update your CRM as well. And there is no time zone problem by the way. We tell them when they need to work, they need to work our hours, okay. So let's see. I think the slides are open now. These are really big. Okay, here we go. I'm going to share my screen with you all again.
- Gavin: You've got three minutes guys to get an offer.



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- Joe: All right, so here. Well, let me hide the, see the questions here so you can see this, okay? Can you see, I'm going to make this, Gavin, let me know if you can see this good. Can you see my screen here?
- Gavin: Yes that's good.
- Joe: All right, now here we go. Guys, look at this lead. This is a lead from a cold call in Ohio. You've got three minutes. I'm going to set my timer here. Set a timer for three minutes and 15 seconds. I can't set the timer for a specific time. Set a timer for three minutes and 15 seconds. All right, here we go. So this is a cold call in Ohio. You don't know anything about this house. You just know that it doesn't need major repairs. Maybe carpet and paint. The seller says, just make me an offer. There's no pictures. It's a three-bedroom, one bath, 1500 square foot. You've got three minutes. Here's your Zestimate the rent Zestimate and you just found three sold cops. Okay. What is the ARV, what repairs are needed? What would be your cash offer? What would be a sandwich lease option offer be? And what would your wholesaling lease options offer be?
- Joe: You've got two minutes and 33 seconds. All right. Now we will, Gavin and I will go through this with you next. All right, so, but you should know how to make an offer three different offers, cash offer, sandwich offer, wholesale lease option. So, go through this, guys, even if you can't get all the three of them, but give us a quick, your ARV repairs and your cash offer, at least do those three.
- Gavin: Try and put them in the comments together so they're not like just random numbers everywhere.
- Joe: Yeah, yeah please do that. Because we're getting so many comments and feedback on here. It's just a little overwhelming. So put in there in one comment, the ARV, the repairs, the cash offer, and then we'll show you what we will come up with. Here's the important thing so talking because it's weird and awkward not being talking, but you should be working.
- Joe: Just work while you're listening real quick. Here's the cool thing about this. Once you learn how to do this, it's okay if you're making a mistake, it's okay if you're off, if you're wrong, right? Worst case you're way off and you get it under contract, well you have to go back and after you advertise it for a week or two and you can't find a buyer or is not getting any



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interest, you go back to the seller and you either renegotiate a lower price or you cancel the contract, right? Because you have this contingency in the contracts. Best case, you way under estimate it and you make \$30,000 wholesale fee instead of \$5,000, okay? So don't be afraid to make offers. The purpose of this exercise, and I can't, I don't know what happened to my timer, but let me open it here. You've got, you've got less than a minute left. But the cool thing about this exercise, I should have done the timer on my, here it is.

Gavin: Yeah, the good thing is when you make, if you do make the wrong offer, you always have to learn from it, right? You have to find the why it didn't work, because that's the fastest way of learning the market and learning where you went wrong. Because in any offer, it's just, especially these offers, it's not even a contract you're selling. It's just a letter of intent, right? So it's not like you're in a binding contract all of a sudden and in a mess it's nothing like that. You're going to find out like, okay, we did get a cash offer signed and we go to a buyer and went \$10,000, \$15,000 over then you know that you need to renegotiate, but guess what? The next time you do it, you know where you need to be, right?

Gavin: So when you network in this business, you always have to say, well, why are you, if the seller only wants to give you \$100,000 and you were at \$120,000 well why? Why does he only want to give you that and let him teach you on why the buyer will tell you, well it's because of the repairs or you only said it needed x and it really needs this. So you will be able to learn as you go.

Joe: Very good. All right, so timer's up. All right. Now what'd you guys have? I want to go here to the comments. Let's look at your, there are so many comments in here. You guys are awesome. I think I might crash the system.

Gavin: I can't see them by the way so I can't help you out.

Joe: Okay, so Phil says \$194,000 ARV maybe repairs a \$6,000 cash offer, \$130,000 cool. Danny cash, \$130,000 sandwich lease option. \$140,000 letter of lease option assignment \$190,000 cool. Daryl \$188,000 ARV repairs, \$4,500 cash, \$135,000. Good simple lease options. Sandwich options, \$170,000 \$1,500 a month in rent, \$1,250 to the seller. Good. WLO I think Daryl knows what he's doing here. I love that. By the way, there is no right answer. It's like whatever makes you the most money is maybe the best answer, but this is all awesome. I love this Steve. ARV, \$194,000 repairs, \$7,500 cash off for \$112,000. I wish my assistant was on this cause she could like track these numbers and show put, we can



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put it on the spreadsheet to see what questions you came up with Brad. Oh, am I here? I can see you Gavin. Can you hear me?

Gavin: You just froze for a minute. Your back now.

Joe: Okay. Danny says ARV \$180,000, Judy ARV \$194,000. We're getting a lot of those \$194,000 repairs, \$5,000 grand cash offer \$135,000 Roosevelt. Roosevelt. There we go. \$194,000. Juliet, ARV, \$161,000 repairs, \$1,200 rent, \$1,300 Cedric, \$193,000. Very cool. Rehab and high heels. I hope it's a lady and not a guy. Not that. Well, okay, I'll just shut up. Repair cost \$30,000 cash, \$103,000 Juliet cash \$91,000. Oh listen, Julie, is there an application for working with you? Yes. Go to JoeMccall.com/apply, JoeMcCall.com/apply and we'll talk about the cost on the phone.

Joe: But listen, it's cheaper than any other program out there that does what we do way cheaper about a third of the cost and we refund you the coaching feedback if you partner with us on the first two deals. Okay, so let's go back to these comments. Okay. Yes. Rehab and high heels. Yes, I am. She's a lady. That's good. Not that it matters. Okay. Juliette, \$12,000 grand I meant for repairs. Christy, thank you. Appreciate that. Okay, so let's do, what would you do, Gavin? Let's talk about this.

Gavin: So the way I'd work it out, well firstly I'd pick a pick up this in Ohio, right? So I'm not in California. So I would do, I'd make a note that it is in Ohio. So I'd be looking in my head thinking about 65%, 70% on the dollar. So then I'd take the average of the sold comps, which is I think around probably about one nine. I've got my calculate about \$194,000 or \$193,000. Once I've got that. Now I know Joe you would say, and this is where it comes different, right? This is why we've just seen on the screen anything from what \$112,000 cash to \$138,000 cash. Because of how you're going to work this out. Now for me, I was taking care about 70% off. I'd worked my repairs. It needs maybe carpet and paint, which means it does.

Gavin: I'd probably do about \$10, \$10 a square foot, okay. \$7,500 in repairs. And then I do my 70% less that. And then I want to make a fee of at least \$10,000. Now if you're new, I would start at \$10,000 but you rarely want to get into going as big as possible, right? And this is where on this deal because I'm just making offer, I'd go for \$10,000 okay. But if I was going to, if I knew there's more motivation, I could get prices out. I'm not just going to cut myself short. I want to make last spread as big as possible. But for this I would then take



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\$10,000 off and that would be my office. So I haven't got my calculator Joe, but \$194,000, that's how I would do it. And then on the sandwich lease option without any calculators, I'll just do 15% of 85% of the value of \$194,000 minus any repairs that I could take off, that would be my sandwich lease option. And then my wholesale lease option, I'd give a \$194,000. And then I've given full ask him rent of \$1,200 and we must sandwich lease option. I'd probably give them about \$800 to \$900 in a sandwich lease option for rent.

Joe: Yup. Cool. Let me show you a quickly what I would do. I like calculators because I'm a nerd and I would go here, ARV, I'm just going to go with Zillow, okay. For my cash offer, I'm going to do 70% 1500 square foot. I'm going to do \$5 a square foot for repairs. I want to make at least \$10,000 grand. So my cash offer would be \$115,500 the market rent on this thing is \$1,200 so my sandwich lease option offer, I would offer them 85% of that. So I'd offer them \$154,000 on a sandwich lease option. \$900 a month in rent is what I would pay the seller. I want to keep at least 25% of the rent for cashflow, okay. And I would put \$1,000 down, which comes from the tenant buyer, doesn't come from me and I would do five years.

Joe: And then I talked to the seller and the seller wants, he just says make an offer. Well let's say I can get from him. The lowest he would take would be \$180,000, okay. So that's my wholesaling lease option offer right there. So I'd give them three options. Now if he was kind of a warm to hot lead, it doesn't sound like he is because he's not really, he's hasn't given us a number. Looking at the notes here, he just says just make an offer. So he's probably a cold lead. I might send him a three-option letter of intent. If I can't get a cash offer out of him on the phone, like what's the least you would take? I might just send them a three-option letter of intent. A and \$15,500 for cash. \$154,000 is the sandwich lease option and \$180,000 as a lease option assignment.

Gavin: Yeah. I will say something real quick on the assignment in this one, Joe has got \$180,000 now I said \$194,000 right? So you've got two things here, Joe gets it at \$180,000 is going to move. The deal will move a lot better for Joe than it will for me. But I might have more chance of getting it signed over Joe. So what I need to do is I'm want to extend my term longer than Joe. He did two years at \$180,000; I might have to do three or four years at \$194,000 when I add my money up. So that's why you can play with the term of the price.

Joe: Oh, that's the beautiful thing about this too because let's just say if I zoom in here, you know the seller likes the idea of the sandwich lease option because you know you're going



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to be the tenant buyer, you're going to take care of the maintenance and repairs and you're passing that responsibility onto the tenant buyer. But like you're going to stay in the middle of this deal and there's three profit centers in sandwich lease options, cash now cash flow and cash later, right? So the seller says \$154,000 I can't do that. I the least I can sell it for would be \$175,000 well she's, I don't know if I could do that, but what if I could get you \$195,000 could you be willing to negotiate on the rent? Like I'm not going to give the seller anything unless they give me something, right.

Joe: So, the cool thing about lease options is if they're stuck on price, well there's two or three other things that you can negotiate. You can negotiate a lower rent, you may be a longer term instead of five years, maybe 10 years. You could also do rent credits or like you can say, all right, well I'll, I'll give you \$175,000 and I'll pay you \$900 a month in rent, but you need to give me, what if you gave me \$900 a month rent credit for the first five years. So are, I know I only get that if I pay the rent on time. So if the rent is a second late, then I don't get the rent credit that month, right. So you could offer, I could give them the price. If they give me a lower rent or a rent credit or longer terms, what do they say?

Joe: I can't wait five years. I've got to do, I can't, I don't want to wait longer than two years. Well, you could say, well, all right, I can maybe do two years. If we could set the option price at \$145,000 can we do that or \$140,000. So if you got to find out what's more important to the seller price or terms, right. And then you can, that's the great thing about this, cause you can negotiate if you're just making a cash offer, there's really only one thing you can negotiate and that's price. Maybe he'd be like, I can't sell it for \$115,000 I owe \$135,000 you know, so what do you do? You people just throw that lead away. But if you know how to do lease options or owner financing, you could negotiate so many more things, right.

Joe: That's really powerful thing with this. So the whole point of this exercise that we did with this slide that we show you is we just want you to start thinking of like make offers, make offers. Here's the thing. This is secret to success in real estate, okay? Your speed to income in this business is directly proportional to the number of offers that you make. Write that down. Your speed to income is directly proportional to the number of offers that you make. What does that mean? Well, if you want to make a lot of money, you got to make a lot of offers. That's one of the things we do with our clients. It's like, hey, listen, if you want to make money in this business, make offers. It's like working backwards. If you want to do deals, well, you got to make offers.



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- Joe: If you want to make offers, you've got to talk to sellers. You want to talk to sellers, you got to do the marketing. So we give all our coaching clients a scorecard, and not all of them do it, but some of them report on their numbers every week. We want to see their scorecard every week and we want to see, all right, how many sellers did you talk to in the last week? How many offers did you make? And if you're struggling, I almost can guarantee you're struggling because you're not making enough offers. You're overanalyzing things, you're spending too much time dinking around with the stupid spreadsheet farting behind the computer in Podio or REI Simple and you're not talking to enough sellers. You're not making enough offers. Right, Gavin?
- Gavin: Yeah, absolutely. And I want to give a shout out to Jason Perez, one of our coaching students. He's been with us about two weeks. He has Voxered me every single day, Monday to Friday, and told me how many offers he's made. And he's either been four or five or six. Yesterday he Voxer me just got one wholesale deal under contract and he should have a lease option today within two weeks, right. Just because...
- Joe: Tom Curl sent that to me.
- Gavin: Just because of the numbers. So he just gets it, right. And then I've spoke to other clients this week that's only spoke to three sellers last week. And why are we not getting contracts? You know? It's just, you've got to keep the volume, the lead volume is not there, and you're not talking to sellers and making the offers. You're not going to get business done, you know? And he's just proving every time that when you are accountable to that scorecard, it's so much easier to coach someone that's actually. If Jason did that for a whole month and didn't get a contract. Then we could say, well, is it the offers you making? Is it the way you are on the phone? We can adapt. We can work with something rather than, I've done nothing. Well, that's why it's not working. So what do you do at that point? You know? So just make sure guys, you just get in the offers out.
- Joe: If you want to work with us, by the way, and you want us to, you want some accountability. You want someone to help you with your scorecard and evaluate what you're doing help you grow and excel and do more deals. You just want somebody who like to kick you in the butt. Maybe politely go to JoeMcCall.com/apply and on there some information about how to work with us. We you some case study videos and some interviews with some of our students, but um, we do that with everybody. We want to, we want you to be accountable to the numbers. You know, I heard somebody, I think it was



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Mark Evans say data not drama, okay. If you don't know the numbers in your, you don't have a real business guys. If you don't know the numbers, you don't have a real business. You've got to know the numbers.

Joe: How many sellers do because? Like you can't break down. If you want to make \$10,000 grand a month, you can't control that, right? You can't, but you can work backwards from there. You say, all right, well I want to make \$10,000 grand a month. So that's, if my average profit is \$5,000 per deal, I got to do two deals a month. Well, you can't control that either, right? Well, you can say, all right, if I want to do two deals a month and I need an average of 40 leads to do a deal, I need 80 leads a month. Let's just make that a hundred I need to get a hundred seller leads a month. Well you can't control that either, right? So then you work backwards from there. All right, well, if I want, you know, 50% of my leads come from direct mail. I need to get 50 leads from direct mail, and if I get 1% response rate, I need to send out 5,000 letters a month, and if 50% my other 50% comes from cold calling, then I need to do three hours of cold calling a day.

Joe: I need to put out a hundred bandit signs a week or I need to send a 50 text messages a day to Zillow, Craigslist or whatever, right? You break that down into goals you can control and then you put that in your scorecard. So it could be as simple. It doesn't have to be complicated, but it's as simple as, all right, I need to send out 50 text messages a day and you can do that super easily by the way with REI Simple. I want to send out 50 text messages a day to Zillow for sale by owner and rents. And then I need to go to Facebook Marketplace and contact 20 people a day, and I need to send 30 yellow letters a day to evictions, delinquent taxes, some small specialty lists, right? Like if you can get a list of people that have had their utilities turned off every day, you're going to send 20 to 30 yellow letters to sellers in your area.

Joe: What else could you do? You could do some maybe two hours every week of driving for dollars and you find vacant homes and whatnot, right? You put that in a scorecard and then you start tracking which of those marketing channels are giving you the double your leads? What is your average cost per lead, right? Then you start tracking what's working, what's not. And you know, every day your goal is to talk to five sellers a day. So you're looking at that. It's got to be in the score. It can be on a napkin, it can be in a spreadsheet. But that's what we help our clients with is figuring out what do you need to do every day. If you want to make 10 grand, \$20,000 grand, \$30,000 grand a month, we're not promising anything. But like, it's not that hard. It's really not that hard.



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Joe: So let's go to some questions here. This is from Kaye. Hey Joe, I know you don't typically recommend going after lease options over the median price. Um, but I have a seller that would like to meet to do a wholesale lease option on a home for \$662,000. Can you evaluate the deal if I provide the address? Yes we can. But let me just say this. When it comes to, typically you want to stay in the median price range when you're doing lease options, but it's okay if you go above it. I don't recommend going below it, right? You don't want to do lease options on junker properties. That's a recipe for disaster. But on the higher end homes, certainly, yeah. Here's the cool thing about the way we do lease options, right? You're not obligating yourself to do anything or make any payments until you find a tenant buyer for that house, right?

Joe: So it may take you six months, that's fine. Not a big deal. The seller is still advertising it on their own or with the realtor or for sale by owner. So I'm going to go ahead and get it under contract market. The property market, the contract as a lease option. If I find a tenant buyer, great in that price range, right? And by the way, \$662,000 might be the median price range in San Francisco or California or DC but you know, most markets around the country that's higher, and just know this, the pool of buyers are smaller in that upper high end. But if you find one great, you're going to make \$20,000, \$30,000 grand assignment fee, most likely on some of those deals. So I would still do a lease option on a higher end property. Just expect that it might take longer. And I'd give the sellers some realistic expectations. I don't know if I can find a good tenant buyer in this price range because it's just above, you know that far above, okay.

Gavin: And also on that, don't make sure that you're not just focusing on that one property because it is going to take you longer. You need to keep talking to sellers to get more contracts in, right? You always should want one, two, three, four, five contracts roll in at once if they're in the same area. What you'll find is when tenant buyers are looking at one that doesn't work for your, move it to one of the other properties that you have. And with the high end, I see this sometimes is that people just like wait around and all they do is market that one for six, seven, eight weeks and it, and like Joe said, the pool of buyers are a lot smaller. So just be prepared to get your ads out and then let that run move on and get another contract.

Joe: And this is really important too with lease options. It's like a garage, it's like a used car sales lot, okay. You know, you're driving down the freeway and you see a used car sale lot over on the side. Guess what? It's got a lot of cars in there and lots of lights shining. But if you're



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like driving down and you see a used car lot with only like one or two cars in it can, you know that's kind of weird and you're just not going to pay much attention. So sometimes it's the same when you've got only just a few properties that you're advertising. You're not going to get a ton of traffic, but the more properties you get, then the more traffic you're going to get to your website, right? As you start marketing homes. So when you're just getting started, you know, sometimes I leave my properties on my website as still showing as active because I want people to think have a ton of inventory.

Joe: I want them to start calling me and joining my buyers list. And when I'm talking to them, I say, yeah, I'm sorry it's not available anymore. But tell me what you're looking. What are you looking for? We've got these one or two other properties that might be of interest to you to understand? So think of it as like a used car lot and try to get as many houses on there as you can. Now, technically you can't do this, but I did when I was first getting started, I would find other investors that were advertising properties and I would put their properties on my website. So that gets a little tricky with brokering or whatever. So I'm not saying you should do that, but you can maybe, okay. So this is Sam. He gave us that property on Cherimoya and he said, here, I didn't see this.

Joe: The seller's asking \$270,000. We calculated an offer of like \$225,000. So it's just not that much difference, right. They're asking too much for a straight wholesale deal. I agree Sam, but I'm curious if this would work as a lease option deal. Maybe. So this, if you remember the property, it was only like 850 900 square feet, right? It looked like it was rundown. It needed a lot of work. You can do lease options on junker properties, okay. And I've done several of them, lots of them actually. And they are amazing because you get a lot of buyers, you need to advertise it as a handyman special lease option. And so you got to make sure there's a lot of equity in the deal and the rent needs to be about 75%, 80% of the market rents. So I would do a lease option on this property.

Joe: I would make sure the seller gives me plenty of time, at least five years. And I would want there, if the market rents are \$1,500, I would want that rent to, I want to advertise it for like \$1,200 or \$1,300 a month in rent, okay. And I want to make sure if, like, if it's worth, let's say it's worth \$350,000 fixed up, I want to make sure that there's a lot of equity. So even after the tenant buyer comes in and fixes it up themselves, there's still a lot of equity in that deal. So every time I've done a handyman special, I've gotten tons and tons of interest in it. Those are very good deals. And so you just advertise it as a handyman special.



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We have a student, Marty, who did a deal in a small town area needed about, I don't remember the numbers.

Joe: It was in a small town. The seller was stuck on their price and Marty said, well, if I can get you that price, can you do a lease option seller said yeah. Great. So the seller, Marty found a tenant buyer within a day who was a handyman electrical contractor who can fix up the house themselves, but the seller was stuck on their price. So Marty negotiated with the seller to keep 100% of the rent for the first two years. And then after the next three years, she keeps 50% of the rent seller said, fine, that's great. So, Marty now has a tenant buyer in that house that's fixing it up on their own dime. There's not a ton of equity in, excuse me, but Marty is keeping 100% of the rent for the first two years. That's about \$900 a month. So she's making almost \$10,000 a year for the and then she's making \$20,000 in cashflow the first two years.

Joe: And then after that she's making \$450 a month, which is what, like \$6,000 a year in cashflow for the next three years. So just on the cashflow alone, and there was a little bit of equity, she's making about \$58,000 profit on this deal, \$58,000 profit on a deal where the price was too high. The seller was motivated but didn't want to sell it for less than that price on a lease option in a small town with a property that needed a ton of work and she's not doing any of the work herself. She's got a tenant buyer that's fixing it up, so that's an example. Those kinds of deals. There's ton of them out there.

Gavin: That's one of the best I've seen. Good negotiation.

Joe: Oh yeah, this is Max and if we go like this, you can't really see us, but. Hi guys I'm still confused with the contracts. Please help the seller and investor sign the lease and option and then the tenant buyer signs the assignment agreement and the option deposit tenant buyers should give to the seller or the investor? Okay I'll do my best to answer this real quick. Just you know a regular wholesaling deal, right? You sign a contract A to B with the seller and then you sell that contract to an investor that's the B to C and you sell that contract or you assign it to that investor for a fee. It's the same thing with the lease option assignment. You get a property under contract with the seller, you're the tenant buyer. Alright? You have a contract to lease it for a couple of years. When you find that, I'm then going to turn around and I'm going to advertise that contract to a buyer.



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Joe: I'm going to get a tenant buyer and I'm going to, then after I mark up the price up a little bit. I don't want to get too technical here. I'm going to bump the price up a little bit and then when I find a good tenant buyer, I'm going to sign some new paperwork with the seller, a separate lease and an option agreement, and I'm going to assign those agreements to the tenant buyer and then I'm going to be done and out of the deal, I want to make sure the tenant buyer makes out their option deposit check to an escrow company. And the other thing is on a sandwich lease option deal on a sandwich lease option deal. I'm going to sign a contract with the seller and then I'm going to assign sign a new contract with the tenant buyer and I'm going to stay in the middle.

Joe: So I have a contract with the seller at a lower price and a lower rent and I'm going to sell it to a tenant buyer for a higher price and a higher rent for three, four, five years and I'm going to stay in the middle. That's how the contracts work. Hope that makes sense. This is from Connor. I have a seller who has agreed on \$5,000 for option deposit, but doesn't want to credit the whole five grand towards the purchase price. She only wants to credit \$3,000 grand. Could this still work? I don't know Connor. I mean like grandma, if you're offering to pay the seller five grand as an option deposit, I think that's too much. Unless it's like a really nice expensive house. I don't try to typically offer more than a \$1,000 because when I put my tenant buyer in there, I'm probably only going to collect \$5,000 to \$10,000 grand from the tenant buyer.

Joe: So, where is that \$5,000 grand coming from? So it's got to be, if you're going to pay that much, it's got to be like, there's got to be this really good equity and some good cash for the one that, or I might just pass out. The seller is not motivated and ready to do a deal yet. Okay, so we've got another example. I don't know if this is going to show up. You can't even see us on there. Let me just write this address down real quick. 2761 Gibson Street Lake Station, 46405. All right, so, Indiana I have another, I'm looking for a wholesale, maybe seller finance. Here's the address. It's a little outdated. Will be a rental. Okay, so let's look at this. So first thing I want to do is go to Prop Stream, PropStreamJoe.com.

Joe: I'm going to type in that address here. 2761 Gibson Street. There it is. I'm just going to zoom out to see where this is so y'all can see it. So it's up by the Chicago area, South Bend Portage. Is this considered a suburb of Chicago or is it just Gary, Indiana? Anyway, regardless, I'll click on details here. So, this is a property it's owned by an individual that says it's vacant. It is a, it's an owner occupied property. That's interesting, isn't it? Two beds, one bath, a thousand square feet.



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Joe: By the way, two bedrooms scare a lot of investors, but I know some rental landlords that love two bedrooms and they only buy two bedrooms. You know why? Because typically in a two-bedroom house, you're not going to get a bunch of kids. You're going to get somebody that's either really young and they work a lot, so they're not there at home hardly ever. Or you're going to get an elderly couple or an elderly person and they stay for long-term, long-term. So you get less maintenance with a two bedroom and the rents are very similar for a two to three bedroom and then the prices a lot cheaper. But rents are similar. So the ROI is potentially a lot better on a two bedroom.

Joe: Just a little tidbit there. I didn't know that until I started talking to some of my buyers and I found one guy who was like, I only want two bedrooms because there's so much easier to maintain and manage and my ROI's are way better on them and nobody else wants them so I can get them for so much cheaper, etc. etc. So let's just look at transaction history here. This lady bought it back in 2008. There's a, this mortgage, there was a mortgage from 2008 for \$25,000 grand. Cool. Property details. Again, it's a small little house. You got a bunch of assessment information, prior sale information, you see this is why I love Prop Stream. It's just so much good stuff in here. Now let's look at comps. These are comps within a half mile. There're 14 properties.

Joe: I'm going to sort this by sale amount. And what I typically do when I'm looking at this again is, I'm just looking at, I'm going to ignore the outliers, right? And I'm just looking at the three lowest, I'm going to average them. If I'm going make a quick cash offer, I can tell you this too. I'm not going to make it. I'm not going to do at least option on this, right? Prop Stream said the, they're estimating that it's worth \$78,000, so it's kind of outside my comfort zone for at least options. I'm going to take \$49,000 plus \$51,000 plus \$56,300 divided by three times 0.8. I'm going to offer \$40,500.

Joe: Now maybe what I'm going to do next is I want to see, well, okay, if I offer \$40,500, I'm going to try to sell it for \$50,000. What's my competition like in this neighborhood? Are there other properties that are similar that are currently listed for sale, right? That are going to be in that price range. So I'm just going to copy this. I want to see what Zillow is showing me right now. Let me just go to Zillow.

Joe: Type that property in Zestimate is \$69,000. So I'm going to, if I close this Zillow, that property is right in the middle of that map. Okay, so now I'm going to go to my filters here. I'm going to do for sale. I'm going to remove my price range filters here. I'm just going to



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say any bedrooms and I want only houses. And now I'm going to just zoom out a little bit. There's only one property for sale right now. Zoom out again. All right, so now I have five results. I'm going to sort this by low to high. So again, if I offer \$40,000, I'm going to try to sell it for \$50,000 look at my list. I don't know if this is going to work. Here's a property they're trying to sell for 32 here's the property that they're trying to sell for \$42,000 and has been on Zillow for 75210 days.

Joe: 54 and they just cut the price a month ago. So I'm looking at this thinking, well, I better offer a lot less than \$40,000 right? Because I want my property to be the lowest, cheapest property in this area. I can zoom out again to here's a house for \$39,000 yeah, these need work, but you know what? This property doesn't need that much work and I better make sure that if I'm going to sell it for \$30,000 it better be nicer than this property is right. So just real quick, I'm going to offer \$20,000. If I can offer \$20,000 I can sell it for \$30,000 probably pretty quickly. That's it. Bam. I don't care about repairs, do I? Nope. I know I don't care about repairs. I'm expecting that it's going to need a lot of work just because from the area I know in this, so I'm just expecting it to lead all work.

Joe: Here's the cool thing. What if \$20,000 grand is too high and you can't sell it for \$30,000 I can't even sell it for \$25,000 that's okay. I can go back to the seller, renegotiate a lower price or cancel the contract. By the way, sometimes you can get good solds from Zillow as well. If you go here to more actually go to I'm just going to click sold right here. Now I'm going to go to more, I'm going to say sold in the last six months, like done. And here you can see there's some more 500 so sometimes you can get good solds comps from a Zillow, sometimes you can't. Cool. All right. Is that helpful?

Gavin: That's good.

Joe: Easy peasy. Let's do one more from Roosevelt. 731 Olney Drive 78209 seller wants \$110,000 new roof foundation lifted sellers, rehabbers fixing up to rent out until 2017 had a number of family tragedies. They want cash only. Good. PropStreamJoe.com did I mention that before? San Antonio, love San Antonio. Good market. All right, so I'm going to click details. So they want \$110,000. All right, we can go to transaction. Well let's just look at this here. This is a two bedroom again, one bath, a thousand square feet built in 1953 it's non owner occupied and it's owned by an individual, not an LLC. So it's interesting here, you see the mailing address is 730 Olney and the property address is 731. So it looks



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like the owner lives next door. You can see all the detailed information here about the property.

- Joe: We go to transaction history. So it was last sold for \$93,000 on a gift deed. That's interesting. You can also see here there's just some kind of divorce that happened about the same time. So the last sold was \$93,000 or something. If I go to mortgage, there is a mortgage on it for \$75,000. And for some reason though, Prop Stream is saying there is no mortgage balance. And that might be because the last sold. So I don't know. I don't understand that. Let's look at comps right here. Sometimes there's pictures too. By the way, you can see are the pictures typically from older MLS listings? So this property needs a lot of work I'm guessing. The roof was replaced recently. Let's go to, yeah, let's go to comps, sort it by sale price. And this is good. I see some I see some numbers here that are kind of grouped and you know, a good, similar, a good chunk.
- Joe: And you can see the comps here. So I'm going to make a cash offer. They want \$110,000. Let's see if that number works. I'm going to take a calculator. $\$97,500$ plus $\$106,900$ plus $\$119,400$ equals divided by three times plus eight. I'm going to offer $\$86,000$ is that right? Yeah. $\$86,350$ is what I'm going to offer. Now. What? Say you do offer $\$110,000$. Well, let's look at what this property would probably be. Let's see if like that might even work. Let's go here to the Zillow type in the address. They're saying it's worth $\$132,000$. Okay, so those pictures came from Zillow. It's interesting, right?
- Joe: I'm going to close this because now the property is in the middle of that map and I'm going to go here to look at solds. I mean for sales, I want for sales and I want to remove the reset all filters. Okay. And only one for sales. And I'm going to zoom out because that property is still in the middle. And I have three properties here. Zoom out again. Now I've got some more and I'm going to sort this from price low to high. Oh look at this. Here's a property for sale right now for $\$120,000$ that looks like it's, doesn't need any work. This is a nice house, okay.
- Gavin: And what you'll find is as well, when they don't put the pictures on right, normally they will show their best pictures. So if you've got none in the inside, you can pretty much bank on that it's not going to be in a good condition.
- Joe: Yeah. So this, you know, I can tell you $\$110,000$ is going to be too high because then I'm going to have to sell it for $\$120,000$ and I'm competing against this house. And you know,



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he's, I think they said he's, it was a rental and they're just, you know, probably got a tenant in there that, you know, didn't take care of the property so it needs at least \$10,000, \$15,000 grand in work, right. So I'd make a cash offer for \$86,000. By the way I know he said the sellers said they only want cash. I'd still offer lease option, right. What if he, what if the sound going back here?

Joe: Yeah, here's the comment, so it's probably been rented out or I don't know what's going on. But like they say, they want \$110,000 what they say and what they'll take are hardly ever the same. They may not be motivated now. They may not take your cash offer now, but they will later. So I might say, I could maybe get you \$110,00 if you are willing to rent it to me for about a year or two and then sell it. That wouldn't work for you probably, or would it? Yeah, you should probably just list it with a realtor. Have you thought about that? Sounds like a nice house. Why would you even want to sell it? That's probably how he found out that he had some family tragedies there, right. But like, sounds like a nice house. Why haven't you sold it yet? What's going on? That's a good price. Why haven't you sold it yet? Let's see what I'm doing. I'm just asking questions and to find out how, you know what, so yeah.

Gavin: You need to make them realize that they're not being realistic. And that's okay to tell them. Well look I don't want to embarrass myself. I'm going to offer way less than \$110,000 so I'm not even going to, you know, waste your time. And then I don't say anything. What else are you going to say. He's going to say is he going to let me off that phone without saying, well, what would you pay? And then I'm going to go again. Honestly, no, it's going to be way less than \$110,000? What's selling in the market and in retail I just can't make it work. I just know this is going to work for you. And then he's going to go again. Well what is it? What is it? Tell me in the private.

Gavin: So when I say \$60,000 I've got him in a calm state that is not going to, you know, bite my head off. And then the transition is I go super low. So let's say I wanted to \$80,000 I go to \$60,000 and then you've got in the last few days, I can't do that. I go, well how close are we? And then I want him to come to me and go, well I might be able to do \$90,000 and then the negotiation starts and you can start then coming in together to get the price that you want.

Joe: Exactly. Yeah. It's so simple. So I'm going down here through more comments. This is Brooks. I have a lease option deal on a five-year term. I have four months of no rent. It



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needs very little work to list on the market. Can I listen on the MLS with just the option to purchase? So Brooks, I'm not sure I understand. So it's been vacant for four months. You've not been able to find a tenant. If that's the case, there's usually only one. There are two reasons for that. Number one, it's overpriced and 9 times out of 10, that's the problem. Or number two, you're not marketing in the right places. Craigslist for sale by owner and for rent. Zillow, for sale by owner or well for rent if you can. Facebook Marketplace and signs, you've got to put signs in the yard, especially if it's a sandwich, lease option deal.

Joe: You know, you should be putting five signs in the yard and put 20 signs out in the neighborhood every single weekend. And if those things aren't working, then it's probably overpriced and you need to think about lowering the rent. Now can you listen to on the MLS? If you can find a good broker that will let you do like a flat fee listing. It depends on the state. Some states, like in Florida, it's really easy to advertise a property on the MLS by owner by contract, right? This is Andrea. I'm doing a rent to own on one side of my duplex, I live on the one side. Is the option fee taken off the sale price or is the option free? I don't know how your con duplex is set up. Like if you're doing a rent to own, well, so you're buying it rent to own from the seller or are you, do you own it and you're selling the other half as a rent own to the tenant buyer?

Joe: Here's the problem. You can't sell half of a duplex unless you get it rezoned or reclassified as a condo or something like that, right. Depends on your area. If you're buying it rent to own from the seller, that's cool. And you're living on one side, you can just rent out the other side and that should pay your rent and all of that. But normally, yes, the sales, the option fee is taken off the sales price. And or depending on how you set it up, the option fee does give the tenant buyer the exclusive rights to the property. So, it's not an or either or. It's both and okay. Does that make sense? It's a both and question. You're welcome, Ratara. Appreciate it.

Gavin: Thank you.

Joe: Thanks for showing how to get the ARV big help. You're welcome, Julie. So this is Roosevelt asking clarifying later to sellers not one creative financing he wants all cash. Okay. Okay, that's a good question from Roosevelt for comps, we are never to cross major highways. What about major state roads? Yeah. So you try to stay on, you know, say try to stay on the side of a major road or a highway for sure. Can we report numbers into REI Simple from Call Rail? The answer's yes. I'm 90% sure. So when you get in there, there's some support,



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send an email to Support@JoeMcCall.com. And um, there is a video from Freedom Soft that shows you how to do that.

Joe: And I'm not 100% sure. I know you can do it from Twillio. I think you can do it from Call Rail because Call Rail uses Twillio. All right. Thank you Will. You're welcome. This is cool. This is Ed and I was talking about Todd, right? And I'm flying to San Diego in about, I got to leave in about 10, 15 minutes and I'm not packed yet, which is normal of me. But I'm going to hang out with Todd toe back tonight. Good friend of mine. And Ed says, I remember attending your control of that ownership summit that you did with many years ago with Todd. That was so fun. It's crazy. Okay, Phil, what if the condo has HOA's you just got to figure that into your offer. Okay. Simple as that. I make the tenant buyers pay the HOA's

Gavin: And I only mess with condos in the right places personal.

Joe: Yes, yes.

Gavin: Like in Florida. Near a beach. Yeah.

Joe: If a seller is motivated, but as currently listed with a realtor, do you wait until the listing is expired or do you bypass the realtor and talk to the seller directly? So you never want to bypass the realtor. You never want to try to tell the seller to cancel the listing with their, you know, none of that, right. So if it's listed with a realtor but I found the seller through my own marketing or the seller contacted me, they were whatever I'm going to, then I can talk directly with the seller, but I'm going to tell them, you need to send this off or show this offer to your realtor and I'll still make an offer to the realtor. But it's on my terms, like my offer, I don't care about the commissions, anything like that. That's between the seller and their realtor to figure out among themselves.

Gavin: Or on not. If you do get the seller, especially if you're not licensed like me, you could just say, well, how long have you got with the realtor? If they say, oh, another three weeks, and just say, well look, if you don't move it, give me a call after three weeks and wait it out.

Joe: Yup. So do you budget negotiation wiggle room on your offer or is that a flat offer? Ah, I think you know what I do try like if my lowest, if I want to offer \$80,000, \$600,000 is \$86,000 on a property, I might start at \$80,000, so I get some room there. If I'm advertising it for a \$100, I might put a built some room in there so I can yeah, you can do that if you



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want. What is our cost for a VA? Our VA's are working for us on cold calling. Gavin, what is it an hour?

Gavin: \$5 an hour.

Joe: \$5 an hour. And they're amazing too by the way. That's how we use Filipino VA's and they're really, really good. Sandra is asking a question about payment plans for my courses and stuff. I'm just send an email to Support@JoeMcCall.com and we'll try to work with you on that. Thank you Christie. Oh, we already showed that. Thanks again.

Gavin: She's in England. That's Ian's wife.

Joe: Oh, is it really?

Gavin: Yeah.

Joe: The Hikers.

Gavin: That's when we started.

Joe: That's how we met. Well, you just, while I'm looking through the comments here, by the way, guys, again, type in the comments any final questions you have and let us know what you thought of this stuff, okay. But tell us how you guys started. This is cool.

Gavin: Yeah. So we met in, I was in the US we're visiting England in Cornwall, sitting in a coffee shop next to Ian and Kirstie. We struck up a conversation through my wife that was obviously from America and Ian's from Ireland. And she thought he was from South Africa and she was having none of it, so I of course interrupted because interrupted them just to prove the point. And then we stripped the conversation off, what do you do? Blah, blah. And he said, I'm a property investor, but I venture houses.

Gavin: And then that's kind of what peaked my interest and here we are. So yeah, after mapping all that through from England to the United States, that's how then we met him in Spain and here we are today. So that's the fast version of it, but pretty, pretty amazing. Because I'm not like one of the guys that was looking for, you know, to do this and I've always



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wanted to get into real estate. It was nothing like that for me. You know, it's more the opportunity to work from a phone and a laptop.

Joe: This is crazy. I forgot about this. Somebody is asking where do you get the calculator and stuff and I haven't done this in a long time but you can actually get that calculator and my mind map by texting the word WLO to 313131 and I have a mind map that kind of teaches them basic, simple things of wholesaling lease options. So, if you want that, and in that mind map is the calculator that we did text the word WLO to 313131. Thank you Eric three frog for reminding me of that, okay when we contact sellers by text, should we approach with cash offer first or just ask if they would consider a lease option? It depends. Like, if it's a lower end property, then I kind of take the cash route. If it's a nicer home and I know it doesn't need work, I might, you know, try to ask them what they want.

Joe: Lease for cash but then go the lease option, right. What are you going to do if you can't sell this house, you're going to rent it? Good question Phil. How would you handle lease options in Texas? First of all, let me say this, you can do lease option assignments in Texas, but you can't do wholesaling or you can't do sandwich lease options. So you can do lease options, assignments and in the simple lease options course we teach you how to do them. And we interviewed John Jackson is a guy who does ton of lease options in Texas and we show you how to get his stuff for free. And cool. Lisa, can I do a lease option on a four-unit apartment building? Yes. You can't sell it on a lease option, but you can buy it on the lease option, right? And I would try to make sure you get at least four to five to 10 years because then you know, you need to find a way to cash out or buy the property sometimes with that. Steve Terry, I love the questions displayed on the screen. Cool. I do too.

Joe: Okay. If the option fee is made out to an escrow company, then how do we get paid? I'm in Texas so we can't do this. You got to work with an escrow company that knows how to do it. So the escrow company keeps the money for just a few weeks until the tenant buyer moves in. All the paperwork is done and then they cut you a check. That's how we do it.

Joe: So we just sandwich lease options and yes in our local area if, how do you manage it? Some, I just have, my assistant help me manage those properties. Really. It's kind of how we do it. Okay. Sorry, I can't get that. Wow, this is cool. This is so helpful. I really liked three-minute offer challenge. I'm glad you did. Thank you. Thank you. Thank you. Thank you. Thank you, Lisa. This has been terrific. You guys are nice. Giving us some good feedback. Love it. While this was helpful because we get to see how you would evaluate



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deals as well, would also like to see how you would do these deals as a seller finance. I wish we would've had more time to do that. So that's a good point. We'll maybe we'll do this again if he goes, if you guys think that this is good true champion coaches.

Gavin: Thank you Will..

Joe: Peter says this is great to bit overwhelming since I just signed up last night. Totally understand, right? Like we were diving deep into some deep stuff going fast, but Peter just take one step at a time. One step at a time. Don't worry about step seven and eight until you start doing steps one and two, okay. Just focus on steps one and two. Thank you. Okay. Can I just use your VA's? Yes. If you're a coaching client, yes you can. Lawrence, this is exactly what the doctor ordered. I was on my mission for the day to learn this and I found it all in one video. Nice. Thanks Lawrence I'm glad you liked it.

Gavin: Great job.

Joe: Great stuff. Awesome, awesome new tool in my tool belt. Very helpful and for overload. So much to learn. Gradually getting it. These webinars help immensely. If we do another one, if we do that, just stay on their email list, okay. The truth. Boom. Head exploding content. Thank you. You're welcome Kimberly. Okay, so somebody who's asking me to repeat your last statement regarding speed.

Joe: Your speed to income is directly proportional to the number of offers that you make. Your speed to income is directly proportional to the numbers, the number of offers that you make. Thank you Become debt free. I love that Jerry, good info. Very cool. All right, so guys, listen, we got to wrap it up. If you want to work with me and Gavin, I'd love to work with you. We're going to help you get your marketing and we're going to get your, that's all right.

Joe: Gavin is so funny. He's got like two dogs and his fingers is always on that mute button because as soon as they start barking, he's like. So marketing automation and delegation, okay, those are the three core components of a successful business and so we're going to help you set up the marketing, the systems and the automation delegation you're going to use and plug and play our systems in we're going to give you the VA's. We're going to do the marketing for you and we're going to coach you through this process as well. We're going to give you a scorecard. We're going to hold you accountable to that as best we can.



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As much as you allow us to write and we're going to hold your hand through these deals. You may already be doing deals; you just want to take it to another level.

Joe: You may want to do deals virtually. These deals that we're doing in Alabama, Gavin and I never talk to the sellers. We partner with local folks. We build teams and systems around us to do that. I was doing deals with traveling around in an RV in four different states. I've done deals from countries in Europe, in the United States. So we're just, we just like doing this. This is easy for us. We were coaching people before and they were always kind of struggling with getting this stuff set up. And so we just decided let's do it for them. I mean, it's so easy. Let's just set up the systems for them. And so if you're interested in that, to get more information, go to JoeMcCall.com/apply, JoeMcCall.com/apply and on there you're going to find some case study videos as well, where we teach you what we do.

Joe: And we also interview some of our most successful clients and you can learn what they're doing, get it straight from their mouth, not necessarily from us. We're going to JoeMcCall.com/apply get Gavin anything else before we end this right here?

Gavin: I appreciate everyone's time. Thanks for joining us. Hopefully this was good content there, things to go off of, you know, start from to implement it today. I know it's overwhelming. Just pick one thing that you learned and implement it.

Joe: Good. Alright. I got to make like a tree and leave late. Thanks. We'll see you guys. Take care everybody. Bye. Bye.