How To Do More Deals In The Economic Downturn: Make Multiple Offers (Flip Mindmap part 2)

Hosted by*:* Joe McCall

Welcome. This is the Real Estate Investing Mastery podcast.

Hey, everybody, how you doing, Joe MCall here. And the last video I did, I kind of talked about the big picture where we are in the economy. What I feel like is important for us to do as real estate investors, to be prepared to survive and to thrive in this market, to see where the opportunity is going. I talked a lot about how every crisis comes an equal amount of opportunity, and the opportunity is out there if you're willing to go look for it and search for it. You know, there's this whole concept of who moved my cheese. I remember reading that book a long time ago. And the cheese is definitely moving right now. And I'm not going to predict what's going to happen in the market ahead. But I'm telling you this. The market has changed. The cheese has moved. And we need to go find out where it is. So the next couple, three videos that I'm going to do, I'm going to be teaching you about some important things you need to focus on in this market. If you are a real estate investor and this applies even if you're a realtor or if you're in the real true business, we need to be shifting. The market is changing. We need to change with it. And I think there's three really important things that you need to be focused on in this market.

Number one, you need to learn how to make multiple offers to sellers. If you're just a one trick offer pony, you like all you make is cash offers. You're gonna be really struggling. I'm going to show you right now in this video how to make multiple different offers. I'm gonna give you a calculator and stuff like that. The other thing is, this applies, especially if you're a realtor and or an investor. You need to be focused on your buyers. You need to be focused on finding buyers and then offering solutions and alternatives to them, because financing is going to be getting harder and harder. Money from hard money lenders, private money lenders, banks, lending institutions, that stuff is drying up really, really quickly and a lot of it already has. The third thing I want to be talking about is following up and I will give you strategies, real simple, specific, powerful strategies for follow up follow ups becoming more and more important to be teaching about these things. But right now, I want to be talking about how to make multiple offers. And oh, by the way, if you want this mind map, just text the word flip to 31, 31, 31, text the word flip to 31, 31, 31 to get this mind map. You can also go if you don't want to do that, you can just go to flip mind map dot com.

Let me write this in your flip mine map. Dot com. Right. But the easiest thing to do is write from your phone to text the word flip to 31, 31, 31. The system will send you back and link. You click on that link and it'll ask you for your e-mail address. So I can e-mail you this mine map. Now you're going to want this mind map because I'm giving you a lot of resources in here that you're going to want to go back to and refer and use. All right.

So listen, sellers are more open now than ever to creative financing offers. I'm talking about owner financing, seller financing. Seller carry back, rent to own, lease purchase. You know, owner and I say owner financing. Yes. So a lot. They're open to more creative offers. And the more options you can give to the seller, the more deals you're gonna do. If you want to go from getting one out of every 30 or 40 offers accepted to maybe three or four out of every 30 or 40 accepted or offers that you make getting three or four accepted. Right. You need to be able to give them more than just one cash offer at 60, 70 cents on the dollar. So here's the problem. A lot of investors that are wholesalers, you know, that are still in the game, their buyers are telling them, hey, I'm going to be I need to be less. I'm not going to be offering less for these properties. So you're back to then offer less on the deals, too. So you need to be able to give sellers more different options. So why not give sellers whatever price they want as long as they're willing to wait for it? You can get it to them. It's this whole price versus terms thing. I tell sellers I can get you the price you want if you give me the terms you want if you're willing to wait for it. I'll give you the price you want, but if you don't want to wait very long, then I'll give you the price that I need to be at to give you your terms. So it's either price or terms. Let the sellers pick. Right.

And I also think it's really important in this market to be thinking about making a quick nickel versus a slow dime. You know, if you're an investor and your business is rehabbing fixed and flips, if it's even buying, hold me. I would encourage you right now to start thinking more about quick nickel strategies rather than a slow dove. Does that make sense? So I like wholesaling. Now, here's the cool thing. You don't have to just wholesale cash deals offers. You know, cash offers. You can wholesale lease options, you can wholesale seller financing. You may wholesale them to another investor. If you get an owner financing deal, you may wholesale a lease option to a tenant buyer. You can wholesale properties to retail buyers. Right. Or if you're a realtor, again, just traditional listings and stuff like that. So I may be talking about how to make multiple offers in two different categories. Cheaper houses and nicer houses. Now this depends. It's varies. It's different on where you are. Typically in the Midwest and most parts of the country, if you exclude the eastern west coast, you know, homes, median price range, maybe two hundred one hundred fifty to two hundred thousand dollars. Right. So for cheaper houses, that would be those would be the kinds of houses that landlords buy for cash flow. Generally speaking, and most of the good cash flowing markets. These are properties that are gonna be under one hundred thousand dollars. OK.

And so I'd like to give sellers three different options when it comes when they have if they have a cheaper property. Cash prices, seller financing with interest only payments and seller financing with principal only payments. All right. Now there's various methods. I want to show you this and my calculator right here that I want to give to you various ways to make cash offers. I want to encourage you to keep the super simple. One of the easiest ways is the. Average of the lowest sold, and what I mean by that is, you know, you're looking for. This is works better for properties that need work and you just took it. You're just going to take the average of the three to five lowest sold recently. I must show you how to do this in an example. The average of that times 80 percent. That's a quick, simple way to do that. And then there's the rent times something strategy. And this is good for rental types of properties again. You take the monthly rent. Maybe times fifty five or forty five minus repairs. So each area has a different number. You just have to kind of figure it out. And note, I won't be talking about this too late for repairs. I'm just making my initial offer. I keep it real simple. $5, $10, $15 a square foot based on the amount of work it needs. Maybe 20 dollars a square foot and you can vary and change it. But the point of this is make real simple, quick, fast offers. You don't want to be spending more than 5, 10 minutes on coming up with the initial offer to the sellers. OK. And then there's the ROI method for determining a cash offer. This works good with rentals again. What is the return on investment? What's the cash on cash return that investors are looking for? Each part of town is different. Right. There's areas of St. Louis where I am, where, you know, investors are gonna want 15 percent.

But there's other areas that are nicer, more expensive. Investors are gonna be happy to get 8 percent, 10 percent. So you kind of need to know what that is in your area. I'm gonna give you some examples and a spreadsheet for how to do that. Now, one thing that's important to note, when you're making your cash offers, you need to always compare the offer you come up with to what current properties are actively listed for. So you want to make sure you're not trying to flip or wholesale your property for higher than what the lowest comps are. And I must show you how to do that. Okay. And then there's seller financing interest only payments that goes without explaining. Pretty simple. And you can make seller financing principle only payment. So let's look at an example deals, shall we? I'm going to open up my seller financing calculator here.

Now, this is kind of complicated because I've got a lot of numbers in here and you've got to be careful with spreadsheets cause spreadsheets can tell you anything you want a spreadsheet to tell you, right? And if you're weak with spreadsheets, then, you know, just. I don't know what to tell you, but this is how I like to come up with offers. I like to put it up and put them in spreadsheets. You can also get a yellow pad of paper. And just once you learn how to do this, you can do this on a yellow pad of paper. So don't think that you have to have a calculator like this to come up with offers. I'm just gonna show you how this works. Typically, you just fill in the yellows, the things that are in yellow and it'll spit out three or four different offers for you. And I have different ways to come up the cash offers and stuff like that. So I'm going to walk you through this spreadsheet here again.

If you want this spreadsheet, text the word flip to 31, 31, 31. And also, when you get the spreadsheet, you're only going to have you access. Only you only you only can view it. You can't get in there and edit it. So when you get this link, you'll need to go to file, either make a copy or download it as a spreadsheet. All right. Please don't send me a request for permission to access whatever you if you're logged in, you'll see a button here. It says request permission to edit or something like that. I get three or four or five of those a day. I ignore them. I delete them. I wish I could not have it send that to me. But so don't send me a request to access this. You need to go file. Make a copy. Download as a spreadsheet. Make sense. All right. So this example deal is a property I just found at random earlier in Tulsa, Oklahoma. Here's the Zillow link. And here is the Redfin link of the property. Okay. Let's just kind of show you this. This is a good rental neighborhood. Tulsa, Oklahoma. I got students doing deals there right now. It's a great cash flowing market. This is a great market where you can buy really good rental properties that cash flow. It's a strong market, strong economy. And I like Oklahoma a lot. Right.

And so for some found this property and the seller is interested in a cash offer, but he's not super motivated. You know, he's just like, yeah, maybe I'll sell it if the price is right, send me an offer. All right. He's not super motivated. And so I'm going to send him a couple different options. I might find out I might send him a cash offer and say, listen, if that doesn't work, I might be able to get you closer to what you're asking for. If you'd be willing to do some seller carry back financing. All right. So this is relevant now. You'll see Redfin gives a Redfin estimate of seventy-two thousand. Zillow gives you an estimate of about sixty-one thousand. But I'm not too worried about those right now. Now the way this calculator works here. Hold on. Let me get a drink of water. Here's to the St. Louis Cardinals. Hopefully they play this year. All right. So this is a calculator. And I have three different options that I'd like to give the sellers a cash offer seller finding interest only. And so their financing principal only payments. And let's say the seller says, yeah. You know, I might sell it for 60 or you kind of get a feeling that's kind of what they want because this property, again, Zillow says it's worth sixty-one. Redfin says it's 72. Who knows? I mean maybe the seller says I'd sell it if you gave me his offer for sixty-five. Whatever. You put that in there. All right.

Now I know in this area investors are looking for 13 percent are a why now are a wise return on investment. And this is the oral eye method. What I'm doing right here and this is basically saying if I buy it for this and I sell it to an investor for that. After all, their expenses, vacancies, management, maintenance, repairs, taxes, insurance, they should make 13 percent on their money. All right. That's kind of the theory of this. And the way I like to do it is by square, I estimate my repairs by square foot. So there's nine hundred twenty square foot on this thing. And I'm just figuring. Five bucks a square foot for repairs, and this property, if you look at these pictures, are old, so it's probably going to need some paint and carpet or some kind of cleaning and landscaping or something like that. So I do $5 dollars a square foot if it needs more cosmetic than maybe ten dollars a square foot full. Got rehab, maybe 20. It depends on the market. Right. So I'm figuring about forty six hundred for repairs of gross rents are about eight fifty. How do I know that? Well if is estimate says 850. I'm just going to go with that. Again, I want to do this real fast. Eventually you get a virtual assistant to do this for you. Right. So I figure I like to figure about 40 percent for expenses. Again, that's vacancies, management, maintenance, repairs, taxes and insurance. So my net annual cash flow in this thing, my net cash flow every year is gonna be about sixty one hundred dollars. And I want to make about a ten thousand dollar wholesale fee. Always shoot for 10. Don't shoot for three or five thousand. Try to get 10. If you don't, you're not going to get it if you don't ask for it. I'm figuring about a thousand dollars closing costs for my end buyer. So that means he works the numbers here. Just don't worry about the calculations. Just this is kind of way it works.

If I offer thirty-one thousand four hundred seventy seven dollars to the seller and I sell it to my end buyer, my investor for forty one thousand four seventy seven. After all, their expenses and repairs and closing costs and vacancies and maintenance and management repairs their first year, they should make 13 percent on their money. That's how I calculate this offer. Cool. So again, this kind of says my purchase price for option one will be thirty-one thousand. I'm going to sell it to my investor for forty-one. They're all in after rehabbing and all that closing costs is about forty-seven and they're going to get 13 percent of their money. Proximate. I'm not guaranteeing or promising anything that makes sense. Now there's another couple ways that you can get. Come up with the cash off because maybe that's too complicated for you and I get it. So the simple way is just to the average of the lowest sold. And so what I like to do as in Redfin. Let me zoom in. Make sure you can see this. This is a property on Redfin. Ignore the last sold prices was probably a package of a bunch of properties that they bought for four and a half million dollars. Scroll down and I'm going to click right here on this map. Map nearby homes for sale. Now, if you're in Redfin and you don't see that link. Sometimes if you click this little icon right here to expand to the map, you will see the button there. But you want a click map nearby homes for sale. And the reason I like Redfin is because in most markets they give better data than Zillow does for sold because they're more closely tied to the MLS and the county records. I think Redfin does a much better job with the data than Zillow does. Right.

So anyway, when I click that button, it puts that house right in the middle of the map because I'm gonna be zooming in and out and I want that property in the middle. And right now, there's no properties listed for sale there. I could zoom out if I wanted to. And I can see here on the right the properties listed for sale. Now I'm going to go to more filters. I want to look at sold. Right. So I'm just gonna click house, turn for sale off, sold on. And I'm going to go back a year. I'd like to get as much data as I can. Click apply filters. Now, remember, my house that I was looking at was about a thousand square feet. And there's some here that are more. But I'm a sort this by price. I take this table over here on the right as sorted by price. And you can see just looking at the square footage here. These are numbers that are all in that ballpark. I'm not going to overanalyze this too much.

If you needed to, you could go to more filters and filter by bedrooms. You could filter out some more by square feet and things like that. But I'm just looking for lowest salt. That's all I'm looking for here is lowest sold. Some. Take this sorted by price and you see all the properties here. And sometimes if you click through here, you can see properties and click through this sold just a few weeks ago and looks like it's almost rent ready. Right? Paint and carpet. It sold for forty-four thousand five hundred. This one sold for forty-five thousand forty five thousand fifty. The cool thing about this is these are properties that investors are buying. Now, this is telling me this is what investors are paying for. Right. You don't need MLS access for this. And a lot of these things are shown up because they're coming from county records. They're not coming from the MLS. This is a good thing that one of the reasons why I like Redfin. You can also get this data from Propp Stream. I recommend you go check out PropStreamJoe,com, which is pretty cool. Maybe I'll share that with you here in a minute. All right. So by the way, also, if you scroll down here, you can typically not in all markets, but usually you can download all these things into a spreadsheet. And I'm not going open it up, but you can get all of this table data in a spreadsheet, which is pretty cool. All right.

So in my calculator spreadsheet here, I just wrote down the four lowest solds. Forty-two, fifty, fifty seven. Fifty-eight thousand. Oh, well, I'm zoomed out. So when I was doing this before, if you have too many properties like fifty five, maybe as too many I'm going to zoom in one more time, that's going to give you better comps because those are right down the block in the street in the neighborhood. Right. And so here you got free forty to fifty-eight. Sixty-three. Sixty-five. All right. So let's look at that. Forty fifty-eight. Sixty. I want to pause my video when I put those numbers in. Hold on one second. All right. So I put the lowest four in here and I averaged them and multiply that by 80 percent to get about forty five. Six hundred. The other thing you can do remember I talked about that rent times, something strategy. So you can take the rent times a multiple as say a fifty five minus repairs and I'm going to get an offer cash offer price of forty two. Now I've got three different numbers here don't I. My ROI method gives me thirty-one thousand cash offer. My average of lowest sold gives forty-five. And my rent times some kind of multiple is forty-two. This is common. Every different way that you make come up with offers. You're going to come up with different numbers. I just like to go with the lowest one. Okay. Simple as that. If I offer thirty-one and I sell it for forty-one, I know that my investor is gonna get 13 percent on their money, which is pretty good.

If you want to be you know, maybe not as conservative, just change your number to maybe 11 percent. All right. If you change that number to 11 percent, this is gonna up your offer to forty thousand, which is closer to what this is. Which is closer to what that is. Makes sense. All right. So that's my cash offer. Just pick one. Don't overthink it. Don't over analyze it. Shoot. Just average the three different cash offers you get if you want. Right. But just come up with a number. It shouldn't take you longer than a minute to do this stuff. Once you get it figured out and get the hang of it. All right. Seller financing. Listen, I can get you more money if you're willing to owner finance it. Right. So maybe I offer to the seller eighty five percent of their asking price or what it's worth. Sixty five grand lets say, and I'll put 5 percent down 5 percent interest for 10 years. So interest only payments on the balloon in 10 years. And this kind of walks through the numbers here. So you're going to purchase it for fifty thousand. You're gonna need about seven grand in cash at closing. It doesn't mean you have to do the repairs yourself. A lot of times you can sell handyman specials, owner financing. But you know, you're gonna need about 70 grand in repairs for it to close on the deal. Your annual net rents gonna be about sixty-one hundred. Your annual annual debt service is twenty-four hundred three. Monthly debt payments is two hundred. Your annual net cash flow is that. So your monthly net cash flow is three hundred ten dollars. Not bad. And that's after management expenses and all those repairs. Okay.

Vacancies, management, maintenance, repairs, etc etc. So you're gonna offer option number two is maybe 10 grand more serious cash offers forty thousand. Your seller financing with interest only payments gonna be fifty thousand six fifty. You got about twenty-five hundred down five percent interest only monthly payments of two hundred a month for ten years with a balloon in ten years. So here's the cool thing. If you decide to hold this deal and keep it for yourself, you're gonna make your first year 52 percent cash on cash on your money, which is pretty amazing. Now double check my numbers, make sure my calculations are correct. You know, I'm not guaranteeing that anything on here is going to be right. So if you'd bought a property like this or if you bought that property on Third Street in Tulsa and you don't make 52 percent of your money, then it's not my fault. There's something's wrong with the spreadsheet or I didn't figure in something else. I'm just saying, like, don't. You know what I'm saying? Okay. Here's a cool thing, too. If you sell if you get it under contract and you sell that contract to another investor, to another landlord, you sell that contract for 10 grand. That end buyer is gonna make twenty one percent cash on cash on their money. Cool.

All right. You tell the seller, you know what? I might be able to get you more. I might be able to get you fifty-eight thousand dollars with principal only payments. Principal only payment. So you offer the seller ninety seven percent off of ask price, put 10 percent down, zero percent interest. So that tells you here your monthly net cash flow is gonna be $218. Right. But how much equity are you getting principal pay down every month? It's pretty insane, right? So if your purchase price is 58, your down payment is fifty eight hundred and you going to do let's say one hundred and eighty payments, what if you spread it out to two hundred monthly payments. Oh let's do two hundred and twenty five monthly payments and that's 20 years maybe I don't know 17, 18 years. So this is all just negotiable. So you're going to offer the seller as a third option 58 this. Okay. $233 a month and you're ROI the first year is gonna be 31 percent. And the end buyers ROI is 16 percent. And I don't even think that is counting up to look at my numbers here. That's not even counting your principal pay down that you're getting. OK, so here now is what my whole point in all of this. Now you can give the sellers options. All right, Mr. Seller, I can get you forty thousand with cash closed right now. I can do seller financing interest only payments if you want more. Fifty thousand, fifty one thousand, five percent down, five percent interest only payments for 10 years. Or I can give you fifty eight thousand.

Now, by the way, if there are no repairs, if I do this zero, that's gonna change all the numbers and I can offer the seller close more closely to what they want. Sixty-three thousand because there's no repairs that are needed. Maybe it's rent ready and good to go. I don't know. So when you factor in repairs, that's going to lower your numbers, obviously. Right? So if there are no repairs, it's rent ready. You can see non-Mitt offer the seller forty-four thousand, fifty-five thousand, sixty three thousand, giving them two options, price or terms. Does that make sense? Super powerful. If you want to be successful in this market going forward as we transition from a seller's market into a buyer's market. You need to give sellers options and you may not want to stay in the middle of any deals. I get it right. That's OK.

You can take these contracts no matter which one they take. And you can wholesale that contract to another investor, to another landlord who wants to stay in the middle of that deal. Does that make sense? All right, cool. Now let's look at another example deal, maybe of a nicer house. And this would be something that I might want to offer a lease option on. Okay. And when you make a cash offer on a nicer property, that's different. There's various methods that I recommend you use. And if one is your typical MAO formula, maximum allowable offer and this has been around for a long, long time. And again, this typically works. Better for nicer homes that you're going to sell to rehab her and the formula is simple, 70 percent of ARV minus repairs, minus your wholesale fee. And when it comes on ARV, I make it real simple. It's the average of Zillow appraisal, real, real quest or whatever is lower, whatever you want. Right. That makes sense when it comes to the MRV. Just real simple. Fast. Don't spend too much time looking at this. OK, now the average.

The other way you could do it again is with the average of the lowest solds. You want to make sure you take the lowest as this works better for properties that need a lot of work. Take the average of the lowest three to five and multiply that by 80 percent. OK. One thing I forgot to mention and I think maybe I did on the cheaper houses and the nicer houses, you always want to compare your offer to what current properties are actively listed for, right? So on the cheaper houses, for example, if I'm gonna make an offer for 44 and I'm going to sell it for fifty four. Well, what are similar properties currently advertising for in that neighborhood? Right. What's my competition. So I might try to sell this thing for fifty four thousand if I go in here to Redfin again. I turn sold, turned on for sale, click apply filters. There's nothing in there. So I'd need to zoom out, zoom out and I sorted by price. Oh so fifty-eight. That's pretty good. I'm a zoom out one more time to get some more comps. I feel pretty good. Right.

Because look at this. The lowest price property in this area is fifty-eight nine. Looking at the pictures, how much work does it need. Yeah, it needs a little bit of work. Right. Only an investor is gonna buy this. But if I'm going to offer the seller forty-five, sell mine for fifty five. I feel pretty good because I'm below the comps in this neighborhood. This one's for seventy-five. This one's for eighty-four. That makes sense. It's the same thing with these nicer properties that we're looking at here too as well. All right. So that's my cash price probably. I prefer the typical male formula. I would give you an example here. Now I also make a lease option offers and I cover this a lot in my class, my lease options class. I'm not going to go spend to deep a dive into this.

But a sandwich lease option is where you stay in the middle of the deal. There's three profit centers on a sandwich lease option, cash now cash flow and cash later. And that's really important. Understand you make money now and in the middle with cash flow and then later when you sell it, you stay in the middle like a sandwich of a lease option. You set your lease option from the seller and then you stay in the middle and you lease option it to a tenant buyer. So when you determine your option price, it's the as-is value times 85 percent. Market rents times seventy five percent. So I want at least 15 percent equity and at least 25 percent of the rent for cash flow. Right. That's typically the way I like to do it. Usually minimum of five years. I might do three. I might put a thousand dollars down. And if they owe more than the property's worth, if they owe too much, you know, maybe give them an option price of whatever the loan balance is going to be in 10 years. As long as there's cash flow, sure, there's options there. And I'll show you what all that looks like in the calculator here.

For a wholesaling lease option. There's just one profit center. That's your assignment fee. This is where you're not going to stay in the middle. You're just gonna get it under a lease option contract for whatever price the seller wants within reason. And you're going to sell that lease option contract to a tenant buyer and you're gonna be out of the deal. So I can give the seller whatever price they want. Close to market current market value. All right. Let me get here. Now the rent's going to be market rent, usually minimum two years, ten dollars, option consideration, maybe a hundred bucks. You know, I might do a hundred of these are the easiest deals to do, by the way, in this declining market. You've all I've seen I wrote a book on this right here called Wholesaling Lease Options. You can get this out for free at WLOAudio.com. WLOAudio.com. Oh I just I it's right there. Or you can get my audio book for a buck. Ninety nine at WLOAudio. Com. So there's two Web sites, WLOBook and WLOAudio. You can get those right there.

These are really easy deals to do and I kind of show you a little bit here as an example. So here is an example deal. This is another property in Tulsa that's a nicer home. All right. And when it opened up my calculator here and show you what I have in this calculator. Again, you have access to this. You get it. Just if you get the mind map, text the word flip to 31, 31, 31, go to file, make a copy or download it as a spreadsheet. All right. This property is in Tulsa. I'm going to click on this Zillow link. Let me just click on these links here. I kind of did some of this work in advance. And so I'm looking at the property at Realtor.com, Redfin and Real Quest Express, which these are all free. These are all free valuation tools. Okay. All right. So here's this property. This is a property right now listed for rent for eleven hundred a month. That's a nice home. And contact the seller. Guess what? It's vacant. I love vacant house. It's been on the market. Thirty five days. They haven't sold rented it yet. Maybe they're getting motivated sort of times. You're gonna find properties listed for rent that used to be an Airbnb or they wanted to sell it, but they couldn't. So now they're renting it out.

And I call them and they say, yeah, you know what? I might consider a lease purchase. This is actually listed by a property management company. That's all right. I'm going to call them anyway. I'm going to send a letter to the owner of the property. I get somebody on the phone and yhey say, yeah, we might consider maybe a lease option. I don't know. You know, so I'm going to make them an offer, but I'm going to give them three different options. I would give them a cash offer, sandwich lease option offer and a wholesaling lease option offer. All right. So it's a nice little home. If I look at your appraisal, I can see that they give it a value of about 166. Zillow's about

173. Finn is about one eighty one Realtor.com. I'll look for hold on, I'm going to pause this video and I pull it up there. Hold on. All right. Realtor dot com. Give me an estimated value of one seventy five, six hundred and real quest express or express dot real quest dot com gives me a value about one fifty eight.

So the cool thing now is with this spreadsheet that I have. How do you get the ARV? Well, you just average those. That's all I do. I take the Zillow, e-appraisal, redfin, propstream Joe dot com is another one I like. Realtor.com Real Quest Express.. And I average them. I'm going to get about 171. I also look at the median because the median removes the outliers. Usually there's at least one of them that's really low or ridiculously high. So you can remove those. That's how I determine my ARV. Real simple, real fast. I don't care if they're off. Right. Because usually they are. Everybody complains about how off Zillow is. But, you know, you're gonna get within the ballpark of 10 percent, right. You pick the ARV. And when I'm making my cash offer member, your ARV minus times 70 percent minus repairs, minus your wholesale fee, 70 percent. The square footage on this thing I think was about eighteen hundred square feet. Yeah, it's a three bedroom and there's no repairs because it's ready to go. I'm gonna wholesale fees. I'm gonna offer the seller a cash offer of one oh nine seven hundred.

And if you also went in and you did the average of the four lowest solds, it will be. And I did this earlier. I think those numbers are still right. But you know, again, you can do the same thing like I did. And the other property, go to Redfin, scroll down to that map and there it is. Click on map nearby homes for sale. These are active listings here. I'm gonna go to more filters. Good house. I'm a change for sale off. Sold on. Let's do last year. Plie filters. Forty five is too many. So maybe I change the square footage of the bedrooms and baths, you know, when I can zoom in to get more of them. I sort it buy low price and I just take the average of those. And I think what I did before is I filtered out anything less than three bedrooms. So that's another way you can do it. Just as kind of like a check right. Now for my sandwich lease option offer, the market rents are about eleven hundred. I want at least twenty five percent of the rent for cash flow and I want at least 15 percent equity. So this is gonna give me and I want five years. I'll put a thousand dollars down. This is gonna give me a sandwich lease option offer of one forty-five. I'm going to give to the seller eight hundred twenty-five dollars a month in rent and put a thousand dollars down five years. So the seller may you know, probably is going to reject my cash offer.

And this is why I love offering lease options to sellers because every wholesaler out there is making these ridiculous low cash offers. What do you think the seller would rather take one of nine or one seventy-one or nine or one forty five? Now not many sellers are gonna take the sandwich lease option offer either because you know, obviously it's a twenty-five thirty-five thousand dollars less than what they were. You could sell it for. But don't forget I'm offering them the same equity they would get if they sold it through realtor and the same cash flow they would get if they used a property management company. So it is a fair offer. And on a sandwich lease option offer, I'm gonna be responsible for any vacancies in maintenance and repairs. And so it is a good win if you present it the right way to a seller. But I also give them the lease option assignment, which is whatever price they want. I know it's worth about one seventy one today. They say, well you know, in two years we'd be willing to sell it for one seventy. All right. I'm gonna give them an offer. Here we go. Three different options right here. Cash 1 0 9 or 1 10. Sandwich please. Option one forty-five holes and lease option assignment one seventy. That's how I like to make my offers.

Now these are if I want to give the seller at one time, three different options. Now you may have a warm seller lead. They're motivated. You may not want to give them the lease option assignment offer. You may only want to give them the sandwich lease option offer because that's where you're going to make the most money. Right. So you've got to kind of have to play this by ear. If, you know, they owe one sixty-five on this property. Well then don't give them the cash offer or the sandwich lease option offer. Just give them the lease option assignment offer. So this is a discussion for another time. But when you're talking to a seller, I'm not coming at it with a predetermined agenda in my mind of what I'm going to offer them. I'm looking for trying to help them. And if I know they owe too much and the sandwich lease option or the cash offer isn't gonna work for them, then I'm not going to offer them that. I'm just going to offer them what I know works. If there is equity, then I'm gonna offer them the sandwich lease option offer. And if they say no to that, then I'm going to offer them the lease option assignments. That makes sense. All right.

So that is all in the mind map. Do you like this mind map to get these calculators? Just text the word flip to 31 31 31. That's all I'm going to share with you now in this video. And the next ones I'm going to do by our marketing and follow up old leads. By the way, if you get the mind map and you're watching this video and you're like, oh well, whereas the video for buyer marketing or where's a video for following up with old leads? You will find a link to those videos here in the mind map. So this video I'm doing now will actually be linked in here in this mind map. The buyer, the marketing video, the follow up video will be in the mind map. So there'll be links to all of that in here as well. So again, text the word flip to 31, 31, 31 to get the mind map to get the other videos are going to be doing as part of this campaign. And also the big picture, the video I did about the big picture, that link will be in here as well. So I appreciate you guys. I will see you soon. Take care. Bye.