What Wholesalers Should Be Doing In This Uncertain Market with Sean Terry

Hosted by: Joe McCall

Welcome. This is the Real Estate Investing mastery podcast.

Joe: Hey, guys, how you doing, Joe McCall with the Real Estate Investing Mastery Podcast. You're in for a treat. That sound you hear right there is like. Oh, yeah, here we go. There's some good stuff coming on this podcast today because most of our audience, you guys are wholesalers and the market is changing and things are getting crazy. And you're wondering like, what am I going to do? This is crazy. This is freaking me out. Well, I got a guest on today. It's going to calm you down. It's going to say, listen, it's gonna be all right. Sean Terry's in the house. Sean, Terry has been doing this business for a long, long time. He's seen the markets going up and down. Like me, he's made a lot of mistakes. I've made way more mistakes than he has. But this is a really good time to be in the market, especially if you're a wholesaler.

Joe: And there's nobody better in the industry right now on wholesaling than Sean Terry. He is the master of wholesaling. So we're gonna be talking about what wholesalers should be doing in this market to survive and thrive and to make a lot of money, not take advantage of sellers. Right. We're not talking about taking advantage of people in this uncertain time, but you know, how to where are the opportunities right now? You know, how can we as investors help and serve the most people? OK. So I'm to bring Sean Terry on in just a second. First, I want to tell you, this podcast is brought to you by my book. It's called Wholesaling Lease Options. It's about a quarter of an inch thick, but it's all killer, no filler, as I like to say. And every chapter in here, I teach how I quit my job in 2009, a year after the market collapsed. I was able to quit my job doing these things, flipping lease options. It's a great strategy and I just teach everything. And here you can get this book for free at WLOBook.com. And right there on the screen WLOBook.com. All right. Subscribe to the show. If you. If you are new to this podcast, go to Apple, Google, Stitcher, Spotify, Google Play, all of them and subscribe to the show and you'll get notified whenever we release new episodes. All right. I'm going to bring the man of the hour, Sean Terry.

Sean: Hey, there you have it. How are you, man? Joe McCall, you're always looking so good, man. I know you are, too. And you look good with glasses, don't it? I saw you have them before and you think you look old, but you look distinguished and mature. When you wear a glass, your gray beard looks distinguished. All the help I can get. You got some great hair, though, so I've got to get that man.

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Joe: It's so real quick. We are live we're broadcasting this live to YouTube and Facebook. So if you're watching it live on YouTube's or the Facebooks, put a comment and say hello. And as we start talking to Sean here, if you have questions, this is the time, the place to ask them some type of questions in the YouTube comments and the Facebook comments. If you like this video, give us the thumbs up. Share it. And also, if you're listening to this, after we've done this on Apple podcasts or where you listen to your podcast, subscribe to the show. OK. So just should you have a little known podcast that maybe a few people have heard of? What's your podcast called?

Sean: The Ultimate Real Estate Investing Podcast. I started it back in 2010 and I initially gave my phone number out on the first five podcasts. I didn't think any was anyone listening because no one ever called me. But I said, you you're the only guy that picked up call. Is that. Hi, this is Joe is like a. He goes up from St. Louis. He goes, yeah, I listen your podcast. And like I have a listener.

Joe: Well the story I've told the story many times, Shawn was the one who helped me create my podcast. Yeah. And I said, how do you do it? And so I was trying to come up with names. And he said, you should call the real estate investing wizards. Like at the time there was the stock market wizards. Yeah. And I thought, I don't like wizards, but I thought masters of real estate investing masters in real estate investing mastery. And I started interviewing people based on Sean's telling me, hey, you should interview guys that are doing a lot of deals and know what you're doing, that no one was doing that.

Sean: You're the only one doing that. Yeah.

Joe: Now, everybody and their grandmothers are doing it. But that's all right. But that's all right. So I'm getting some feedback here. Paul Evans, Joe and Sean, the 20/20 version of the dynamic duo Boom Brutus. What's up, Shawn and Joe? What's the Nick Johnson? Every time Nick is on one of my go, he says go hawks every single time. It's four networks in France. Great topic for today. Nice. And Nick just said here, just finished a podcast, State of the Union with Gavin. I did a podcast, Sean. And I called it the State of the Union work to investors. And I called myself the president of real estate, self-declared myself. That's the....

Sean: That's better than being the godfather.

Joe: OK, so Sean, we were talking the other day and you're still doing a ton of deals. Yeah. I thought, man, this is exciting. People need to hear this. We're still closing and we put a deal out on the market yesterday or today. Gavin was telling me we had four buyers contact us immediately saying, I want the deal. I want the deal. You know, people are getting scared. They're freaking out. I was talking to you. You're doing deals still today and things have changed a little bit for you, not just recently, the last few weeks, but I mean, in

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the last few months, you've been doing things like. Right. And I'm excited to ask you some questions about what you are seeing that's working well right now in this market.

Sean: Well, first off, we've never met Facebook. Wondering whatever back in the world back there. I Started wholesaling in two thousand three. So that's more than 17 years ago. And I started doing deals locally in my local market here, just knocking on pre-foreclosure doors in 2003. I did great. I made one hundred and thirty-four thousand my first like eight months in the business and it made a massive impact. I was able to quit my job, was able to go full time and support my family. So I've been a full time investor since early 2003. And then in 2004, I was when we strictly marketed after pre-foreclosures. And what we did was basically a deal structure where we left the existing loan in place with the seller and we gave the seller three to four thousand five thousand dollars to move. Then we go in and renovate the property, clean it up. Not full renovation, but rent ready. And then we put a tenant in there and then we'd hang on to it as a rental portfolio. So in 2004 to early 2005, we built a portfolio of one hundred and twenty houses, thirty six million dollar's worth. And then a group at a California came to us, because if we all know, remember two thousand five. You're in Phenix too, by the way, right. Yeah. When I'm in Phoenix now. So in 2005 it was the height of the market. The market was on fire. The stock market was going up. You know, houses. There is no inventory, it was crazy. And I ended up, we end up selling all of our properties in from early November in early 2005 to November 2005. So of about one hundred and twenty percent. Hundred and thirty percent of value. I mean because there is no inventory in the marketplace, we sold them all. That was my brilliant move.

Sean: Now let's talk about my stupid move. My stupid move was I didn't listen to a podcast like Joe. I didn't listen to other people. I actually listened to a one of my daughters' dance dads was a civil engineer. And he goes, listen, we should buy land. You guys are buying land, they're entitling it. They're selling it. They're making a fortune. So guess what I did? We went all in on land and I started buying tracts of land and entitling it, which means bringing it through the process of platting and engineering the properties to sell it while you're developing it. To sell the home builders. Yeah, develop it to sell a home. So what happens is you don't buy land, which is a non-cash flowing asset when the height of the market, when the market's essentially crashing. So we made a lot of landowners incredibly happy buying their land at the height of the market. What happens is the market ended up declining. And I found myself in a really tough situation where it was 2008, the market crashed. I own 30 million dollars worth of land. Five hundred and forty something lots that we had through development. A hundred thousand dollar a month, basically a payment that I had to make for interest payment on the land. And it came to the point where we essentially ran out of money. And I was like, OK, what do I do? You know, I made it.

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Sean: So I went talk to the lenders. Luckily, none of the properties were personal, guaranteed. They were asset based loans. We actually gave the properties back in. It was it was like it was an amazing time. And I found myself literally completely broke in two thousand eight and just I was disconnected. I wasn't praying in the morning. I wasn't getting up early, I wasn't waking up and working out. I wasn't doing all the things that I knew I should do because I was in I was depressed essentially because I felt like I had lost all this. And honestly, what happened was I got too big for my britches. I had a big ego and I thought it was all bad and everything I touched turned to gold. And I think it was God's way to kind of slap me across the head and say, listen, you know, you know that you'll wake up. So it was a very humbling experience. I look back at it now and I thank God, it did happen. I learned a lot from it. And maybe now I can, you know, able to talk to you about things that makes a little different. So I came out of that and I literally went back to the basics.

Sean: I handwrote letters for my kitchen table at my house, yellow letters. I hand wrote twenty-five a day. I go out, make mail, amount to hand-write, and I hear it. And next thing you know, I get calls from sellers. I meet with sellers, I get properties and a contract. I flip one here, make five thousand, flip another one, make ten thousand. And then that kind of started me back in wholesaling. And I really haven't diverted from that. And it gave me the opportunity to sit down and say, you know, kind of like we're doing now. Where we have the ability kind of step back and look at, you know, what do we want at a life, right? What do we want to accomplish? What's important to us? What's our priorities? We kind of look back at all that. And I sat down, I said, OK, if I was going to design the perfect business, what would it be? And I kind of mapped it out and designed it. And it brought me to where I am now. And also I look back at what are the asset classes in real estate. That actually survived during the market crash in who got wiped out, homebuilders got wiped out. You know, people that had these large construction projects that were doing land development, all that type of stuff, people that bought apartment, classy apartment buildings that were that were essentially they had lots of renovations and they got stock and they couldn't rent amount, but a lot of it.

Sean: But the people that survived were people that owned mini storage, people that owned assets where there was zero debt. You know, there is there is not a lot of leverage. They own cash flow, you know, properties with low leverage and long term debt. So and I didn't. I owned land, which was obviously a big mistake. So what I basically came out the other side and now look at it and now take us to where we are now and where you are now. You know, in the marketplace with this whole COVID-19 thing going on with lockdowns and you get California or Chicago, you got New York right now that are completely shut down for business. You know, I'm at my office complex right now, but it's like a little it's like a little center. All the restaurants are closed right around me. A coffee shop that I go to every morning is closed, you know, and there's a lot of businesses closed. That means commercial real estate, there's obviously going to be issues

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there. So what can we do becomes the question, what can we do to be a value to the marketplace as a real estate wholesaler and continue to operate business? And then kind of look at. So if we look historically back at recessions, there is a recession that happened in the 1990s. We know there's a recession that happened in 2000, 2001. We know this recession that happened upsy in 2008. The difference between those recessions was the 2001 recession. It was a shock and all recession because of the Twin Towers being attacked in New York City. We all know about that. Right. So and then what happens is we went into essentially about a year long recession after that period. But we came right back out of it because the underlying fundamentals of the economy were fairly strong. So the GDP dropped essentially, meaning we're in a recession.

Sean: But interestingly, during that time, home prices raised 4.8 percent because they dropped interest rates. Well, now we're in an environment right now where interest rates right now are at historic lows. Right. You can get a 15 year fixed for like three point two five percent right now. And we have this way. That means there's buyers. That means stable buyers. Had their jobs that are able to keep their jobs, they can work or mow. You know, they're saying now that there's potentially about 30 to 40 million people that are about to be unemployed in the marketplace. Well, we have, you know what? Three hundred million people. So that means there's a lot of people that are looking for an opportunity to buy housing now, because less than two months ago, we had a we had an inventory shortage across the country. There was no inventory across the country. Now we have all this inventory that's going to be coming in, flooding in the market. And we had this historically low interest rate and we have a wave of people now they're going to be selling houses. So I personally think that for a real estate wholesaler during this time, it's unprecedented where we have the ability to for about a year make generational wealth. Right. Make an incredible opportunity. Think about it.

Sean: If you have people in unemployment rising, they're going to look for houses to sell. They're going to look for their inherited property. They've been sitting on for three years. It's just kind of sitting there. They're going to sell it. They're going to look at their investment property and that they're just going to want to sell it so they can create liquidity. You know, they're going to have other ask the other maybe their own personal house. They're going to move into a condo, maybe a lesser house. They're going to turn around and sell. So it's going to create an unprecedented opportunity as the unemployment rises and people are looking for liquidity to sell houses. And all I can say is to bring it to real time. Our leads coming in have almost doubled and close to tripled on the exact same marketing budget. So because the influx of people coming in looking to sell properties, it's insane. I've never seen it before. We're getting more leads coming in today and what we do now. I do deals locally here in Phoenix, Arizona, and also we do deals nationally in every major in small market across the entire country. I was just we were looking at a deal in

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Orange Park, Florida, just outside of Jacksonville. We can deal we're selling I've got we got deals closing in Midland, Texas. I got one, you know, one that we closed in Hampton, Georgia. Have you ever heard of Hampton, Georgia? Never been to Hampton, Georgia.. But still, you know, ten twelve thousand dollar deal. That another one. You know, closing in Biloxi, Biloxi, Biloxi, Mississippi.

Sean: But right now, we've got about a little over 30 plus deals on the board right now that we're working and selling. And guess what? The buyer appetite is still there. Buyers still want to transact. Now you just have to price in the COVID-19 pricing with your sellers and be able to offer a bigger, better discount to your buyers. But now is not the time to hesitate. Now is the time to, you know, to look at it and say, how can we provide a service to the market? We can help sellers sell houses, you know, and get these properties sold because we have access to or can find cash buyers in the market right now. So it's an interesting time. It is a weird time. All I know is that, you know, I have a staff, a team of people. We're not firing anybody. We're not letting anybody go. We're keeping everybody. You know, part of our team, we're not furloughing anybody. We're actually looking to hire more people, maybe different pay structure initially, maybe just full commission versus actual salary as leads come in. But now is the time is when wealth is created. And because of this downfall now especially. I mean, look at stocks. You can buy Apple for, you know, 40 percent off. Right. Yeah.

Joe: Well, this is this is really good because I'm seeing the same thing. We're wholesaling deals in Alabama and Georgia right now with Gavin, and one of our students, Melissa. And we've been calling our buyers and saying, listen, are you still buying? Are you still wanting deals? And every single one except one or two, we did have one fall through. Yes. Are you crazy? Keep on bringing me your deals. Yeah. And that's exciting and encouraging, isn't it? Because there's the buyers are still looking for deals.

Sean: Yeah. I just think you have to price in because if you look at comparable sales, and you look back 90 days, 90 days was a complete different world, 90 days ago than today. So you have to do a pricing of the COVID-19. You have to build that in your price. How do you build into your price? If you'd normally offer, you know, say, seventy eight percent or seventy two percent on a particular deal, I would literally chop it by 10 percent off for sixty three percent on the deal. And guess what? You will get it. Why? Because it's also a different world out there. Right. Someone has. Yeah.

Joe: That's why I love wholesaling so much. Right. Because you can. You may make an offer. But let's say you made an offer two weeks ago and you can still renegotiate your contract if you have to. You know, obviously it's not the best thing, but you can still renegotiate and sellers are more open to renegotiating their prices now. And so that's the thing with wholesaling that is so beautiful and wonderful with as long as

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you're within the inspection contingency or whatever your contingency period is. Like you don't have to close the deal.

Sean: Right. You have to own it. I mean, I mean, I agree. So as a real estate investor, you want to use wholesaling out. And this is my whole methodology is use wholesaling as an active cash to build cash. And then then you can put it into cash flow assets with low leverage, long term debt. You know, if you decide these that on those properties, if you have something like that, then you pretty much protected. The people who get wiped out in 2000, 2008, 2009. They're in a situation where they're had high leverage properties. If you have high leverage on properties, the market decreases a little and then you have four or five, six, you know, properties that go vacant. Now we're in those tough situations going on.

Joe: I'm so excited about the market, too, because leads are starting to come up. We're seeing better response rates with our direct mail. Yeah. We're also seeing more old leads with because of the follow up are starting to come up and you know. Yeah, I want to sell my house now. Are you still interested in it? And so, so many people out there, they're sitting on a goldmine right now, aren't they, of old leads? Yeah. And they just reignited them or like re engage them.

Sean: I think that's a great actionable step. If you have your old leads, you can put them in. And there's something like Scipio and you can blast out a voice text to them, you can make a blast at a text to hey, we're still buying. You have a house. You need to buy a house this week. We're gonna get an influx of calls of people now. And guess what? They're going to negotiate. You know, here's another big thing. I'm in Phoenix, which is a highly, highly competitive market. Average cost per leads about four hundred and eighty two dollars in. The reason why it's so high is because offer pad, open-door, Zillow, home, Redfin and all these massive by buyers have entered the market. But they're also entering other big markets like Atlanta, like inner Charlotte, Raleigh, North Carolina. So, you know, so now we have essentially pulled out completely out of their acquisition. That creates another huge opportunity where the leads you're going to drop and all these sellers now that have oh, with open door, I align with offer pad and they're offering it. Ninety one percent. Well, guess what? That business model does not work in this market right now.

Joe: So you're seeing that they've backed away lately.

Sean: They shut their acquisition operations down completely and they backed out of all their contracts.

Joe: Are you, holy smokes. Yeah. That creates tremendous opportunity.

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Sean: Yes. I mean, just I mean, they were all over the paper advertising here in Phenix. Right. So, I mean, they're all over the place. He open pad, open doors, Zillow Home and Redfin. Now it's all the top spots for pay-per-click advertising with driving, you know, cost up ridiculously. So now they're completely vanished. You know, now you have you have an incredible opportunity where you're gonna get a lower cost per lead. You're gonna get more sellers into the market, which is just more opportunity in my life.

Joe: Let's talk about doing deals virtually. You know what? Your staff is probably staying at home. You are doing deals all over the country now, which is awesome. You're not going to their house to see these properties, right? No. How are you doing these deals virtually. Can you talk about that?

Sean: So essentially what we're doing is we're marketing via Google AdWords in Bing. Right. And we're basically finding these little markets and doing like you're doing with Georgia and Alabama and stuff like that. Very similar. And we're letting the leads come in and we're finding these hot little pockets. And basically the pockets, the criteria is a population of fifty thousand or more. And they have to be at least an hour to an hour and a half from a major MSA. Right. And those tend to be the sweet spots. And there is no competition in these little markets. You look at these little tiny market. I mean, for an example, like, you know, Orange Park, Florida, it's about, you know, 30 minutes from Jacksonville. It's a little tiny market, but there's tons of activity going on in that little time. I mean, there's a lot of activity happening in that in that particular area. And then there's lots of deals happening in that area. So if you look at that's where we're finding these little pockets. And then what we're doing is dropping direct mail. We use like a street view postcard. We've got direct mail to those little towns. And our response rates in Phenix are point .0007 percent. Response rates in the towns you're in like 3 to 4 percent, which is I don't know how many times more than that. It's a lot more. Right.

Joe: I kind of wish I'm a little torn now. I'm kind of torn because I wish you wouldn't talk about this. I wish it would stay a secret. But enough. This is insane. About a year ago, I created a course with Larry Goins called Small Town Profits. And it's huge, but I'm not I'm glad we're talking about this because people need to know. People need to know about this. There is so much opportunity in small towns right now that it's insane. We're seeing we're seeing the same response rates on our direct mail. But I'm also sending some direct mail to rural vacant land.

Joe: Yeah, we're getting 10 percent response rates. And you think who would buy? And this is someone I know a lot of people are thinking, Sean, who is going to buy a house in these small towns? Who's going buy a rural vacant lot in the middle of nowhere? Right. So who who's buying these deals that you're getting under contract right now?

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Sean: Well, it's interesting. They're like we saw this deal in Jeanette, Pennsylvania. Right. Jeanette. Jeanette does not meet the criteria. Know how we got the deal in Pennsylvania, came through marketing, whatever. But Jeanette, Pennsylvania, and who bought this house? It was, and what we're doing is we're using a couple of the resources. We're using REI AUTOMATOR, which essentially is a white label of prop stream, the only different offer stuff in there. So it's REI Automator. And inside there it allows you to pull all the flippers in there. And flippers are people that purchased the property in the last two years and now they bought it and now they're reselling it on the MLS. So it's a great resource. And you go in and you click on MLS and what happens is it will show you the agent's number and you just call them. I was just talking to a couple agents in Orange Park right now, and they're like, absolutely. And the agent has the relationship with the buyer. So it works really well. The one in Jeanette, Pennsylvania, came from an agent that we found off of realtor dot com. And on Realtor.com, you can do an agent search and you can search in you. Then you click on most actives and you find the most active realtor. You call the top five of those most active villagers say, hey, I'm an investor here in Phoenix, Arizona. We currently have a property under contract in an escrow right now. And we're looking for a cash buyer that could purchase our property. We have X built-in commission, three thousand, two thousand, whatever. Or you can tack on your fee on top of the price, whatever you'd like. Would you happen to have any investors in the area that could pay cash and it goes fairly quickly. And we've had people go, oh, my gosh, yes, they have this one. So the one in Jeannette, Pennsylvania, it was a gym owner. A guy owned a gym and he knew he loves buying little rental properties that he can purchase. He bought that property and it put a renter in it. And I think we made, you know, eight or nine grand on or something like that.

Joe: Drop the mike. This is gold. Are you guys picking up what Sean is laying down or are you smelling what he's stepping in? Right. Like this is a big, big deal. People are so scared and afraid that they're not going to be finding a buyer for these deals in these small towns. Right. Sean just mentioned one probably one of the best the best ways to find buyers. Hello, Realtors. Yeah, hold them up. Talk to them. And they know that market. And in fact, once you find a good realtor, they can probably help you inspect the property, take pictures of the property.

Sean: Yeah, well. And people. The big questions are, OK, well, first, how do you close it over the phone right now? That's the first thing you have when you get a lead, one step closing process that pretty much you can I can take someone off the street, pay them literally 15 bucks an hour and a hundred bucks a deal. And they can close deals over the phone. I mean, it's not that hard. It's basically you do a deep dive. You gather some information about them. You gather some information about the repairs and you get their lowest asking number was, you know, no, whatever you get. Then you do what's called a set. We do a set and then we'll do as they listen. You know what? Let me research the property. Let me figure out the

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highest we can offer. Let me talk to my underwriter. Let me talk to my bottom, let me see what you can do to get the highest number. And what you do is you set an appointment for 15 minutes later. Sometimes we just do a straight line call close. That depends on the person. But we'll set the appointment 50 minutes later, get them back on the phone and say, listen, I talked to my underwriter. We looked at the comps based upon what's going on in the condition of the property in the current COVID-19 things happening.

Sean: You know, our offer can be one hundred and twenty-one thousand two hundred and forty-seven dollars. And listen, we're only buying one property this week. So if you're interested, we need to you know, we could write up a contract. And then what they do is you have the DocuSign already prepare, and then you go ask the closing question. We usually ask an ultimate choice question, like would you like to close on a Friday or Monday? So once we do the set, then we'll do the close in that process and we'll do the set. We'll research. Then we'll do the close. And the close is we present our offer. It's going to be an off figure. No. And then we ask the closing question, which is alternate choice closed, which is would you like to close on Friday or Monday? And they go, well, let's close on Monday. You got a deal. Say, great, what email is the best email. I can send you the contract. I'll walk you through the process.

Joe: That is important, by the way. What you just said, they're walking them through signing the contract over the phone.

Sean: Yeah, you do it all over the phone. You don't send it and forget it. You set you literally walk them over that. You get it signed right there. And then you say, hey, listen, here's what we're gonna do to speed up this process. What I'd like you to do is go around your house, take 15, 20 pictures. I need a good front picture, good back picture and as many pictures as the inside as you could possibly get a good, bad and the ugly if you could send those over. That will take about a week off and we can move forward. So and we'll have an e-mail. We'll have to send the pictures over in. Ninety nine percent of our sellers will send either via text or they send via email. They'll send us pictures over the house. So once we get the pictures now, we'll put them into Google photos, create a link for it, a shareable link. Now we basically are ready to market the deal and then we'll. There's two national closing companies out there. Clothesline settlements and there's W F G are both closing nationally. They'll do they'll do deals all across the country. Both of them will get will open up title to them. They'll pull title reports. And then we're in. We're now marketing the property and we do a couple different things in marketing.

Sean: One, we're going to do the flippers like you talked about too. We're going to we're gonna go to the realtor dot com. We're gonna find those. So we're we're gonna actively do that. The second thing we do is, is we pull all the real estate agents' email addresses and we buy that particular state real hyphen agent hyphen lists, dot agents, dot com, real hyphenated, but real estate agent list and you'll find it. And buy that

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agent list and then we take all the absentee owners that purchased in the last years, skip trace them. And with those emails, we put them all together and we'll blast out of email. And we use a killer service. Maybe you haven't heard of this Joe yet called send in blue. Send in blue. Now, the reason why we do the send in blue is because all the other constant contact get response. All the other, even send grid, all the other by a WEBER. All the other platforms basically charge you on a per subscriber basis. This is the only service I've found that does not charge you on a per subscriber. They only charge you an actual sent emails. So what happens is we had I had an account with one of the other service providers and we had upwards to half a million emails in there for our database that we're building across the country and has cost me six grand a month. Mike, there's got to be a better way. So we found send in blue. Now we have, you know, the five hundred thousand names in there and it's a hundred and seventy three bucks a month.

Joe: And they'll let you email them without requiring double options or something like that.

Sean: You can email them because you what you do is you set up your own dedicated IP, then you warm up that IP and then you're. And they give you a whole process and exactly how to do that. So you're sending off your own IPs

Joe: You know, it's interesting, too, if you looked at this, the same company where you buy that email list from a real estate agent lists dot com. They have an email service. Yeah, they will. They will set all that up for you if they'll actually blasted out a blast out for you.

Sean: Nice. Send in blue. You like that? That's it, really. You can put a million and a half e-mails in there and you'll only get charged on the actual sent emails that you sent. Little templates that we have, property templates. We send him out there and we email and one of my girls goes in there and she goes and takes every property for the you know, all the properties or marketing and show blasts blasted out.

Joe: What does your e-mail say?

Sean: It's basically it's just specifically about the property. Then it gives like a description of the property. You have a link for the pictures. Actually, it's a button for the pictures they can click. And if they're an agent Lee, they're a typically I like they have a built in commission for the agent and giving them the ability to tack on their fee on top price.

Joe: Are you doing anything else like with bandit signs or calling landlords and things like that?

Sean: No, it's primarily it's calling the agents. It's email, it's text to broadcast text to people.

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Joe: I know I know the answer to this, but I know people are also asking it. How do you get the property inspected? What if you make an offer and you find out it needs way more work than you thought it did? Then you calculate it in your offer. How do you inspect the property like that?

Sean: So now that we have an agent, we built the relationship with the agent that's gonna bring their buyer apples schedule to. Right. And we'll tell the will tell the seller. Say, listen. Right. You know, we got the agent come in here. We got the intel, the agents, they listen. They'll have any communication with the seller whatsoever. You know, if you have property questions, you can ask him. Nothing about the contract, the price. Now, the great thing about working with agents is they have a code of ethics where they're not essentially circumvent the deal if they do. They could essentially lose their license, which they don't want to do. So what happened? Now the agent goes over there. You'll get good perspective from that. So we'll typically send one to two, maybe three people over to the house with various different agents, and then we're gonna get feedback on offers. Right. So if we're priced too high, we're gonna take the offer. We're gonna basically verify that offer with the with the buyers. Listen, we're gonna go we're in it for more than that. We're going to go back or renegotiate with the seller. But I need to know that you're ready to go if you're going to close, because I'm, we're going to go back or renegotiate. And typically, we tell the agent that. Right. They're not talking directly to the buyer and they get the confirmation. That's a go. We're gonna go back and talk to the seller, renegotiate that deal, trade that spread there. And then bring it closer.

Joe: Excellent. If you had to, you could cancel the contract if they won't renegotiate with you, right?

Sean: Yeah. Now we've had some where they go. Sorry. You know, I just you know, it doesn't work for me. I can't do it. And we essentially can't do.

Joe: You're doing these deals over the phone. You have a bunch of people that work in the office or used to work in the office with you doing these calls with sellers.

Sean: Yeah. Well, until this whole COVID-19 thing, I let my staff work from home starting last Monday. So they all work remote. We use a phone system called dial pad. Dial pad's phenomenal. It works great because it's all voice over IP, but everyone's connected together. It has a texting feature and now so has that. So if I if I get a call here in Phoenix and I and you and I work together, Joe, I could easily do a transfer and it transfers it to you. You can pick up the line and I can say, hey, Joe, I got this seller on the line here, this, that and the other yadayada yada here in and then press transfer and it goes right to you. And it transfers. So my team's work on remote calls are coming in simul calls simultaneous early and they're picking up the phone, answering leads coming in from direct mail leads coming in from my marketing and

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they're doing deals and talking to sellers, getting contracts in some properties. And we're making outbound calls to our agents.

Joe: Beautiful. Excellent. Yeah.

Sean: If you haven't use that, that's definitely a great tool.

Joe: How are you doing? Any proactive by your marketing right now where you're trying to find buyers before you find them sellers?

Sean: No, we're essentially in. Maybe we should, but we're it because we're going into a market that. So we don't we don't. We're kind of discovering these markets as we as our marketing goes. So we're not really building buyer databases in that market unless we're in that market. So for Hampton, Georgia. We didn't have any buyers. So what do we do? We went to the agents. We went to the flippers. We skip traced all the absentee owners in that area. And then we send them text emails and we got a buyer that came across and they wanted that deal like we have. We closed the deal last week in Maine. Right. Small little deal in Maine. Right. That we did out there for us like a seven or eight grand out there. But yeah, a great deal. I mean, is it is a good deal, we found a buyer for it? And it was you know, it was great just by doing that, you know? And I think there's no problem finding buyers that way.

Joe: The marketing again here. The marketing you're doing Google AdWords. Yeah. And then you're doing direct mail once you know you've got a good area or you're doing.

Sean: Yeah. So let's say let's say well, we've got Google AdWords that we're doing for a state like if I'm going to do we did. We did Georgia and in Georgia, instead of doing Atlanta, which is highly competitive, we just did Georgia to see if we can pull up. And then we found Hampton, Georgia.

Joe: And can you exclude Atlanta in your Google adwords?

Sean: We don't exclude it. We keep it. But we've got leads in Atlanta, but leads come in. And as they come in, we're like, we got one in Hampton. Well. Thing is, no one's really marketing in Hampton, so the cost per lead is a lot lower than Atlanta, so no one really has any marketing going in Hampton, Georgia. So we got that deal in Hampton, Georgia. And then now, you know, we'd drop some direct mail there and because I have now I have buyers in that market. It's really easy to lists with prop stream or REI Automator. And we just pull lists and we just send direct send a straight postcard to the distressed sellers right there. And I send in tens of thousands were sent in maybe a couple thousand, you know, and then three to four

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percent response rate. You get great response rate motivated sellers and then we continue to do deals and sell them to our agents and buyers they already have a relationship with.

Joe: Are you sending the picture postcards and letters right now?

Sean: Yeah, it's the Street View postcard. Nice yellow. Yellow Letter Mail dot com.

Joe: Yeah, cool. I want to ask you a couple more questions and then then we'll be wrapping up here. Creative deals. Are you doing subject 2s on these virtual deals in small towns or land contracts?

Sean: Not virtual deals, no. Local deals, yes. Right. As we get local deals, come in. I know that our title lady has been working with for 17 years. She's awesome. We have those down to a science here in Phoenix. But local nationally with these couple of title companies we're using, they really have a wrap their head around the whole process. Yet I don't really want to teach them how to do it. So especially in a declining market right now, I don't want to mess with it.

Joe: Yeah. OK. Let me ask you, Sean, if you were to lose everything, you have zero dollars in your bank account. You needed to make 10 grand in 30 days. What would you do?

Sean: Exactly what I did back in 2008. I'd handwrite you letters from my kitchen table. I personally write, handwrite letters. I'd write twenty-five a day and I'd mail them every single day, seven days a week. I get calls from sellers. I go on appointments, I'd meet them.

Joe: Who would you send them to? And you live in Phoenix?

Sean: Yeah, I send it to the tax delinquent list. Right. That has at least 50 percent equity and then pre-foreclosures. OK. Right. I would just I would just send, I'd just send yellow letters out to people and I would get a ton of calls, but I would get calls coming in. And that's initially how it start. Or I pick a couple to three small towns across the country and do the same thing.

Joe: Nice. Yeah, I would I would totally agree with that. Yeah. You know, we're doing well right now. We're sending yellow letters through email to mail. Click to mail. Yeah. Know what I mean by that email letter, but with clicked email email to mail you can print on yellow paper. Now it's gonna be a window envelope so it won't be handwritten, but it's a window envelope with yellow paper in there. Yeah. And we're sending it to the owners of two things: rental properties on Zillow. A lot of them are listed with property managers. So we're sending them to the owners of the rental properties. And a lot of those, by the way,

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are not showing up yet as absentee owners and county records. So they're getting zero mail. Wow. And the houses are vacant. That's number one. We're also sending mail to older listings on Redfin. Redfin, it's really good with MLS data. So you can pull up a list of all the homes in your price range in your area that have been on the market over 90 or 180 days. Right.

Joe: And we're sending letters directly to the owners saying, hey, listen, we'd like to buy your house, but we need to rent it for a little bit first and then buy it. That wouldn't work for you, would it, if it would, you know, give us a call. We're not telling the seller to cancel their listing. Right. We're just making a lease option offer to them. But what's crazy is these letters to the rentals on Zillow, because a lot of them are not listed as absentee owners yet. The houses are vacant. A lot of them, they're not getting much direct mail from your competitors and they're really motivated.

Sean: Yeah. Yeah. Sitting there vacant. And they, I guarantee they've contemplated selling it. But then they go, well, maybe I'll just rent it. But now with all this junk going on in the world now, they might contemplate, you know, maybe I don't want to rent this thing. It's just guys who want to buy it. You know, let's see what I can do.

Joe: Oh, man, I'm so glad you talked about this. This is two things I'm really excited about. Number one, doing deals virtually. All right. And number two, doing deals in small towns. You know, it's you know, we've been doing deals in small towns for a long time, but it hasn't been until like the last six to twelve months. We've really been focusing on it. There is so much opportunity out there in small towns, and especially when you can crack Google AdWords like you have and get leads super cheap, find a good market outside of a big MSA. You know, do some direct mail. You're seeing double, triple the response rates in these small towns and you can still sell them, which is just really exciting. You just created a little course and I. Guys, listen, I want to I want to give a huge plug to Sean Terry's training and education. A lot of you watching this. I'm seeing the comments right here from Facebook and YouTube. You've known Sean for a long time. He always over delivers on the value and what he teaches, he teaches what he does. It's insane. So you just did an offer recently where you're teaching people now. You created a course recently where you're teaching people how to do these deals virtually. Is that right?

Sean: Yeah. So a basic creative course. This past August with Nick Perry and the guys from Tall Bridge, which is out of Canada. They're doing about 50 to 100 thousand a week in revenue virtually right now. Nick Perry is doing three to four hundred thousand a month virtually right now. So that's what really pushed me to go from local to virtually. And I recently just started going virtually since probably end of November, beginning of December. And we kind of moved our shift to go go virtually primarily because of these guys. So as we put this killer course together, Remote Millions, and now we have now I have been in the market

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doing deals virtually, you know, minimum 20 to 30 a month. And we've been doing since we have been doing this. And I've learned a ton. And now we with this whole COVID-19 thing going on, social distancing. I believe that my opinion not only is that is it the perfect business model for our time that we have right now, but it allow you to thrive during this time, right now and then with the wave coming with the amount of sellers who are going to be entering the market. It's another unprecedented time to be able to do it. So knowing specifically how to do it. And I have not met, you being one. There's maybe a handful of people that really know specifically how to do this and is doing deals on a national basis and being able to primarily generate leads via Google AdWords, finding small towns and then dropping direct mail. There's maybe, maybe five people that I personally know all across the country that is doing it. And not only do we have, you know, three of them that are part of the training. But what I'm doing is starting March 30th through April 3rd, I'm doing a week long intensive where I'm going through and hand-holding people through the course.

Sean: And we're updating the content in there to make it current for what's going on. Just the stuff that we talked about, you know, talk about it, but we get into specifics, we give you scripts, we give you how to pull the Realtors. We show you how the templates to send the mail. We talk about a texting service that we're using right now. It's working really well. How to find those. And we pretty much walk you, bring you into the computer and take you step by step through the whole entire process. So that is yeah, we're doing now with this whole COVID-19 and we got a 50 percent off coupons that we're given to people. So I know they've basically been out of work or lost a job or whatever. And this is a great opportunity to dive into your education, become better, and then walk out of this thing with a brand-new business model that can work in a great time and it can work in a recession. So where can people go. If they go to GetRMnow.com/shift. GetRMnow.com/shift. GetRMnow.com/shift

Joe: Is that right? Yeah. Cool. GetRMnow.com/shift. Stands for Remote Millions. GetRMnow.com/shift.

Sean: Yes. If you go there, check it out. I do a free presentation on there and I kind of walk through the whole process of what we're doing. I actually take you into my Google AdWords account, show what we're doing in there. I take you in REI Automator it how to find the flippers. I tell you the difference of where we are in the marketplace today. I do kind of comparison, recession comparison. I answer pretty much the top questions that I have been getting over the last two and three weeks for investors, like what happens if there's national lockdown, which is already happening in three states right now? You know, what's the best business model to go out and do during this and how can you thrive when you're doing it? What are we doing in our office to make sure that we're continued productive where all the tools that we use to do this? So it's questions like that we answer on it.

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Joe: I think you've overdelivered, Shawn, and just giving the tips and the advice and the things that you're doing today. But if you guys want to take it another level, take it to a big level. Go to GetRMNow.com/shift. And by the way, if you go to my Web site for the podcast, RealEstate InvestingMastery.com. RealEstateInvestingMastery.com. You get to show notes. You get all the links and even the transcripts of this podcast. So, you know, we dropped a lot of links here and we all get the transcripts to get everything at my podcast. Real Estate Investing Mastery.com.

Sean: The second best real estate online. I don't know about that. Well, you get me, you, and Matt Terry are always weekly. Because we were the, we're the three musketeers that kind of pioneered the space. And now there's 50 billion.

Joe: Well, what's funny, though, is there were some people before that.

Sean: You are now there is REI, there is real estate. Radio. Yeah. Really big guys. Radio. There is. Jason Hartman. Jason Hartman was there, correct? There was there was also lifestyle unlimited, but that was it.

Joe: That was that doesn't even count. That was like taking the radio show and turning it into a podcast. Yeah. Yeah, but there was nobody. And I remember thinking, Sean, oh, man, I'm afraid I missed the boat.

Sean: I'm talking about the days where every car in America is going to be able to have a screen where you can just listen to your podcast. And now we're here. My daughter, literally, I'd get her a new car for her 16th birthday. She has a podcast. And then one right there. Right. Connected Apple itunes.

Joe: That's awesome. Getting really good feedback here. Peter says thank you both so much. These guys are the most legit in this whole field, nice. Aliyah says all of my deals come from came from small towns sounds and that's very true. You know this lady, Sis.

Sean: Yeah. She's crushing it.

Joe: Oh yeah. She is the next thing. Corona virus isn't keeping me from being forward. Context realtors. Josh is saying I want to work with agents more for sure.

Sean: Agents are great, especially if you're not. You know, you're in distant, right. And you can call them and they'll talk and they'll give you great information about the market. Even when it comes to making offers to sellers and well, like during our research phase, we'll talk to a couple.

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Joe: Larry Goins, this is his secret thing. We created small town profits together.

Sean: Now, sure, a great small-town profits as a single document.

Joe: Yeah. Robert, dropping gold. Well, I'm sorry I interrupted you, Shawn.

Sean: Oh, no, I think that's. Yeah, I think it's a good get dropping goal.

Joe: Nick, look at this. Loving the opportunity that simple lease options is providing. Thank you. These options. Yeah. All right. So, guys, we sure appreciate you leaving your comment here. And go check out again Sean's website. GetRMnow.com/shift. You also have a podcast, Flip to Freedom podcast.

Sean: Get me a short period of you free to make it in i-Tunes that year.

Joe: Yeah, the radio. And I remember trying so hard to get more reviews than you and I finally passed you on.

Sean: Yeah. Yeah, you did. I have to be more consistent, actually. I was in the process of building because I turned my studio into a call floor. And I've just been hiring people that were calling people all across the country for my sales guys. Right. So now I got another office over here. I'm leasing was supposed to essentially start the lease in April, I'm gonna extend it until all of this comes down and I'm turning into a studio so I can start doing my podcast more and stuff like this.

Joe: Excellent. Hey, thanks for taking the time, Sean. I know you're busy. Stay safe. Wish you the best. Thank you so much, man.

Sean: All right. God bless everybody. Stay safe out there. Wash your hands and do not sneeze on other people.

Joe: Okay. All right. See you.

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