



## Deals Gone Bad #18: Buy A \$6,500 House Sight Unseen- Jay and Annie Adkins

Hosted by: Joe McCall

Guest: Jay and Annie Adkins

**Joe:** What's going on, everybody? Joe McCall here, Real Estate Investing Mastery podcast, again with another awesome episode called Deals Gone Bad, number 18. And we're with some good friends of mine that I've known for a long, long time, Jay and Annie Adkins. And we're going to be talking about a deal they bought, crazy as it sounds. But I'm sure they've got a good reason for it, sight unseen for sixty-five hundred bucks. And they had pictures. But it turns out those pictures were old pictures. So it's going to be a great story. But I want you guys to get out of this lessons learned. And we probably got another three or four more of these types of podcasts in these series. And my goal with this is, you know, smart people learn from their mistakes. Wise people learn from the mistakes of others. Right.

**Joe:** And thank God there's this medium called podcasting or videos or YouTube or whatever, where we can learn from lessons learned of other peoples because we all see on social media, it's just crazy. You see the big checks and the expensive cars and the nice houses and all you hear about is success and you feel like, am I the only one who's struggling? Am I the only one who's having a hard time? Is why is everybody else only making money, only doing big deals, only crushing it? I'm the only one who's struggling. Well, part of I mean, this stuff is kind of I don't want this to be like sadistic or like taking pleasure and bad stories of other people. But like, we can learn a lot from the mistakes of other people or from their bad deals, because now we can learn what to do or what not to do next time. And we start to realize, you know what, I'm not the only one. Isn't that awesome? Right.

**Joe:** So I'd encourage you guys as we go through this podcast series, if you're not part of a mastermind or where you regularly network with other types of real estate investors doing what you do, maybe it's a local real estate investors club like REA maybe it's a meetup, maybe it's a local. Maybe you should start one. If you can't join a mastermind, I would encourage you to start one in your local market with other investors so that you can just learn from other people what's going on. Cool. So one or two little things you're as I'm doing this live right now, we're broadcasting it on YouTube and Facebook. So if you're watching this. Hello, say hi. Wherever you're watching this comment down below, I'd really



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appreciate it. Give me a thumbs up like video. Subscribe to my channel and YouTube and subscribe to the podcast as well.

**Joe:** But if you have any questions or comments, you want to type them in down below, we can see them and we'll say hi to you and give you a shout out. And we get a lot of comments and feedback in here. Sometimes I'll pull them up if it's a good question. If you have a good question for Jay and Annie, then you can bring that up. Second thing is if you want all of my show notes. So we have lessons learned and right now all of my notes from this deal Gone Bad series is in a mind map and pretty soon it'll be in a PDF or a book or something. If you want all the notes with the links and the videos, the transcripts of all of these podcasts and the bulleted points of the lessons learned, text the word bad to thirty-one thirty-one thirty-one that will send you back a message. You can click it and get the notes, the notes and all that.

**Joe:** Also, if you go to JoeMcCall.com/bad that will forward you to a real simple page and just put your name and email in there and we'll get you all of the notes. Right now it's in a mind map. We'll soon get them in a PDF and be a book or whatnot. Cool. All right. Enough of the intros. Let's just dove right into this. We have Jay Carney adverts. How are you guys?

**Jay:** Good. How are you doing? Great, Joe.

**Joe:** I'm glad you guys are here. Why don't you tell us a little bit about yourself, where you guys from, how long you've been doing real estate?

**Jay:** So we are in the central Ohio market, Columbus, Ohio area. And we have been in real estate now for about twenty years. Yeah, just a little while.

**Joe:** And we met through a refinery, right? Yeah. Yeah. And it was the first time we met. Was it at a retreat like a mastermind thing.

**Jay:** I think it was at of St. Louis Cardinals baseball game.

**Annie:** We all went to the game together. That's how we first met.

**Joe:** That was long ago, wasn't it?



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- Jay:** And I think before we had met, I had actually bought your lease options course.
- Annie:** Yeah. I think Jay knew you earlier than that. I think Jay knew you briefly before I met you, but.
- Joe:** Yeah, nice. All right. So you've been doing real estate for a long time, 20 something years. Yeah. I often say too if you haven't done a bad deal yet. You've not been in the business long enough. You've not made enough offers. So you probably have your share of scars and battle wounds to prove it.
- Jay:** Oh, yeah, yeah. We have multiple bad deals we can discuss. But I was I would say that this one was probably OK, this is the topper because I didn't have to be that way.
- Joe:** Well, before we jump into that thought about like, what does your business look like today? What kind of deals do you do? Where do you focus? Where do you invest?
- Annie:** We focus mainly in central Ohio and our home to my home town, I think Jay's hometown ish. But he's a Michigan fan and from Michigan. But I don't hold that against and I'm trying really hard not to.
- Joe:** That's one of the biggest rivalries in Michigan and Ohio State.
- Jay:** I don't have anything to say this year.
- Annie:** Our oldest daughter goes to Ohio State. So it's a house definitely divided.
- Joe:** But, wow, that is so cool.
- Annie:** And so we focused mainly in our hometown and our surrounding area that we do some vacation rentals in southwest Florida. We do turnkey rentals for out-of-state investors. We do fix and flip. So we do a little bit of wholesaling. That's pretty much whatever fits the deal at the time. And the best way that we can help the seller or the person that's involved get out of the situation or have a win win for everyone involved.
- Jay:** Yeah, we usually have a solution for every homeowner. So that's a huge plus.



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- Joe:** Are you doing a lot of active marketing right now?
- Jay:** Yeah, we're doing marketing mostly on Facebook, and so that's going really well on Facebook.
- Joe:** Are you targeting the entire state of Ohio or central Ohio or what?
- Jay:** Just central Ohio and Columbus area is very large. As you guys probably know, Columbus is booming with Google moving in and Facebook and Amazon. Facebook is starting here as well. So Amazon has come to the market here. So there's a huge demand and they're not building properties enough.
- Joe:** So last night I was looking at golf magazine and they showed the top one hundred golf clubs, golf courses in the United States and Ohio had five of them here. And we only had one. I couldn't believe it. I didn't know Ohio and the top state, I think was New York, then was California. And then like Ohio is right in there in the middle with either probably the third or the fourth tied the third or fourth most high in nice golf course in the United States.
- Jay:** That's crazy. Just come here and golf, Joe.
- Joe:** I'd love to. I didn't know Ohio had that many nice golf courses.
- Annie:** But anyway, regardless of where it gets cold, though, that's the thing. I like Missouri, obviously.
- Joe:** So your words are, if you don't mind me asking, what percentage of your income comes from wholesaling? What percent comes from, I don't know, turnkey rehab, fix and flip.
- Annie:** The majority of our income, I think comes from rentals and fakes and flips. I would say probably what? Seventy five percent?
- Jay:** Yeah, we have about twenty-five rentals. And so we do well with that.



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- Annie:** I mean between two and three we have been doing more but two to three to two or three flips at a time. Our kids are actively helping to pay for college and save money to travel and all of that.
- Joe:** How old are your kids?
- Annie:** Twenty, eighteen, sixteen and fourteen.
- Joe:** Four kids. No wonder we're friends right now.
- Annie:** The twenty-year-old flipped the house when she was sixteen to get her car and then our middle two who are eighteen and sixteen now wants to flip a house. They've been working on the construction side of things, learning things. They helped us build our office and make it the way that it is. And this office right here in a bunch of we have right here. Yeah, they helped in the business in different sections. Our oldest works as an admin for us. Our youngest is the only one that hasn't done anything as far as real estate is concerned yet. But she is only fourteen.
- Joe:** So that's my two boys. My older boys are seventeen and fifteen and they like the money that they can bring. They don't like the work, right. Yeah. So are you having. Have you had this, these conversations with your kids or?
- Annie:** Very similar conversations. Yeah. They like the money that it brings in, especially flipping because we average about twenty-five to thirty grand. So they're like we want to flip a house and I'm like well you have to find a house so flipped and we're not going to find it for you. So here's what you need to do then. It kind of dies off for a little bit until they think about the money that they need to do this or do that.
- Joe:** And you've got to look at it on their own, don't you?
- Jay:** Yeah, yeah, definitely. Yeah. We just had a conversation with them about their one-to-five-year plan. And they were like, what?
- Joe:** I can't just live at home for the rest of my life and you can buy everything?



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- Annie:** Exactly. So I would say probably 75 to 80 percent is rentals and flips. Yeah. Then we do a little five to 10 percent probably wholesaling. Like I said, we don't do a whole lot. But if it makes sense, then we do that, which we just did one of those deals not too long ago.
- Jay:** Just had our biggest wholesale deal yet. It was just over thirty-one thousand.
- Joe:** Good for you.
- Annie:** Yeah. And then have a mastermind and coaching program that makes up the rest of it.
- Joe:** Are you are you still working closely with Life and Air, or are you more on your own now or?
- Annie:** We're on our own. Life and air flipped when four years ago we kind of went our own direction, too.
- Joe:** Good for you. All right. So this is where did you find this deal from this deal?
- Jay:** I was thinking about it, and it came from a mailer that we sent to one person. And that person did not we weren't able to purchase that home. But we always ask, who else do you know that's looking to get rid of a property?
- Joe:** There's a lesson learned right there, right? Yes. Always, always, always. Ask sellers, do you have any other properties or do you know anybody else? Are you looking to buy more properties or are you looking to lend money?
- Annie:** Yes. Any of the above? Yes.
- Joe:** You sent them a letter for that house. They said, nah we don't want to. We have another one.
- Jay:** Yeah. So they said a friend of ours has a house that they want to get rid of. And she just wants to be done with it. And so I was like, great, send over the information. And it was a single mom and she was trying to get out of this little town that is like two and a half hours from our house. First of all. Yeah, but she's like, I just know very little and I just want out.



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So I said, great, send over the pictures and I ran comps on it and it looked like it was worth right around thirty, thirty five thousand very depressed area. So but it was about a mile from a college and I liked that. I thought I could rent it to college student. Yeah. OK, so I was like, great, send over the pictures and I'll take a look. And she sent them over and it looked like it was in pretty good shape. Just a little bit of clean out. She had a tenant in there that had stopped paying. I was like, no problem, I can get her out of there. And so we actually she had surgery. And interestingly enough, we closed that deal in her hospital room. So the title company there right after her surgery the next day, she's recovering. And we signed the deal right then.

**Joe:** OK, so how far away was this house from your from where you live?

**Annie:** It's two and a half hours. All right.

**Joe:** So you can't just jump in the car and go down now.

**Annie:** And I would like to say that I had nothing in this deal.

**Joe:** But I knew it. I knew I knew it. I knew it.

**Joe:** Because you guys, you got to watch this video, all right? Because as Jay's telling the story and he's just like there chuckling and, like, shaking her head and smiling. And I could tell from her face that she had nothing to do with this. And it was all on Jay. All right.

**Annie:** It was all Jay. Two and a half hours from our house. And he believed the pictures that he received and now he is no longer allowed to even think about buying anything.

**Jay:** It's this poor innocent single mom, Joe.

**Annie:** Pulled on his heartstring. Made it all sound real bad.

**Joe:** Lesson learned here. Also, always listen to your wife. Yes. Always get her opinion and advice. I can't tell every year every bad deal I've done. My wife told me I don't feel good about it. And I was like, Yeah, you don't know what you're talking about. I'm a pro. I know what I'm doing. And there's been a couple of times when I have listened to her and I was



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like, OK, all right, you know, we won't do it. One time I was even thinking about moving my office into this other guy's building, working from there. And she said, I don't feel good about it for whatever reason was just the weirdest thing. Yeah. Fast forward, like, I don't know, eight months. Ten months. The guy was under federal indictment being investigated by the FBI and complete shut. It was really, really bad then. This kept on getting worse and worse. But anyway, lessons learned. If you're married, I mean, if you're not married, like find a business partner, somebody else who's in the business, that you can run these things past, like, hey, do you think this is a good deal or not? Right.

**Annie:** Yeah. Yeah. So he comes to me and says, I just got a house. Sixty-five hundred dollars. And I'm like, where is it. And then he told me I'm like, that's like a two-and-a-half-hour drive away. Just so we're clear, he's like, it's fine, we won't need that, we won't need to go there at all. Or very little if at all.

**Jay:** Yeah. I'm going to lease option purchase it.

**Annie:** Look at these pictures. It's great. All right.

**Joe:** You negotiated sixty-five hundred. Is that what you said?

**Jay:** Yeah.

**Joe:** Is that a cash offer?

**Jay:** Yeah.

**Joe:** And then you close the ladies in the hospital, right.

**Annie:** Yeah. So they closed at the hospital now and then he, I think that weekend you went to look at it in person after it was closed and purchased. If I remember correctly and did an inspection.

**Annie:** No, no, it's a brand-new investor.

**Jay:** Her pictures were so good.



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**Joe:** So how long ago was this?

**Jay:** Oh my gosh, seven, eight years ago.

**Joe:** You're much wiser investor now. I know. Wow. He didn't even do an inspection. That's another lesson I'm saying is lessons learned from my assistant who's making the notes. Yeah. I always, always, always get a professional inspection.

**Annie:** Yes. Yes. The inspection would have revealed everything. And it's like three hundred and fifty bucks at most. I'm not really sure why that didn't happen. But we still love you, Jerry. Thank you. I'm throwing my dirt out there. So there you go. So I think he went to check that next weekend or the next time we had some time available. Anyway, he went by himself or with a contractor of ours.

**Jay:** Yeah, we went just to do a little touch up and get it going. And I had actually a plan to hire someone there to handle it for me. And this town was called Steubenville, which we have now nicknamed Stupidville.

**Annie:** Oh, my gosh. You shouldn't have said that.

**Joe:** If anybody from there is listening.

**Jay:** Sorry if you live there.

**Annie:** But the good points of the house were it was supposedly a solid house, it was close to a college, which there's a huge college there. Yeah. So we thought worst case scenario is we rent it out as a college type housing or whatever. The ultimate plan was to get a lease option, purchase first so that we didn't have to mess with hardly anything. So he goes down to check it out with one of our contractors to kind of market to find somebody to handle all of it for us, none of which actually occurred.

**Jay:** Yeah, I could not find anyone to work on this house.

**Joe:** I mean, why is it?



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- Jay:** I don't know that area. It's just very depressed. There's a lot of old manufacturing plants that aren't open anymore. They've closed and there's a lot of unemployment there. And it's just there's not a lot of job opportunity there. And I just couldn't find a contractor and I didn't want to wait. I don't like waiting. So.
- Joe:** So what kind of condition was the house in?
- Jay:** We had to clean out to do and then it had been left with no heat. And so plumbing pipes were broken. So I had to replace the plumbing and the hot water tank had frozen and expanded. So it burst. So I had to replace that. Trash out. Paint everything. The retaining wall in the front was collapsing and I got cited from the city.
- Annie:** As soon as we bought it. I think they're like, oh, somebody owns this.
- Jay:** Oh, oh, this guy has money. We're going to get him, so literally took my own crew down there. We own a construction company. So I took my crew down there and we did everything in a couple of days and got it ready to go. But it was an expensive lesson.
- Joe:** How much money did it cost to rehab?
- Jay:** A little over twenty thousand dollars.
- Joe:** Holy smokes. It's so funny to see Annie laughing. Like she just thinks this is hilarious.
- Annie:** It's one thing that I can just bring up occasionally. Be like, remember when?
- Joe:** Yeah, that was your cost because you self-performed a lot of it with your own crews. If you would have hired a contractor to do it.
- Jay:** Yeah. It would have been over thirty-five thousand. Yeah. Wow. Yeah.
- Joe:** And what was this property worth do you think fixed up?
- Jay:** At the time. It was worth, I thought about thirty-two and that that was close thirty-two to thirty-five and then after I fixed it up was worth about fifty thousand.



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- Annie:** So we were still decent as far as property value versus investment.
- Joe:** So do you still own it?
- Jay:** Yes, yes. We have our third lease option buyer in there. Yeah.
- Annie:** And they love it. I mean it's one of us, it performs fairly well and it's one of our lower end rent.
- Joe:** Did you refinance it? Do you own it free and clear?
- Jay:** No, when I found out it needed all the work, I called one of my private money lenders and said I need a loan. And they sent it over. We did the mortgage on the note and all of that. Yeah. So they're protected and they have insurance. They're their business name on it. And so we just have a long term private money loan on it.
- Joe:** OK, and you still have that? Yeah. OK, if you don't mind me asking, which is really interesting, private money. A lot of people that I've talked to on this podcast because they dug their well before they were thirsty, and they had the private money in place. It saved them from a lot of headaches and hassles because they were able to borrow the money and secure and protect their private investor. Right. In first position, no, but. They were able then to not drain their reserves and reclaim their own savings, but were able to borrow the money banks to lend money on this deal.
- Jay:** No.
- Joe:** But you've got to have access to private money. I mean, that's such a important yes, people need to think about.
- Jay:** It is extremely important. Extremely important.
- Joe:** I'll ask you some more questions about that, too, about that, because I think it's important we talk about that. But why did you decide to put a lease option tenant buyer in the house?



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- Jay:** I didn't want to have to fix anything. Plus, I was really, you know, most of our single-family homes we lease option them. We truly want to help people become homeowners. And we don't just throw them in there. We have them enroll in credit repair and we analyze their credit and help them figure out what they need to do. They don't always do it, but we put them in a position to be able to perform that. They do the work, but they still often do the work.
- Joe:** This particular house where you're getting a lot of maintenance requests, a lot of calls to fix things, or did these kinds of buyers take good care of the first ones?
- Annie:** Took really good care of it. The second one? Not so much. The first one is ultimately didn't execute the purchase because they moved to a different state. Yeah, the second one is just destroyed it. And then we were getting phone calls and emails that I have to tell you this, just because it's hysterically funny that there was a rat in the basement and that it was the biggest rat they have ever seen. And like, I don't understand, we've never had a rat issue before ever. And they're not really, like, running rampant down there or over there. That I'm aware of. Come to find out, we send one of our contractors down to take care of the rat infestation or see, we needed an exterminator or whatever. It's a muskrat from the Ohio River that has come into the base through the drain, swam a mile up the sewer drain from the Ohio River and popped up through the basement sewer drain.
- Joe:** No way.
- Jay:** And ate through the subfloor. Through the kitchen cabinet. And then got to the nutri grain bars.
- Joe:** I can't imagine seeing one of those. Like in your basement or in your cabinets. A muskrat, If I'm to look like, what do they look like? I'm going to Google it.
- Annie:** It's kind of like a beaver mixed with a...
- Joe:** Yeah, I was going to say, it looks like a hedgehog. So they're kind of cute. They look like a giant hamster.



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- Jay:** They're not cute, Joe. They're ruthless little jerks. Oh, my goodness. So that was you had to get somebody to get it. Yes and yes. They live trapped in the house and to get back to the river. But I've never heard of that before. Yeah, I headed out and we have never heard of it. We don't have that here in central Ohio.
- Joe:** OK, so let me ask you about lease options again. Why did you lease option, not like owner financing or sell it like on a wrapper, on a subject to?
- Jay:** I usually just do lease options, and that's because I'm able to acquire the property back quickly if they don't perform.
- Annie:** When we do a lease option, we require three-point five percent down typically so that they're eligible for any kind of bank loan once they are qualified. Like you said, we have them speak to a mortgage broker or lender of some sort so they know how many months they need to get in. And we collect the down payment and then a portion of their monthly rent goes towards additional closing costs of any kind that they might have to file.
- Jay:** So keep it that way because we have a private money lender on that project. OK, and so if he wants out, if he wants to pay it off quickly, I still am owner and that would be hard to do. It would be impossible if I had a land contract or did the owner finance.
- Annie:** And then the people that live there are responsible for all of the repairs and upkeep to unless they can't afford it, which we've also said if you're unable to afford whatever needs to be done, let us know. We can kind of work something out. Typically we add that cost or repair or whatever it is to the purchase contract at the end of the game.
- Jay:** Or we'll rewrite the lease and the rent to cover whatever we had, we had to fix.
- Joe:** And so you had your first tenant buyer and each of them put something down. Yeah, which would help. That covers the cost for any repairs that are needed, right. Yeah. What is it renting for and what are you, what is your outlook? Are you getting any cash flow from it?
- Annie:** We rent it or five hundred and fifty dollars a month which is one of our lowest rental properties that we have.



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- Jay:** We would get as an example we would get a thousand a month for that house in our area.
- Annie:** Wow. Yeah. Any cash flows I think about two fifty or. Three hundred a month, because we don't really I mean, we just have the payment to the hard money or the private money people and then insurance for the most part, the rest of it's covered by the tenant.
- Joe:** So cool. And you manage your own properties?
- Jay:** So I'm a licensed agent and I have an office manager that's like a licensed agent on my team. OK, and so she manages all of our properties for us and also for our out-of-state investors. We have a handful of out-of-state investors that we find properties or fix them up and fill them either with a tenant or even at lease option buyer, for that matter. OK, cool.
- Joe:** And save you a lot of money. Imagine managing your houses internally, but also your person managing your properties is managing your properties. They're not managing five hundred other people's property.
- Annie:** Right? Right. Exactly right. We have, like Jay said, the project manager. And then we have a couple of admin people that just kind of collect rent, that kind of thing.
- Joe:** All right. So let's talk about lessons learned there. Is there anything else you really talk about that that's bad?
- Jay:** Yeah, I'll share one other thing. So on the other side of the property, yes. The neighbor's wall was failing. And if she's watching, I gave you an opportunity. You passed it up. To do so without this much. This much. On the other side was my property and all the rest was hers. OK, OK. So I had to fix my whole wall. So I said, look, I'll fix the retaining wall. All you have to do is buy the material. It's five hundred dollars. This job would be a thousand dollars if I did it for you. Yeah. And she told me no and said that I should fix it for free. And I said, well I'm sorry, but only 10 percent of your wall is mine. So I'm offering fixes for very low. Just buy the material and she wouldn't do it. And so I just fixed mine, cut her straight down, OK. And so, you know.
- Joe:** Is that worse?



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**Jay:** I don't know. But we're not friends.

**Annie:** So we're not friends with the neighbor. And yeah, the house is rented. Although I have to tell you this most recent time we were looking for a tenant and social media is always so much fun with people putting their two cents into posts and stuff. So we were marketing in the area, selling walls and somebody said, are you kidding me? This house is right behind somewhere that somebody just got shot and killed. And I'm like, oh, really? This is just getting worse and worse.

**Joe:** Can you delete those comments?

**Annie:** Yeah, which I did. But still then we had to look into that because I didn't want an unsafe neighborhood for children or anything, but which there was a murder in the alley behind the house, which sounds so horrible. And I shouldn't be laughing, but it just was par for the course as far as this property was just part of this deal, just getting better. There are a number of years ago as we seems to be much better and the upcoming hopefully and I know problems with cashpoints. Yes. Which is why we still haven't otherwise shopped at a long time ago.

**Joe:** Do you think you could sell it if you wanted to?

**Jay:** Probably could.

**Joe:** Would you sell are there any other investors that own properties in that little town?

**Jay:** We're actually talking to a couple of people down there that said they may be interested in buying that property from us. So we'll see what happens.

**Joe:** Yeah, let's talk lessons learned. What were some of your biggest lessons learned from this?

**Jay:** Do not buy a house without a home inspection.

**Annie:** Or discuss it with your spouse, correct? Yeah. Yeah. Those are the biggest ones. I think the home inspection obviously. Don't believe the pictures that someone sent you because pictures can be very, very deceiving and can be altered.



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- Joe:** If somebody is doing well financially. Money is coming in. They're feeling comfortable. It's just easy to stroke a check. It's just easier to write a check and think that you can pay your way out of the problems. But if you find like this is sixty five hundred bucks, go ahead and just spend the money without thinking of how much worst case scenario did you did you feel like you got a little lazy.
- Jay:** Yeah, yeah. I felt like I got like a brain fart.
- Annie:** I really think it was more like I could own this property free and clear for sixty-five hundred dollars and by the pictures. It looks like a great piece of property. Worst case scenario is we have to put a little bit of money into it. There was really no discussion about. Well, there was no discussion with me. Yeah. Yeah, there was really no thought process about the area, the what if the pictures are accurate, kind of anything whatsoever or whatever?
- Jay:** Yeah, don't trust the seller's word.
- Joe:** Don't trust the seller's word. And the inspection would have given you pictures?
- Jay:** I would've seen it all.
- Joe:** Would you have done a what, a sewer lateral have helped with stopping the muskrat problem?
- Jay:** I don't think so. I don't think the when I bought the muskrat was there, that was after that was significantly in one of the tenants that moved out. And the other thing I would recommend is don't buy a rental property that's not in your normal area unless you have a team there already vetted and ready to manage everything. So we literally like I tried to get an agent to fill that place, sell it resorption. I couldn't even get agents to call me back.
- Annie:** It was very strange. I mean, like you were trying to it when you first the hour, we were trying to just get somebody to property management. And when we do vacation rentals in southwest Florida, when we find something, when we initially were investing, we had to find a team of people. So it's not difficult to find housekeepers, maintenance people, agents, things like that in southwest Florida. So, yeah, I thought it couldn't be that it could not possibly be that difficult. Like we have imperatively.



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- Jay:** Yeah, we have like three of every field in Florida, like three plumbers, three, three HVAC people. But in Steubenville was a little I couldn't get one, not even one.
- Joe:** Are there people and sell houses there or how do they have any inventory or people selling nicer homes in that area?
- Annie:** There seems to be, yeah. So it just doesn't make it unless they knew the area. And we're like, oh we're not going over there.
- Jay:** Well, that area is known to be higher, much higher crime neighborhoods. And so it could have been someone was killed and everybody knows that down there and they just didn't want to mess with that property.
- Joe:** The reason I'm asking is today I'm making an offer on a little there's a little town called I forgot the name Pilotville.
- Jay:** Steubenville?
- Annie:** Stay away from Steubenville, Joe.
- Joe:** I'm listening right now. Pilot knob, Missouri population. This little town has seven hundred twenty-two people in tow out. It's about to take you an hour and a half to get there south from downtown St. Louis. It's next to a town with maybe five thousand people. So it's a real small town and it's right across the corner from a little community medical center. It's probably too small to be a hospital and the guy wants to just get rid of it for 30 grand cash. It's hard to get comps because it's such a small town, right? Yeah, but I've thought about maybe just make him a cash offer for ten and then also make him an owner financing offer. Like maybe I'll get you closer to your price with really good terms. Maybe two hundred a month principal only payments until paid. Then I could probably sell it on a raft or sell it as a lease option. But I would think I could find a real somewhere down there that could if I offered to pay them three grand for they should be able to sell the call. But in your experience with these small towns, does it still matter how cheap you buy or do you really have to be more careful with what is going on in the in the city? Does that make sense?



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- Jay:** Yeah. Yeah, I think you need to know what's going on in that city and a little bit anyway. I would bet a few people before you close on it, just to make sure that you got team members in place. I can do what you want.
- Joe:** And that's interesting, too. I'm looking in Pilot Knob Missouri right now and I'm looking just want to see, are there any properties that are listed for sale right now? Because if I called some real terms that are listing houses for sale, they would be able to tell me what they like. If I just zoom out a little bit, I can see there's a property listed for sale for eighty-seven thousand. If I were in. I see the agent's name and number right here. Yeah, sometimes. Yeah. Get a property inspected. My whole point I'm trying to make here for everybody is don't be afraid to call some other realtors in the area. Yes. And ask them about. Right.
- Jay:** Yes, absolutely. Call at least three of them different realtors have different opinions as well.
- Joe:** If I zoom out some more, there's only you know, this is there's only thirty, twenty nine or thirty properties listed for sale in that town in the town south of. Oh yeah. But I'm looking just spinning through Zillow here. And there's a lot of properties listed for sale with a company called Buck Realty. Buck Realty. Scroll down here. There's a phone number and I can call this guy or lady and. Yeah, OK, so. Don't let small town scare, I want to make sure everybody listen doesn't get scared now. You can do really well. You still do deals yourself in small towns.
- Jay:** Oh, yeah, yeah, yeah. For sure. In fact, some of the best ones we do right now are in little villages. And so to bring more data to your listeners, the town we live in is sixty thousand people and we really don't need to go anywhere else to find deals. There's plenty of deals with that. Yeah, but we do deals in little villages outside of the city. There's a lot of people that want to move to the country and we do flips. So those are good for no down payment loans, the Rural Development USDA loan so buyers can get in and just pay for an appraisal. So we'll go in there and flip a house into the village of maybe four or five thousand people, similar to the town that you just mentioned. And we'll just chill in those little towns that there might be 10 or 15 houses, 20 houses for these. Not much. Not much. Yeah, that's not much.



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- Joe:** All right. So would you have let's say you would have seen the pictures on this property and see that it needed a ton of work? Would you still made an offer? Would you have lowered your offer maybe to thirty-five hundred twenty-five hundred or would you have just walked away?
- Jay:** I would have lowered it quite a bit. I probably would've offered or two or three thousand dollars, OK. Or I just would have walked away because it's it's far the distance to our main hub is a little too difficult. Yeah. We have a team but you get in the car, it's two and a half hours to get there and two and a half hours to get back. That's over a half a day of just driving. One thing I did look at is how close is the closest home improvement store before I bought it? And I did see Lowe's was just about seven minutes away.
- Annie:** Yeah. So that was good. And it is close to Waylan. So you can always stop at the casino and take some time there, I guess, which is typically our contractors do when they go down, they go down and spend the night so that they don't have to drive all in one day.
- Joe:** Any other lesson or thing you would have done differently?
- Annie:** I can't think of anything.
- Jay:** No, that's it. I would've brought it to my wife before I decided.
- Joe:** What advice would you guys give to beginners who are listening to this thinking, oh, man, I don't want to I don't want to get into a bad deal like that? Or what kind of advice would you give to a beginner?
- Annie:** Well, I think I would say that even though it started off as a really bad situation, we did figure out a way to make it profitable for a little while anyway and to help somebody that could not have potentially purchased a house otherwise. So even though it starts out as a bad deal, that doesn't necessarily mean that that's the end all be all of the situation.
- Jay:** So I would repeat what you said in the beginning job, which was get in a mastermind group or get a coach or mentor. They're going to help you to make his little mistakes as possible.
- Annie:** And come up with ideas that you wouldn't necessarily have thought of yourself.



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- Joe:** We do have a question in here from somebody? I thought it would be good and maybe you can answer it. Can you go into detail about how land contracts work, please? Land contracts.
- Jay:** Yeah. So land contracts, we've done them buying properties and selling properties, but normally we do them when we're buying. So basically that the person that owns the property currently is still listed as the owner at the county recorder's office. But you do a contract agreement that says you're going to buy the house from them at X price with X payments and or interest rate or X amount of time. And the important part of that is to get that land contract recorded, the county recorder, or it is not valid. It will not be recognized by a bank if you want to refinance. And if you don't record it, the seller could turn around and sell the house. And there's nothing that you would be able to do about it. Use an attorney to draft a bill, say it's a legal document, find a good local attorney there, usually around three hundred to fifteen hundred dollars. Pretty good range there. But you should be able to find a local one man attorney that can draft that for you.
- Joe:** Good, good. All right. So how can guys how can people get a hold of you guys?
- Annie:** Our Web site, Jay and Annie Adkins dot com. Adkins is spelled with a D. Jay and Annie Adkins, dot com.
- Joe:** JAY AND ANNIE ADKINS.
- Jay:** That's OK, or you will hear that right now, their last name has to be in there in the private chat. You can see it and then our email is Atkins' Pro Network. Yes, that's good.
- Jay:** All right. Sorry about that. No worries. And Annie Atkins', dotcom there on the screen, Jayandannieadkins.com. Now, what's your address on Facebook?
- Annie:** We are on Facebook as well. And then Atkins' Pro Network all ran together as one word at Gmail dot com.
- Joe:** Did I get it right here?
- Annie:** Yes, sir, you did.



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- Joe:** Yes. 80 K.A. Pro Network at Gmail dot com. So, guys, if you're listening to this on the audio podcast as you're driving, go to, well, a couple of places. Go to real estate investing, mastery, dotcom. Look at the show, notes from the podcast. Go to YouTube, look up deals gone bad, episode 18. Or text the word bad. Thirty-one thirty-one thirty-one to get the show notes, which will have all of these links in your Jay and Annie, you guys coach people. You help people all over the country or just Ohio or what?
- Annie:** Now all over. A lot of them are local, but we do have students in Tennessee and Alabama and Florida, Washington and all over.
- Joe:** And one of the things I like about you guys is you're in the trenches, you're doing it, and you're not afraid of these deals in small towns, which I think there is so much opportunity right now in small towns, so much opportunity, a lot less competition still to be people may think, well, who would want to live in this little town of five thousand people or whatever five thousand people would think.
- Jay:** I'm telling you, Joe, small town deals are our bread and butter. Yeah, they really are. It's a whole lot easier to rehab houses in a small town to than it is in Columbus. Just if I bought a house today in Columbus, I can start working on it probably February 1st.
- Annie:** Yeah, that's permitting. And the time frame that it gets, especially now that you have to do all of the jump through all the hoops anyway, but then it's delayed even more so because they're not in office all the time or they are, but they're limited.
- Jay:** Small towns don't care and we can have the house done by the time they would approve our permit in the big city.
- Joe:** And you can still rent them, still manage them in small towns, you still find tenants for them?
- Annie:** Yeah, easily. Real easy, typically.
- Joe:** There's a lot of people that want to live in these small towns. They don't want to move. There's a low inventory and they're living in a crappy house. They want to move up, not something nicer. Sometimes they're living with their parents in the basement or they just



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want to get out. Or the in-laws are like, get out of the house, try another house, or there's mattress money under that.

**Jay:** Yeah, yeah. Definitely. Yeah.

**Joe:** Oh, cool, guys. All right. So if you want if you want to give Jay and Annie a shout and talk to them, go to the website. JayandAnnieAdkins.com. Adkinspronetwork@gmail.com. If you want to email them and you can you're active on Facebook is that. Yeah, yeah, yeah.

**Annie:** We're on there, both of us separately and together.

**Joe:** And you guys, you wrote a book a few years ago didn't you. Yeah, yeah, yeah. We have a copy of it. Yeah.

**Jay:** Vision Focused Life.

**Joe:** Vision focused Life. There it is.

**Annie:** There you go. There we go. On Amazon best seller for a couple of days. In fact it beat Khloe Kardashian when hers first came out.

**Joe:** What do you talk about in the book? Just in a quick summary.

**Jay:** We just talk about how multiple people have overcome challenges in life and you can't let that stop you from pursuing your dreams and living your dreams. Right. And it's important to set goals and have a reason why. And that is your base, your platform for accomplishing what you want in your life.

**Joe:** You've got good reviews. You are looking at the book on Amazon. Yeah, there's hardback paperback and we even have a Kindle. Very cool. You can get it on Amazon for ninety-nine cents or paperback. Fifteen bucks. Yeah. Yeah. You can also be used for twenty-seven bucks.

**Jay:** Wow. Oh that must be one that we signed. That could be our signature for our autograph is in high demand though.



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- Joe:** All right. It's been good talking to you guys. All right, Jay and Annie Adkins guys, check them out. Say hi to them. They're good. They're good people and nice having coffee. Ready to go. Yeah. Wait, wait. Who's the Michigan fan again? Jay man. Well, I was going to say go, go Wolverines. But what's the Ohio State? Ohio State's mascot.
- Annie:** Buckeyes.
- Joe:** Buckeyes. I should've known that I should.
- Jay:** Everybody says Bucks here.
- Joe:** See you guys later.