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How To Do More Deals In The Economic Downturn: Finding The Active Buyers (Flip Mindmap part 3)

Hosted by: Joe McCall

Welcome. This is the Real Estate Investing Mastery podcast.

Hey, everybody. How you doing? Joe McCall here from the Real Estate Investing Mastery podcast on this video. I'm gonna continue what I've been teaching on about the new opportunities that are currently right now in this market. And there are a lot of them if you're ready and prepared. So if you haven't seen the previous videos, I did just text the word flip to 31, 31, 31, and we will get you the mind map and we will show you videos that we did before. I did some videos on the big picture, understanding how to think up here mentally and your mindset first. And then on the last one, I talked about how to make multiple different offers to sellers. I talked a lot about how to make lease option offers, your seller financing offers and actually gave you my calculators that I use for making multiple offers. So that's the first thing that you all need to be thinking about. If you want to succeed in this market, especially going forward, is not just being a one trick pony, but you need to make multiple offers to sellers.

The second thing that I think is going to be very, very important for you guys to be monitoring and keeping track of as we're progressing now from a seller's market into a buyer's market, is the buyer marketing. You should always be marketing for buyers. Okay. And it's important that you have the buyers. I remember back in 07 08 or 9 through 2010 and 11, the wholesalers, the investors that did the best were the ones that had really good buyers. It's not that hard, but I'm telling you, you should always be focusing on marketing for buyers. But now especially, you need to be focused on marketing for buyers and having real good buyers. And there's some other things involved. This is going to be talking about here. This is going to be really important for you guys to grab and get a hold of them and zoom in a little bit. Make sure you can see this. So here's some important concepts to understand first. You always want to be looking for active cash buyers, not the ones that bought a year or two years ago. You're looking for active buyers. Why is this so important? Well, several reasons. This is the easiest and fastest way to get started doing deals. It's much easier to shop for what buyers want than try to sell them what you have.



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A lot of people fall into this trap of, you know, if you make a bowl of spaghetti, you go out into the street. You try to sell it. You're not going to have an easy time selling that. But if you go out on the street and you take orders and then you go back and you make it, you'll have a much easier time selling that. Does that make sense? So it's easier to shop for what buyers want than try to sell them for what you have. The other important thing that you need to understand is you need to dig your well before you're thirsty. If you're already thirsty and you need the cash. It's a lot harder to make the money if you want to make fast money. If you want to make some money on deals, you need to have your well dug already, which means you need to have really good buyers. Makes sense, man. If you needed proof of funds, this is important. You need you can always use your buyers proof of funds, right? So it's always good to have good buyers that have access to the proof of funds that you may not have if you're getting started off starting off right now. Right. So always be building your buyers list. Always be thinking about finding your buyers first. Don't rely on Web sites anymore or e-mail blast. They don't work as well as you used to. In other words, like it used to be that you could just send an e-mail blast or get people to your Web site and have them opt in. And that would be good enough. It's all about relationships in this business.

So it goes on to the next point here in all your marketing, have all the calls, go to your cell phone when you're doing letters or calling people. Don't be afraid to use your cell phone. All right. You want these buyers to be able to reach you. And I can't tell you how many times I've had buyers. Tell us you are the only guys who answer your phones. It's because they know how to reach us and we answer the phones when they call. So it's about focusing on building relationships. This is important. Start spreading the word in the market that you're looking for properties now that you have buyers. Okay. You can start telling everybody, hey, we're looking for deals. Send us what you've got. And remember that you're the buyer as well. Sounds like a contradiction. But as you start building your list of wholesalers, investors, contractors, realtors, property managers, etc., you can start sending out weekly emails to everybody on your list saying, hey, I'm looking for deals and now you become the buyer. You become the new hedge fund in town and people will start bringing you their deals that make sense, which then you can forward on or pass on to your buyers.

The other thing that's really important to talk about here is start thinking about packaging deals for your buyers. And this I could create a whole video on this. This is really important, especially



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going forward. Start thinking about packaging deals with financing in place for your buyers. A lot of lenders have pulled their money out of the market. The big hedge funds are pulling their money out. They already have and it's getting harder and harder to find lending for deals. But when you can present a deal with the money in place, you're going to sell these lightning fast and you're going to sell them for higher profits than anybody else. So I'd encourage you go to certain networking with local banks. There are still local banks that will lend on deals. Ask them, hey, what's the what's you're lending criteria for? If I were to bring you a good deal and you were to lend on it, what would you need? They'll tell you. Well, you know, they've got to be certain loan to value. They need to have a certain credit score. They need to bring a certain amount of money to the table. They need to blah blah blah. They'll list it. And then only need to do is when you're presenting deals. You can say to your buyers, hey, I already have a bank or a local hard money lender or private money. I already have the money in place. You don't need to worry about that, especially when you can package in some kind of creative seller financing or lease option. This is huge and this is why it's so important.

In that previous video, I talked about making multiple offers. If you can put together a deal that has seller financing or lease option in place, those become really, really easy deals to sell for high profits to other buyers because they don't have to go borrow. They don't have to use much of their own money. They just pay you an assignment fee of five ten twenty thousand dollars to take over one of the deals that you've negotiated with creative financing in place. That is why this is so important. So when you're also packaging deals, think about packaging, giving them things like three local property managers that they can interview, three local contractors, you know, insurance agents, title companies, etc. other people in the business that you can refer to them. I'm not talking about becoming a turnkey provider. I'm not talking about selling them a deal that's already rehabbed with a tenant in it and all of that. No, that's too much work.

I'm talking about finding good deals where the numbers make sense with the financing already in place with a bank or hard money lender or seller financing that's already in place. Some suggested property managers suggested contractors, insurance agents, title companies and like that. That's gonna be really, really important going forward. Marketing for buyers. Now how do you find them? This is where if you want to get this mind map again, text the word flip to 31, 31, 31. Text the word flip to 31, 31, 31. And you're going to see some pretty cool things are that you're gonna



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want this mind map for. Now, how do you find these buyers? Well, my favorite is landlords of current rental properties right now. Right. If you can go to Craigslist, Zillow go Section 8. You're going to find hundreds, if not thousands of phone numbers of landlords and property managers that are renting property out. So give them a call. Hey, I see that you're currently advertising a property at one to three Main Street. You wouldn't be looking for another property in the area, would you? Do you know anyone else is looking for more properties? You know, you could say if there a realtor, a property management company, hey, can I send you my contact information if you bring me a buyer? You can add whatever commission you want. Or you could even say to the realtor, you can represent me and get both sides of the commission if you bring me any kind of buyers. Right. So I love calling and texting current landlords of properties in your area.

The next thing I'd like to send are letters. Now, there's a lot of different places that you can get lists of current landlords. I like prop stream. My link here is propstreamjoe.com. If you use that link. You get a seven day trial. I think it is. Or 14 days. But you also if use my link, you get to download more than your normal place that you go. So I like to look for recent investor buyers in your local market. I look for people who purchase property in the last six months in that area. I like to send them a motivated seller yellow letter. And this letter is crazy. It's really good. I'm going to show it to you right here. I just say something like urgent notice. This is a handwritten letter. I just talking to one of my coaching students today who use this and found some great buyers. He says it works like crazy. So I'm sending this handwritten yellow letter to other investors who own properties in the area. I say, hey, things like urgent. I desperately need to sell my property at one to three Main Street in the city. I've had it listed with the realtor. I've had it listed for some time and I can't wait any longer. Take a drive by. Call me. I'll let you in. The title is clear. Taxes are paid, condition is good and I need it sold today. Listen, just drive by. Call me. Make me a cash offer. Right now. I'm desperate. I'll take anything. Name, phone number. That letter works like crazy.

But here's the crazy thing. You know, it works well, too. When you crumple it up and you fold it back and put it in an invitation envelope with a couple of stamps on it. You get a huge response rate with this. They get an invitation envelope handwritten. They open it up and it looks crumpled. There's some thickness to it. And they're like, what is this? They're gonna open it and read it. So these letters to recent investors or other investors who own property in the area works really well. Also, think about look for a reason and buyers that are already buying in other markets



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outside of those markets. In other words, you know, like you can go into any hotbed where there's a lot of investor activity like Memphis, Tennessee or Indianapolis or whatever. Right. And you can pull a list and say, all right, show me all the investors that bought in those markets from outside of those states. Those are some of the best buyers. And what I like to do as I have this professional letter that I send where it has a letterhead and it just says something along the lines of, hey, I see that you purchased a property recently in the area we own a company in the St. Louis market. I understand, blah, blah, blah. You see here and it says we are the premier real estate investing company in whatever city, assuming that you're looking to invest and continue. We're ready to help you. Give me a call. That's it. It's a real simple letter. And that number on that letter, you want to make sure goes to your cell phone or somebody's cell phone because you want to make sure you answer those calls.

All right, now make sure you answer the calls. If you can't answer the phone. Here is a good simple voicemail script that you can use. I'm not going to read it all, but this is a simple script that you can use that kind of explains what it is you're doing. Let me see if I can zoom in and it just invites them to leave a message for. They kind of know what you're all about. Okay. Simple, outgoing voicemail that you can do. Now, there's also when you find these buyers, you can skip trace them and you can text them. And there's a lot of simple tools you can do that. But I like to cold call and text. This actually works really well. One of the fastest way to find buyers is just say, hey, Jim, I'm looking for the investor who bought the property at address. Is this the right person? I may have more like it. Thanks. Your name? That's it. That's your text, right? The same kind of conversation on the phone. Or, you know, hey, are you still in the market if you're doing one off skips, I guess. I recommend you check out REISimple that can be all built into the database. People Looker is the site that I've used before and Fiverr. The cool thing about Fiverr is you can use Fiverr to skip trace LLCs and corporations. Now that is coming soon to REI Simple. REISimple as my preferred one. But here, look at this, Ken tells I've been looking at it before. The first one that came up. Well, this is recently viewed. All right, Bill. Skip Trace, LLC. So do this. Do a search for Skip Trace, LLC. I know it's kind of zoomed out and it's hard to see.

There's a hundred twenty seven services that show up here where they will skip trace L.L. C's for you. All right. Check it out. A lot of opportunities there. Again, that's coming soon to area. Simple if you're doing mass skip tracing. If you want to do like a thousand or more checkout



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needtoskip.com or batchskiptracing.com. Those are two tools that we've used before. Cool. All right. Now, networking is really important. I recommend you network with your local real estate clubs. Lot of them are closed right now, but they will be opening up again soon. This is a flyer. One of my students and friends used a lot when he first got started. It worked really well. And attention. Investors join our VIP buyers list. What he would do is you'd go to the local REA's and after about a half hour into the meeting, he would actually step outside, take these little brochures and postcards, whatever, and put them on all of the car windshields. During that time, then he'd go back in and all the investors would come out and see this. He uses actually this guy right here uses a real simple Web site where people can join in to the buyers. But again, it's not enough just to get their name and email and send them properties or show them a list on your Web site. You need to call them and build the relationship with them.

All right. Get their phone number. Find other wholesalers to JV with you and partner with you. Right. You can send out your deals to all the other wholesalers, you know, looking Craigslist, Zillow for other investors that are advertising properties. Look at Facebook groups, bigger pockets when you find one, say, hey, listen, I got a deal. Would you like to partner with me on it? Maybe split the deals 50/50. Try to avoid daisy chains. Don't let the markup the price. But other wholesalers are a great source of buyers, especially if you're new. All right. The other thing I want to say here is reach out to property managers. So many people ignore this, go to their office, bring them some donuts or some bagels or flowers. Right. Give them some business cards. Always be reaching out to property managers because they have access to sellers and landlords that would like to sell. And they also have access to landlords that would be interested in buying more properties, which means they would be growing their business as well. Right.

The other thing I want to talk about is the MLS right there. This is a great place to find buyers, contact other agents, look for areas where there's a lot of investor activity. Look up recent investor transactions. Find the listing agents of the rehab properties and find out who was their client. They're looking for more properties to rehab. Find the buyer's agents. You know, you can go in and see from the pictures. You can tell the only in an investor would buy this house. Right. Find out who the buyer's agent is. Contact them and say, hey, would your client be looking for more deals like that? Contact property managers who have leased properties in that area. Call them e-mail and text them and have just simple conversations with them. You know, you're



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probably not going to get on that first call. All the information you're looking for. But it's about starting that relationship. You say, hey, I saw you recently sold at least a property in this area for one of your clients. They wouldn't be looking for another property in that area. Would they have one that I'd like to sell? Do you know anyone else is looking? If you can bring me a buyer, you can add whatever commission you want to this price. A lot of cool things like that.

Then there's bandit signs. All right. Simple bandit signs. Investor Special, 30 K, cash only, phone number. Right. Handwritten. Here's two examples of signs that work really well that I've used before. This is when you open the other one. Well, that's opening up. Please help me. I need to sell my house. I'll take anything. OK. And here's a second one. Again, handy man, special, handwritten. These yellow signs work really well. Try them. I know a friend who has a sign that says sleep with me and a phone number. It gets a lot of calls. If you hire someone to do this sign, do signs for you. There's an app called Simple Crew that you should check out. And it's the cool thing about it is it works on Androids or iPhones. And whoever is doing the science for, you can take a picture of the phone from the app. Sorry. Take a picture of the sign in the ground from the app and it will flag that sign on the map. So you can see where they actually went around and where those pictures were taken from. It's an app called Simple Crew. Check it out. This app was developed by guys that were paying concert promoters to go stick out their posters and they would go stick a poster on the wall, take a picture of it, and then they could tell on a map that it was actually done from where that picture was taken. Does that make sense?

And where do you buy bandit signs from? Here's some resources. Bandit signs, dot com, super cheap signs, Home Depot, Google it and all that. Good stuff. So besides work really well, I recommend you check them out. My favorite ways to find buyers just to kind of wrap this up is probably letters. I like sending that handwritten yellow letter, urgent notice. I need to sell this thing now and then skip tracing and calling them. Find out who the buyers are. Go to propstreamjoe.com. Get them or go to even in REI Simple you can get recent investors and just call them in, by the way. Let me say this too when you're looking for investors, you don't just think you have to call cash buyer investors. You can contact any investor that bought a property. Doesn't matter if they used financing or not. They have access to money. And then that's who you should be contacting, not just the cash buyers make sense. So if you want to know, like, what kind of questions do you ask? What do you say to them? You're mainly trying to find out the following.



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Do they have money? Are they ready to buy today? And how are they planning to buy it? Are they using hard money of their own money or bank money? Right. That's what you're looking. What are they looking for? What are they looking for? Are they ready to buy today? And here's some miscellaneous questions you can ask. You know, how long? How many do you buy per month? How long have you been investing? Do you currently own real estate? Do you look for residential? Commercial? I have. If I have a great deal, come along. How much money would you have available today? Do you currently have any I.R.A.s? Raise a price range? Criteria's so important sometimes it's hard to get this out of buyers. I'll just tell you. Send me everything you got and I'll look at it. But you want to know, like, OK, what would get you so excited? You'll drop everything to go look at it. OK. Those are the kind of numbers you want to be able to give to them. You say, I don't want to waste your time with the deal that you're not going to be interested in. So find out their criteria, the rent cash for the ROI. What are their primary strategies? Buy, hold, fix and flip. Wholesale. What areas do they like to invest in. Beds and baths garages.

I had one investor tell me one time I only want two bedrooms and I'm surprised to hear that you said yes. I love two bedrooms. No competition for them. I can get them super cheap and I find I get better long-term tenants in two bedrooms. I'm not going to get families with kids. They're gonna be young or old. I thought, that's really fascinating. He loves two bedroom brick houses in St. Louis. So here's some miscellaneous resources you can get with this mind map. Some podcasts that I did that are really good and some books. I did a podcast once called You're Not the Sellers' Employee. And there's also another one I read about. You're not the buyer's employee. Ken Clothier did a real good podcast with him about creating opportunity with cash buyers. Don't letting not letting your list get stagnant and cold. So really good tips. I haven't heard about finding buyers. And you're gonna get a lot from that good book by Ken Clothier as well called Reverse Wholesaling. Check that out. And here are some YouTube videos that you can check out. Just get this, my map. Check out these things and I think you'll like them a lot. How do you get the mind map? Text the word flip to 31, 31, 31, right. Flip to 31, 31, 31. Now, if you want more help, guys, I will be your buyer. I'm looking for deals. I'm looking to buy deals or partner with people on deals. And I only partner with my coaching students. Or if you're interested in getting some coaching and some help, if you go to CoachJoe.Net. You can fill out an application. We'll get on the phone talk, see if we're a good fit or not, and we'll help you either partner with you on deals or buy your deals or lend money on deals. We're very, very active and I love this business. Cool. All right.



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I got one more video I'm going to do in addition to making multiple offers to sellers. Always be marketing for buyers. Follow up is really important, especially as we get go forward. As the market softens up, follow up is critical. And I'm going to do another video about that showing you some of my favorite techniques for following up. All right. Thanks, guys. Again, if you want this mind map, text the word flip to 31, 31, 31. No catch. It's absolutely free. If you text a word flip to 31, 31, 31, you'll get an automated text back and it'll give you a link. You click on that and we will email you this mind map. You can get in there and play with it. And you don't have to worry about editing it or changing it. You get view only privileges to it, right? So you're not going to mess it up or anything like that. I got a lot of really good valuable information in here for you. All right, guys, I appreciate you. And we'll see you later. Take care.