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How To Know When You're Talking To The Wrong Seller

Hosted by: Joe McCall

Hey, what's up everybody? Joe McCall, REI In Your Car podcast coming at you from my car. Actually, you all know what I drive... have I ever talked about it? I used to talk a lot about my Ford Excursion. I called it The Beast. I used to drive that thing... Big diesel, loud, stinky car. I drive a Nissan Maxima right now. Getting ready to buy maybe a Suburban or a GMC Yukon Denali or something like that. Need a new car and want something bigger. I miss a big vehicle.

Anyhoo uh, just wanted to say hello. It's been a little while since I recorded one of these podcasts. I am actually using a little different mic set up here. I have this little mic that I plugged into my phone. It's from Shure, s h u r e, and trying to see if it does any better audio quality. The microphone itself on the phone is pretty good. I use, I have an iPhone 10 something and it does work pretty good, but I think this might be even better. A little bit better. We'll see. Let me know what you think of it.

So, I wanted to do a little REI In Your Car podcast because it's been awhile. Just got a haircut and I'm heading back home and I was thinking about this recently because I was answering some questions on Facebook and you know, I get this a lot, especially you know, in the group where people, when they buy my course, they're invited to join a Facebook group, a private Facebook group, and they ask questions in there and I'm in there all the time answering questions. And a common question we get is, you know, what do you do when the seller says this?

Or, you know, I sent out a bunch of marketing and I talked to a few sellers and none of them are interested. Or you get this a lot too, is like... You talk to a seller and they're maybe open to the lease option idea, but they want \$10,000 or \$20,000 down to do it. Um, so what do I do then? This is a common question that I get. What do you do? And one of the things that I try to encourage people to think about is, listen, you can only do deals with motivated sellers. So, if on a scale of like one to five with one being not motivated at all, five being very motivated, if they're like a one or two or three, you're probably not going to do a deal with them. You're probably not going to do at least option with them.

And very, very rarely, I should say this. If they're a one or two, you're probably never gonna do a lease option with them. If they are three or a four, you're probably not going to do a lease option deal with them now but maybe in the future. And if they're a five you're definitely going to be doing with a lease option with them, you know, soon in the next few days or whatnot because they're motivated, right? So, you always gotta be thinking about what level on the motivation scale those sellers are and bottom line, when



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it comes to lease options, if you have to try to convince them to do a lease option, you're talking to the wrong seller. Does that make sense? Like if you have to, if you feel like you have to sell them on the idea, if you're getting objection after objection and they're throwing questions at you, it's not a bad thing, right?

I mean it's; they maybe have not heard of it before. They don't know what it is. So, they got a lot of questions, but there's this point where you know what? You just need to pull away and take the offer off the table. The minute you start selling the lease option concept or the minute you feel like you have to convince them to do a lease option, you've lost. It's over. Game over, quit. Like, spend your time and energy is better spent talking to other sellers and making more offers. Now when you get a seller that's on that one to two, maybe three scale, you've got to pull away, and this is all about positioning. It's about your attitude upfront. You need to be like, you know what, I, I'm, you're removed from the outcome. It's okay if they say no, it really is. You know, maybe you tell the seller, you should probably just list it with a realtor. Have you thought about that?

And let them... Pull away. Let them not see that you are desperate for a deal. And that's like the worst thing that can kill your deals. When you're talking to sellers and they see that you're desperate and you need to do a deal now cause you're hungry for cash and you're trying to turn a non-deal into a deal, you're trying to somehow accommodate them. If you can give them a huge down payment for their lease option deal, maybe you know you can find a way to make it work.

You need to make the offers on the numbers that work for you, not the numbers that work for them. Now there's room for negotiation, right? Like maybe you could give the seller \$20,000 down if they are willing to maybe sell the house to you for a \$30,000 discount.

If they want more in rent, maybe you can give them the higher amount in rent if they lower the price of the house to you or if they lengthen the term instead, of five years, maybe seven years. So, you know, one of the things you could say to a seller when they want \$20k down, you can say, well listen man, I don't know if this will work for you. And it doesn't sound like it's going to be a good fit for you either. I don't think it's going to work for me. But what if I could give you \$20,000 down, instead of the \$180k that you need to sell it for, would you be willing to sell it to me for \$150k or \$140k? Say something like that, right? So yeah, I say I could get you that, but could you give me this?

What if I could get you that price? Could you be willing to negotiate on this instead of \$1200 a month, could I pay you \$800 a month? Right. Or You could even say this: Listen, Mr. Seller. I don't think this sound like it's going to be a good deal for me, but let me just ask you this. Um, well I take that back. I was thinking along the lines of, you know, if they want \$20k down, you could say something like, if I could get you the



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20k down, would you want to do a deal today? And chances are they'll probably say yes to that. So that's not a question you want to ask, right?

But yeah, you just got to make the offers, the numbers that work for you and you remember this, this is so important to understand and it's hard for beginners to understand this, but once—the more seasoned you are, the more deals you do, you're going to understand this better and better—90%-95% of your deals are going to come from the follow-up. They're going to come from the sellers that said no at the beginning. They weren't interested. They were not motivated yet and that's fine. But because you followed up with them, you never know. Two, three months later, the tenant they just put in the house as late again on their rent. The realtor couldn't sell it as quickly as they thought they could. Something happens in their life and they're just desperate and they want to get rid of it. And since you've been following up with them, then you know what? Yeah, I think I am interested now, tell me a little bit more about how this works. So just think about that, right?

My whole point is this: If you have to convince the seller to do a lease option, you're talking to the wrong seller. They're not motivated enough yet. That's fine. They need to move on. You need to move on. They just need some time to cook. And a lot of times "no" means "not yet". So, they may not be ready for a deal now. That's fine. A lease option or your cash offer, that's fine.

Make the offer anyway, move on. Follow up. And this is why, you know, it's so important at the beginning of these calls with sellers that you set the agenda upfront and you explain to them, "Okay, hey, you know, I'm an investor and looking for a nice house in this area that I can buy. Can you tell me a little bit about..." Rather, rewind a little bit. "I'm looking for a nice house in the area that I can buy. Do you mind if I ask you a few questions about your house? So just take a few minutes to see if it would be something I'd be interested in. And it's totally cool if you say no, we're not going to work together. That's fine."

But do you see how by setting the agenda like that upfront, you're putting yourself in control and you're the one asking the questions? And if they're not ready to do business today, then that's fine. Move on. And one of the best prequalifying questions is this. Why don't you just, you know, there if the house is listed, "Um, wow. Sounds like a nice house. You know, why would you even want to sell it?" Or, "Why haven't you sold it yet?" If it's for sale by owner or something, you could say, "It sounds like you really want to sell it, but have you thought about just listing with a realtor? That's probably going to be the best way for you to get the most price, the highest price. Why don't you just list it and sell it with a realtor?"

You see how I'm pulling away and I'm not chasing them? Maybe selling with a realtor is the best thing for them, but if they're motivated, and you may not feel it now, you may not sense it now, but you will come



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later, then you know what? Yeah, maybe we could do that after you follow up. So, sellers are really good at hiding their motivation. Of course they're gonna want \$20k down. You think they're going to say no to that? Okay, but that's not gonna work for you, so you just tell them it's not going to work.

Anyway. Hope that helps. Hope this microphone is a little better. Let me know what you think. If you guys like the show, if you like this podcast, leave a review in iTunes, would ya? Go to iTunes. I don't know if you can leave reviews in Google Play or what's that other one? Spotify. I don't even know if my podcast is on Spotify, but subscribe to the podcast. Leave a review, let us know you like the show. I'd really appreciate it and let's see, one more thing.

Yeah, one more thing. Hey, if you want to learn how to do lease options, I have a free masterclass. You can go watch it today SLOclass.com, SLO—that's for Simple Lease Options— class.com. SLOclass.com and stay tuned because I'm coming out with a book.

I got a new book coming out soon and it's called REI Secrets and it's going to be volume one. I've got two of these planned. It's so cool. I'm excited about it and you're going to love it. It's called REI Secrets. Stay tuned. It's coming out real soon and I'm looking forward to sharing it with you guys. You're going to love it. I'm breaking it up into like little bite sized chunks. So, each chapter you can read in like five minutes. I don't want to call it a devotional cause that's weird and that's more, that's not what this is, but it's like if you want some daily nuggets of real estate investing wisdom, check it out. It's going to be coming out soon. It's called REI Secrets. I'm looking forward to sharing it with you and I guess that's it for now. We'll see you guys. Go watch my webinar SLOclass.com. Bye Bye.