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Is There A Place For Selling Vacant Rural Lots To Preppers?

Hosted by: Joe McCall

Welcome. This is the Real Estate Investing mastery podcast.

Hey, guys, Joe McCall. REI In Your Car podcast, how you doing?

If you listen to the last episode I did, I was recording it on my way to an event where I spoke. Cool. There were about 375, 400 people. There was supposed to be about 450 people there. They sold 450 tickets or so. But the cool thing is, this is as I'm recording this right now, this is the same day where they canceled pretty much every any sport activity. They canceled the NCAA tournament. They canceled the rest of the NBA season or they postponing it. They postponing the NHL season. And they are stopping all the spring league, spring season baseball games and postponing the start of the regular season for baseball. Just a complete disaster. People are completely freaking out, canceling school everywhere. Blah, blah, blah. So I was real nervous with this work. This event was my good friend Shaun McCloskey's doing. I was worried that nobody would come and bunch of people came. It's really cool to see. And so not everybody is freaking out.

In fact, I was talking a lot of people that flew in the airport yesterday here in St. Louis, to come here and they said the airports are normal, they're fine. You know, some guys told me they were surprised. They didn't see more people with mace, masks, face masks. But all right. So anyway, my last episode, I ended it talking about the survival niche. And I've been thinking about something for a while. And you know what I mean by when I say the survival niche? I'm talking about the preppers, the people that are about being prepared and being safe for natural disasters, government disasters, etc. And that's becoming really popular again, at least in the last one or two weeks since this whole Corona virus thing has been happening.

And one of the things that I've done in the past that's actually been really worked really well for me is flipping vacant land. I'm talking about rural vacant land. And it used to be about four or five years ago. It was a hot thing everybody was talking about. Every, you know, when Obama became president, everybody was thinking about these types of things. Not everybody but the you know radical right. I guess you could call us or, you know, people that are concerned about conservative politics, capitalism, and also with being prepared in case something happens, in case the government comes and takes all of our guns away. So whatever. I'm not here to talk about politics, but I am going to tell you.



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Politics does affect the market because when Trump became president, all these companies that were selling survival products and survival supplies to preppers, they got nearly wiped out. They almost went out of business. A lot of them did, because all of the preppers became more optimistic because most preppers vote for Trump and Trump is a good guy, whatever. So now what I'm seeing is a lot of more people are getting interested again in survival, which makes sense. Right. This virus thing is going on and it's not, it's the fear that I think that's scaring people. The panic that's happening, it's not the actual virus that's scaring people. It's the panic. And so, okay. What is my point? What does this have to do with real estate investing? Bear with me. I gotcha. OK.

So what they said has to do in the last I'd say two or three years. We have flipped about 20 to 30 rural vacant lots in the middle of nowhere. Colorado and Oregon. And we've made really good money with it. And I don't know why we haven't done. Excuse me. I don't know why I've not done more. But the big reason is I've just been so busy. I don't have the bandwidth. And I had some excuse me, I had some friends that were partnering with me on the deals and that worked really well.

And they just got busy, had a couple of kids, moved to a new house. And so it's just kind of been on the backburner. I'm starting to pick it back up again. One of the cool things about flipping vacant rural land is your response rates on your direct mail is really good. I get about an average of 10 percent response rate on my direct mail. And just recently my last campaign, I sent about 1500 letters, got about 150 calls and got seven properties under contract. And we're in the middle of flipping those right now. So I'm not sure what our final numbers are. But bottom line, those are good numbers. Way better than houses, right. So one of the our customers that we sell this land to are survivalists and preppers and people that a lot of them are just hunters. They want a place to go ride their bikes, you know, the four wheelers or shoot their guns or build a cabin some day in the future.

All right. I got disconnected. I got a phone call. It came in. I had answers. But I was saying that we're selling these vacant lots to people that just want to maybe have a place to go and live if something bad happens or just a place to have fun or to do both. Right. So there is a huge market right now for rural vacant land, for people looking for recreational use. Also, you know, you in Colorado, you're selling a lot of our vacant land to recreational pot users, people who wanted to grow pot. But anyway, that's beside the point. I don't care what they do with the land after they buy it, whatever. So you get something to think about. And this is what I wanted to talk about on this podcast.

With this whole Corona virus scare and everybody's panicking. What can we do as investors to capitalize on it? Not like in a bad way, because that sounds almost bad, like capitalizing on people's fears and all of that. I don't know. I'm not that's not what about the same time we need to be make sure that we're not caught



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with our pants down and our ankles like because things are getting bad. And whether you like it or not, whether you think it's an overreaction or not. But people are freaking out. So how are you going to make adjustments in your business? The market is changing. Things are happening and you need to be nimble. You need to be able to adjust and move when everybody's zigging, you zag. And are you prepared to do that or are you prepared to change your model? Do you have a model right now where you're stuck? You don't have choices. You don't have multiple exits on your deals. Are you in a situation now with your business where you've got too much debt? If you had to make changes, could you do that? How long would it take you to make change? Right.

Like I look at my business and I have different products teaching different types of real estate. And one of the things that I've been doing and teaching for years is lease options. And I'm looking at this like, all right. If this kind of is a precursor to the downturn in the housing market, if housing prices are going to start going down because of the scare and you know, already the stock market today, I think was down 10 percent. What's that got to do to the housing market. And so what kind of if all you do is wholesaling? Are you going to have cash buyers to sell your properties to? Are you going to have to buy properties at bigger discounts? Are you going to know that your old formula that you relied on before, where you could buy houses for 80 cents on the dollar in Southern California? Is that going to work still anymore or do you didn't you need to start offering 70 cents on the dollar? Or if you're in the Midwest and you were offering 70 cents on the dollar before, can.

Are you still going to be able to get away with that? Maybe you need to start making offers at 60 cents on the dollar. Maybe you need to start getting longer contingencies, longer inspection contingencies on your properties. Maybe you need to start doing more marketing for buyers because the buyers that were buying houses before, are they getting panicky as well? Are they panicking? Are they still going to want to buy your houses at the same prices they bought them before? If you're selling a ton of turnkey deals, are investors getting skittish or are they looking at real estate in a more interested situation now? Because the stock market is so unstable and is crashing and they're looking at real estate as a more stable investment. So do you need to start doing more marketing for buyers as you start maybe wholesaling instead of like instead of holding these houses? Maybe the opportunity is in wholesaling these rentals. You know what I'm saying if you're doing a bunch of high-end luxury stuff, you gotta be careful because that may be getting more difficult to make money in in that business.

Do you understand what I'm saying? So vacant land, I'm looking at this thinking. I think there's a huge opportunity for investors and buyer people that are looking at rural vacant land because people the sellers are getting more motivated. There may be more willing to sell their property at a bigger discount maybe.



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And there's more people wanting to buy vacant land just so that they can get away if this keeps on getting worse or when this happens again with the next virus. You understand?

So, yeah, I'm doing a couple of things for me personally. I'm going to be concentrating more on lease options from a deal perspective and from a teaching educational perspective. I'm going to be teaching more, talking more about lease options. I'm also going to be talking and teaching more about land investing. I'm even thinking about creating a little mini course on land investing specifically for people in the survival world that it would be would like to learn how to buy land at 20 cents on the dollar because it's really not that hard to do. And there's a huge demand for this. So I'm hoping you get out of this. You know, just some ideas of what you could be doing now to adjust your business to that, because the cheese is moving and you need to know where the cheese is moving to.

And you need to like if you're not part of a mastermind, if you're not talking to other investors and people in the business, you need to start thinking about networking more. You need to start thinking about masterminds and coaching and getting just putting your ear a little closer to the what's the word I'm looking for? I don't know what the phrase is. It just slipped my mind. When you put your ear to the street, you know, or there like you can tell a train is coming. But put your ear putting your ear on the train tracks. There's a phrase for that. I'm just completely blank. But let's figure that out and let's be ready. I don't want to be caught stuck in an old traditional model that used to work a year ago or six months ago and isn't working anymore. That's why I'm optimistic about the market. I'm optimistic about lease options.

I was just talking to my friend John Jackson, who helped teach me how to do lease options way back in the day. I hired him as a coach back in 2009 and we were just talking today and he was saying that some of his best years when he did the most lease option deals and he's been doing lease options since 2002, maybe I think, some of his best years were doing lease options. Did the most of them were between 2008 and 2012. Those three or four years when the market was collapsing. So this is a good time to be in the market. It's a good time to start thinking about lease options, creative deals like subject 2 owner financing, because when it becomes a buyer's market and it's becoming a a buyer's market and this whole coronavirus accelerating that there's going to be more motivated sellers that want to sell but can't. Got to be thinking about that. So. And start thinking about land. Start thinking about real vacant land.

I'll let you all know if I decide to create this course or not. There's already some other guys that have real good courses on it. I'm thinking about creating something for the prepper community. Maybe that's a good idea. Maybe it's a bad idea. Maybe I shouldn't be doing a podcast about this because then somebody is going to steal my idea. I don't know. We'll see. Take care, guys. Oh, yeah. If you wanna learn more about these options, go watch my webinar. It's a free class that I do every day. Go to SLOClass.com. So those



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stands for simple lease options, simple lease options, so go to SLOClass.com and register for the webinar. Check it out and we'll see you guys. Take care. Be safe, wash your hands and take a deep breath because it's gonna be OK. Everything's gonna be all right. We'll see you guys.