



The Ultimate Rent to Own Investment Strategy

Hosted by: Joe McCall

Welcome. This is the Real Estate Investing mastery podcast.

What's going on, Joe McCall here. REI In Your Car. This is the Real Estate Investing Mastery podcast, and these are little episodes that I do. If you're new to the show where I just, while I'm driving, which isn't very often I talk about some cool stuff that I've been thinking about. So it's a day I'm actually driving to Shawn McCloskey's Business Vision Workshop. And some of you remember I did a podcast with him a couple months ago talking about this workshop, maybe four to six weeks ago. And so we're at right now in the middle of this Corona virus scare, which I think is serious, but I think it's also overhyped. So it's kind of frustrating. And I feel bad because it'll be interesting to see how many people actually come to this event. Sean sold it out like four hundred and fifty-five hundred tickets or something. He sold it out for like a month in advance. Crazy. And he had turned a lot of people away. It's in St. Louis. And it's gonna be a really, really good event.

It's gonna be him talking about creating a vision for your business, designing your business that supports the life you want to live. So it's pretty cool. It's gonna be interesting, though, again, how many people show up and everybody's the NBA just canceled the rest of the season. And NCAA Tournament says you're gonna do the term with no fans in the stadium. What's going on? This is crazy. But anyway, I've been thinking a lot about this whole scare that's going on because people are freaking out. You can't buy toilet paper at the grocery stores or at Sam's Club, Costco. They're all empty. Can't buy hand sanitizer. It's hard to find.

Hand soap. I mean, come on, people. And so what's going on? You know, and I've been thinking a lot about this. Like I have an audience, I have this podcast. How can I help people who want to know what to do? And I'm you know, maybe I have a little bit of influence. And so I've been thinking a lot about that. And I've been thinking that, you know, there is a lot of things that you can do to help prepare yourself and to start thinking about this, because if this keeps on getting worse, you know, people are going to be losing their jobs.

Employers. It's interesting too because Trump proposed a bunch of things last night, mainly to help small businesses. And I thought that was really awesome helping small businesses because they're the engines that drive our economy. And the Democrats on the other side and I don't want to get political. You know, I think both sides have some valid points. Right. But like the Democrats, they want to. They want the money to go to poor working class, which is good, right? I'm not saying that's bad. It's interesting the different perspectives though. So they want to send. They want the money to go to kids that, you know, need to eat,



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health care for. They want the money to go to hourly wage workers that maybe are in the restaurant service business and are surviving on trying to live off of tips. And there are no there's nobody going to the restaurants. They want the money to go to them. So maybe there's a balance for both. Right. But I think it is interesting for small business owners, the ones that pay these wages, they could get decimated in this. Right.

And if the small business owners get decimated, then they won't be able to pay their employees. So, you know, I'm just kind of thinking about all this and praying about it like God help us, you know, help people to relax and stay calm. And, you know, 18-20 thousand people die a year of the flu virus in the United States. And so far, maybe 20 or 30 people have died in the US. Maybe as you're listening to this, that number has gone up. Even if it's gone up to 100 or 200, that's serious. I mean, that's gotta be we need to not just sit around, do nothing, but like in perspective, you know, that we, you know, whatever.

I was joking the other day. I have washed my hands more in the last two or three weeks than I probably have in my entire life. Look I'm, not really, but that sounds funny, doesn't it? Somebody needs a laugh and make a joke. So anyway, here I am. I'm going to this event. Hopefully there'll be 450, 500 people there. We'll see. We are actually flying to Colorado tomorrow for a week long vacation. We're staying at this, it's called a it's a dude ranch or whatever where they like all inclusive. They take care of everything and there's tons of activities. And it's gonna be a lot of fun. I'm looking forward to that. But it'll be interesting to see what happens. You know, what's the airline like with the airport? Are we gonna be able to. Are they gonna be people there? Are the TSA agents gonna be there? Can we still get on the flight? I hope so.

So I'll update you guys what you know how both of these events goes. I'm not I'm really trying hard not to let this stuff affect me. But here's the thing that I think relates to and how it relates to you. Number one, you all if you have a job, you need to learn how to make money in real estate on the side virtually from home. Because what if you lose your job? What if the economy goes? It gets really, really bad and gets worse and there's a bunch of layoffs or you just get furloughed maybe for a couple of months, you know, and your employer, if they can't pay you, they don't have the money. It's not like they're they can, but they can't. And you can't be paid for a couple months or you have to take a pay cut. How many of you guys are living paycheck to paycheck? We need to start looking at your overhead, your expenses, living expenses. You know, you need to start looking at your debt. You know, just a really, really nice Mercedes and BMW drove past me right before I started recording. And seventy-five, eighty-five thousand dollar cars. I'm looking at those things and. Cool. I'd like to get one of those.

Well, maybe I shouldn't. Right now, I'm driving a 2011 Nissan Maxima. That works great. It's a nice, sharp looking car. And, you know, I don't need a nice luxury car. Really? Well, someday I might get one, but kind of. There are some things I spend a lot of money on and some things I don't. And cars are one of them that



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I do not spend much, much money on, but anyway. So you got to be thinking about what's what were you spending your money right now? And if things do get bad. You have reserves. Do you have a bunch of debt and a bunch of houses that you'd still have to pay? You know, if they're vacant, do you have rehabs that are going on right now that, you know, if it takes you an extra three to six months to sell, then what you're planning, is that going to sink you? Do you have multiple exits in these properties that you're making offers on? If you're making an offer to buy a property and you. OK. Now you have to buy it. Do you have multiple exits? Can you rent it out if you have to? Can you do a lease option on it if you do the rehab and you can't sell it for the price you need to? Are you going to be OK with that? You have a bunch of money in place lending our borrowed money that you're going to have to pay off.

Are you counting on refinancing in three years? Five years? And if you can't refinance, what are you gonna do? Do you have a bunch of private money in the deal? Where they're expecting to get their money back at a certain time. Because you've promised them that you would refinance them. And are you going to be able to do that? So important stuff you really need to think about and have contingencies. Which is why I think it's so important. I'm not trying to take advantage of the situation to sell some kind of program I have. But like you all need to know how to wholesale deals. You all need to know how to flip lease options. I think as we're going forward in this market, it's important for you to understand how to make it quick nickel rather than a slow dime. It's more important, I believe, this really strongly to make to know how to make a quick nickel than a slow dime in this kind of economy. Everybody freaking out. You need to know how to make a quick nickel. And that's through.

Wholesaling is the main way in flipping lease options, I would argue, is actually the easiest thing to do, clipping lease options. It's a quick nickel. And this is when I quit my job in 2009. It was a year after the recession started and the economy was free falling and I quit my job. I found it was easier to do the flip these lease options than it was traditional wholesaling. And I was making more money doing that part time than I was at my full-time job and I was never committing to anything in these deals. I got them under contract to lease out. I was never committed to make any kind of payments on it. I didn't tie up the property. So if I didn't find a tenant buyer, you know, that's fine. I didn't. I wasn't taking the house off the market. The seller, if they leased, if they sold or leased the property before I did, they could just cancel my contract. They don't owe me anything. So there's no risk to them. The seller gets to approve the tenant buyer that I put in the house.

So there's virtually literally no risk to the seller except maybe the tenant buyer down the road doesn't buy the house. But I mean, what are their options? They can't sell it now. So I think this is going to become more and more important in the days ahead. As the market corrects, you need to understand fast cash strategies and you need to get out of debt. I think that's my prediction for the future. The other thing I've



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been thinking about is land, rural, vacant land. You know, it's interesting. There's a company called Survival Life and Survival Life was a survival company that sold education on how to prep for Worst-Case disaster scenarios. And they made back in the heyday when Obama was president, they made a ton of money selling information to people on how to survive. And they sold products, information products on how to survive disaster. And they also sold affiliate products on food and stuff like that.

And I thought that was interesting. But I was listening to one of the guys who owned that company at one time, and he said when Trump became president, it literally wiped out Survival Life practically. Right. Now there's still existing, but it pretty much wipes them out because survivalists became optimistic. If that can be such a thing, you know, these preppers that and I'm not a prepper, but I do have emergency food and all that stuff. But like these guys, they got optimistic when Trump became president and they stopped buying all of this education and material and supplies for surviving whatever. And so I see that coming back, which is fascinating to me. I love watching kind of the market and the trends that are happening. And I'm predicting that that whole niche of survival is really going to become popular again, even though Trump is president. And even if he wins a second term, people are thinking about this.

And so I've been thinking about land, rural, vacant land. Right. Because we've done we've done about 25, 30 or maybe 20, 25 rural vacant land flips where we've bought properties at 10 to 20 cents on the dollar and turned around and flipped it and sold it for cash and made an average of \$5,000-\$10,000 profit. And I couldn't believe how easy it was. Hold on a second. I have to look at a map works. I'm just going to leave it at that and do another episode maybe on my drive back, talking more about land investing, because I think there's a huge opportunity here where you can buy land for ridiculous cheap and sell it to preppers. That's the whole point of what I was trying to make and sell it. Yeah, it's pretty cool. I'm excited, but I'll talk more about it on my next podcast.

By the way, if you're willing to learn how to flip lease options and learn how to make that quick nickel, then I want to encourage you to go watch my class. Now I do have a class to sell, but I'm hoping that it doesn't sound like I'm trying to take advantage of this whole kind of coronavirus thing. So. But if you are interested in it. There you go. I guess I am taking advantage of it. I'm not trying to, but I have a class. Go watch the webinar at SLOClass.com, SLO stands for Simple Lease Options class dot com. SLOClass.com. But I also have got a ton of free information on my podcast, just subscribe to the show Real Estate Investing Mastery. I'll go to my Web site, RealEstateInvestingMastery.com. All right. And on that Web site, you can actually download my main contract for free. On the main header of that page, you can download my contract. Also, just go to the search bar and do a search for lease option and you'll find, I don't know, probably 50, 60 episodes on lease options. And I teach a lot in the podcast about that.



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All right, guys, take care. Be safe. Wash your hands. Don't touch your face and just relax. Have fun. It's gonna be OK. See you guys.