Hot New Strategies For Getting Deals Off The MLS

Hosted by: Joe McCall

Hey, guys, what's going on? Joe McCall, REI In Your Car.

I wanted to do a quick podcast today because something really, really cool happened. I did a big long kind of a free webinar today, had hundreds, hundreds of people on, which is crazy. And then, later on I did a coaching call for my students and on both of them I was actually demonstrating some marketing using our CRM called REI Simple and some crazy awesome things were happening and I want to tell you about them. So, if you're ready to listen in, here we go.

Okay, so REI Simple is a CRM that I white labeled from FreedomSoft. I used to be a huge, huge Podio fan. I still like Podio, but there is no other CRM that I have found that does more with, does more than REI Simple. And it's just amazing, the amount of different types of marketing you can do, how it integrates the phones and the texting all together. And it allows you to create contracts and letters really, really easily inside the CRM, which I've not seen another CRM do before. Okay.

So, what I did is I went, I was demonstrating different types of marketing and I did like three or four different things. I went and I found rentals on Zillow and I sent the property managers and realtors and owners a text message, broadcast text message campaign. I pulled a list of vacant houses, skip traced them, sent a text message campaign and I pulled some rentals that were vacant and fsbos, rentals that were vacant and skip traced the owners, sent the property managers a text and then sent the owner a letter... all from right inside, like a physical letter right from inside of REI Simple.

And I didn't print the letter and print and stuff an envelope and do a stamp and all that. I did it all online, right? And, some pretty crazy, awesome things. Well... Then one of the things that I started doing and I was running out of time, so I went through it really quickly is I actually started, I pulled up Redfin, I looked up properties that had been listed for over 90 days in my target areas and I sent the realtors of those older listings and I... There's like two or three different ways, like it's easy to get the listing information, like the property information from Redfin or Zillow or realtor.com, but it's hard to get the contact information of the realtor and I'm talking about their email and their cell phone number.

So, one of the things I did is I showed like three different ways you can get the phone number, cell phone number, fax and email from these listing agents. So, I went into a certain area, I looked up properties that

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had been on the market over 90 days that needed work and that didn't need work. The properties that were cheaper that needed work, I just sent an email from inside of REI Simple... an email to the realtor saying, "Hey, saw this property. Just wondering why it hasn't sold yet. It looks like a nice property. You know, before I waste your time with an offer, I just wanted to see, would your client accept something in this price range?" So, one of my emails was like price range. Another one was, you know, would they accept something around 30 grand? So they were asking 60k for it. I said, would they accept something around 30k? And the nicer homes I sent an email and...

By the way, after I sent the email, I sent the realtor a text, "Hey, I just sent you an email, FYI". And then I also so sent a fax—remember faxes? They still work. I sent a fax from REI Simple as well to the sellers or to the realtors. All right? Then some of the nicer homes and again I was in my target area, as well as limiting it by price. I don't want to send this to real expensive homes, but I sent some emails and texts to the realtors of these nicer properties and it was more along the lines of, "Hey, this looks like a nice house. I'm surprised it's not sold yet. I'm an investor slash realtor with Keller Williams." And I am.

And I do that because when you're talking with a realtor, it helps, you know, if you tell them you're also a realtor and they don't, they know that you're not some deadbeat investor that's gonna, you know, offend their client with ridiculous low offers. So I said, "Hey, I'm an investor realtor slash realtor with Keller Williams and I really like this property. I'm surprised it hasn't sold yet. I might be able to get them that price if they would be willing to owner finance or maybe do at least purchase or something like that." And in parentheses, I said something along the lines of, "By the way, I could still get you, I'll still make sure you get your full commissions". And then I did a PS saying, "Hey, listen, if you, if this doesn't work out, maybe do you have any other properties that I might be able to buy on creative terms like this?"

So I did about four of these, right? Just because I was in a hurry. I'm like bam, bam, bam gotta get it done. And I was teaching it kind of like, you know, you don't have to do this. This is something that you could get a VA to do for you. You know, a $3 or $4 an hour virtual assistant can do all of this. So I was doing all the hard quote unquote hard work of getting the property details from Redfin, doing the search, you know, getting the property details, putting it into, manually copying and pasting the information into REI Simple and then searching for the realtor's contact information and then sending the marketing out. So obviously that is $5 an hour work. You shouldn't be doing that.

But here's the crazy thing, this is what I'm so excited about. Of those four different marketing things that I sent out, three of them responded back pretty quickly. One of them said, "Yeah." The cash offer, they were asking... It was listed for $60k, needed a bunch of work, is in a rough area, and I, that was, I asked them in an email, would they accept something around $30k and that realtor responded back, "Well, maybe. They

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are, I know they're really motivated. Let me reach out to them and I'll get back to you." How's that? How's that for a response? Then the other one that was nice that I asked him, "Hey, would they consider owner financing or something?" They responded back real positively, the realtor did, and said, "Yeah, maybe... That sounds like it might be, that might work for them. I'll call, I'll talk to them and get back to you." Bada boom, bada bing, as they say!

Here's the exciting thing about this, guys... And the other realtor, I forget what she said. I think she just said something simple like, "Sounds good. Let me get back to you." Alright, so I didn't get any "No, you F'ing bleeping bleeping bleeping thing." Right? Cause sometimes when you start sending blind offers, you get a lot of really angry responses back. I'm just opening the door, getting my foot in the door, starting the conversation because I want to build relationships with these realtors.

If this house doesn't work out, guess what? Maybe they've got others that I can make a cash offer on or an owner financing offer on. Right? And I'm willing to put money down. Oh yeah, the other realtor said, "Thad might work... how much do you have to put down?" That's what she asked: How much would you have to put down? And I responded back in the text, well I said, "It depends on the price and the monthly payments" and it really does. Right?

So, it's all negotiable. Like that's the cool thing about creative financing deals. If it's owner financing or lease purchase or whatever, I can put whatever they want down. It just, it's either price or terms. I can get whatever price they want, as long as they give me the terms I want. If they want a ridiculous high price, then I'm going to ask for ridiculous low rent. Or they're stuck on their rent... maybe I'll do that, but a longer term or a lower price of the home or no down payment. Maybe principal only payments and, you know, no interest.

If they want interest, if that's really important, I'll give them interest, no big deal, but then the price is going to be lower. Or I might ask for more time. If they want five grand down, guess what? Not a big deal. I'll give them five grands down if the rent is lower, but does that money come out of my pocket? No. It comes from the buyer that I put in the house. So, you're open and honest. The realtor knows I'm not looking for a property for myself. I'm an investor. This is going to be a rental property and I will give, maybe I'll give $1,000 earnest money deposit or something like that, but I'm going to give them the big $5,000 down when I find, if and when I find a buyer.

And in fact, I might even negotiate something along the lines of, "Listen, I'll give you the five grand if and when I find a buyer to live in this house that I will rent to them", right? Or I'm going to create, I'll tell them, "I'll create a wraparound mortgage or land contract or whatever." Right?

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But here's the thing, I'll tell them, "Listen, I don't want to, I don't have to tie up the property. Okay? So, we can just do this as an option or as a letter of intent or whatever. I don't have to tie up the property. So, if you sell it before I do, that's fine... just cancel my agreement. You don't owe me anything." Here's the cool thing about this, guys, cause when you're working with motivated sellers and motivated realtors, they want to make a commission on this thing too, right? Then they're going to be more flexible and you can be flexible and negotiable. Pick up the phone and call.

So, I'm super excited because just this little bit of marketing I did had great, great results. Now some of you are wondering, I can hear it. How does the realtor get paid? How does a realtor get paid? Good question. But who pays the realtor commissions? If the house is listed for sale on the MLS with realtors, who pays the commissions? The seller does, right? The seller has an agreement with that realtor that, you know, if they bring a buyer, they will get 5% or 6% commissions, right?

So that's between the seller and the realtor to figure out, none of my business, I don't care. It's negotiable. Now if it's going to be, you know, if it's a $150,000 house and if I'm just paying the homeowner, the seller, maybe one or two months' rent deposit or option deposit or whatever, well I probably want to make sure I give the seller at least one month's rent so they can give that to the realtor. And then I'll tell the realtor, "Listen, you just work it out with the seller. I want to make sure you get the rest of your commission when I buy the house in a couple, three years or whatever." So, we make the realtor get part of their commission now and the rest of it later when I buy the house or on my balloon or whatever like that, right?

It's all negotiable and it's between the seller and the realtor to figure out. And a lot of times, you know, the realtors are just like, "I just want to help this seller out. I want to help them out. They're motivated. They got to get this thing sold today. We'll figure it out." Like, you know, it's not a big deal. And there's nothing wrong with, you're giving the seller a good, fair price.

If you're offering the seller the price that they want on the terms that you want, there's nothing that says that the seller can't go ahead and just pay the realtor their commissions right then and there out of their own pocket. And sometimes that's what has to happen. You know, if you can't negotiate the terms that you want, you say, listen, you know, I'll give you that price you want, but I'm not gonna put any money down. And you know, then the realtor, if they want to get a commission out of it, they're going to have to work that out with the homeowners.

Does that make sense what I'm saying? So just a heads up... I created a course called MLS Hacks and I'm going to be updating it in the next month or two and I'm going to be teaching this strategy in that course. I'm excited about it because this is a huge, huge potential source for deals, especially when you consider

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now the market is slowing down, the market is slowing down. And sellers are becoming more motivated. Realtors are becoming more motivated; they're becoming more and more open to these kinds of creative deals.

Gone are the days, for the most part in most markets, not every market, but we're becoming... the market is slowing down, is becoming more of a buyer's market. Days on market are going up, inventories going up, prices are going down and gone are the days when a seller can just put it on the MLS and they're going to get multiple offers in one or two days. It's just not happening.

Where before it would take one or two months to sell a house, now it's taking four to five, six months, which is becoming more normal. So, this is going to be a really, really good strategy for you. And even if it doesn't work for the house that you're emailing the realtor about, it may work for another property that that realtor has or comes across later in the future.

The cool thing too about this, guys is that you can go ahead and pick an army of three, four or five virtual assistants and have them send maybe a hundred, 200, 300 of these emails and texts a day to these realtors in different markets. Why not? It doesn't have to be 90 days or longer. It could be 30 days or longer.

And you could just have your VA's look up all the properties that need updating that only a realtor, that only an investor, would want to buy and just have your VA send those people a text or an email saying, "Hey, I saw this property. Looks like a nice house. You know, is your client negotiable? I have an investor; I am an investor. Is your price negotiable and would they consider something in this price range or would they consider this?"

And the other thing is too, you need to, if you can go ahead and get a proof of funds that you can attach and send with the email so they know that you're serious.

All right, cool. All right guys, that's it. I'm outta here. Watch out, this course is coming soon. The domain, the URL, is going to be mlshacks.com, but if you go to MLS Hacks now, you get the old version, but if you go to mlshacks.com, you will soon see the new version there. All right, guys, take care. We'll see ya.

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