



## REI Secrets – Let's Look At Some Real Deals – Joe's Evaluation Secrets

Hosted by: *Joe McCall*

Welcome. This is the Real Estate Investing Mastery podcast.

Welcome to the REI Secrets webinar series. And in this series of videos that I do, I like to just teach some cool things right normal normally and my coaching calls, I answer a bunch of questions. This called my secrets. This is a weekly call that I do for my students where I'm just going to be teaching some cool things. And today I'm going to be teaching you how I evaluate lease option deals and how I come up with offers. And I'm going to show you two different sheets that I have. I'm going to be doing them on my iPad. Those of you that are on the call right now, am I just sent you guys a link to download these worksheets in my Google Drive folder? If you would like to get these worksheets for yourself, I want to encourage you to go to partner with Joe at PartnerWithJoe.net is my new seven month program. It's like a coaching program.

I would teach you how to do cash deals and then teach you how to do not lease option deals. That's my Simple Lease Options program. But in partner with Joe, I teach you how to do cash deals, wholesaling deals. And it's a real simple but powerful course. I teach you to A to Z in a 30 day format. Like in 30 days I can teach you how to do cash deals. So if you want more information, go check it out. PartnerWithJoe.net. And in there I show you how I can partner with you on deals. No one else will show you how I can lend money on all your deals. I will actually lend money on your deals. So go check out PartnerWithJoe.net. And if you do that, you're going to get these worksheets that I'm going to be sharing with you here just a minute for free. So they'll be included. OK, and also you can join future Arianh Secrets webinars and be on these things live with me. And when I share free resources like this, you'll get them. They'll be included with what? What you get.

OK, cool. Let me give you some context to this. I love option deals has been my kind of like my bread and butter for years and years. It's how I got started in the business. I love lease options because you can do them. Whether the market's cold or hot doesn't matter all of the competition and there is a lot of it out there. They're chasing after deals with a lot of equity and a lot of motivation. These are deals that you can do with sellers that don't have a ton of equity and maybe even don't have a ton of motivation. OK, this is somebody as an owner of a house that tried to sell the house but can't they don't want to be a long distance landlord. Maybe they've gone through a divorce, job loss. I've done lease options on probate.

So the the home owners wanted to sell their house but couldn't get the price. They all agreed that they wanted to get for it. So they decided to do a lease option and sell it to a tenant buyer for a higher price. And if not, let the market appreciate a little bit and then they could try again in a couple of years to sell it



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for the higher price. The great thing about lease options is you get somebody in the house who's going to take better care of it, somebody who's going to treat the house like it's their own. And so you get a better quality tenant, somebody who wants to buy it. They have more of a homeowners mentality. So they take care of all the day to day maintenance and repairs. And it's just a great way to get better cash flow. The property gets better taken care of. If you do sell it to the tenant buyer, which hopefully you do, then you're going to get a little higher premium for that. You don't pay real estate commission realtor commissions and it's just a great option to give to sellers you want to sell but can't. And buyers who want to buy but can't.

There are still sellers today, believe it or not, in this market who want to sell but can't. I'm telling you, every day I just drove my daughter this morning to an art class at some home school, our kids. But we take them to like the public schools have. These special programs had special needs. She's not special needs. But anyway, they have these special programs for like art and baking and things like that. So this summer, I've been taking her to this baking class and then an art class and then volleyball. And she's really active in lots of what I passed this house. This is the hottest market we maybe have ever seen. Right. This market, this house has been sitting on the market for almost a year. It's crazy. It's a brand new construction they tore down or they've got a new lot, but they bought a lot, built a new house. It's not a subdivision. Right. But it's been for sale forever.

Why? They're asking too much for it. Right. So there are a lot of sellers out there who are just asking too much for their house. And they for whatever reason, they can't sell it for any less. They don't want to sell it for any less. I don't know. But those are the sellers that would be more open to doing something creative, like a lease option.

And let me tell you something else. This is really important to I've been seeing a lot of this because I just did I did a YouTube video recently talking about how I paid off a five hundred and twenty thousand dollar federal tax lien. OK, it's quite the journey. I did a video. I kind of I'm still I don't know if it was a good idea or not. It was very difficult to talk about is a very difficult thing that I went through. I just so you all know, go to my YouTube channel and look at that video I did. And lessons learned from paying off a five hundred and twenty thousand dollar IRS line, and I just paid it off a few months ago. It's difficult, an embarrassing thing to talk about, to be quite honest. I'm just being a little vulnerable here.

I guess I got to a situation where six, seven years ago I started making a lot of money and I ran out of deductions and I started getting tax bills that I wasn't prepared for. And it just kept on getting worse and worse. As I made more money, I started. Hang off my old taxes, not paying my new taxes and with penalties and interest, it got pretty huge. And so federal IRS is the world's largest tax collection agency and they're pretty ruthless. And it got to a point a couple, three, four years ago, three, three years ago, where they said, Joe, if you don't get this fixed and taken care of and get current on your current taxes and start making payments on your old taxes regularly, consistently, we're going to take away everything from you. And then if that doesn't work, we will throw you in jail. So I was like, oh, boy. And so here I am this this guy



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who teaches people how to do real estate. And I have a channel, I have a book, podcast, YouTube's, whatever, and I coach people and I'm not able to pay my taxes.

So it was quite embarrassing and humiliating. And but last month I paid off my made the last payment to that federal tax. And I've been current on my current taxes for three plus years. But that federal tax thing, it's embarrassing. You know, it's attached to my house every week. I would get at least five to 10 letters from from different agencies like companies trying to sell me into their tax plans or programs to help negotiate with the IRS. I couldn't negotiate with the IRS because I had I would have to lie and claim hardship. I'd have to tell them that I was broke and I'd have to move out of my nice house. I'd have to sell my nice cars. And I don't have nice cars are five years old, but like, I'd have to go live in an efficiency apartment.

And when you are really actually poor, you can negotiate with the IRS at significant discounts. But I couldn't do that. And I feel like it's a debt that I owe and I have to pay it. And I've borrowed a lot of money from private investors in the past, and I have paid every single one of them back. When the market tanked, when the market crashed, I paid every single one of my private investors back whenever I took a loan over, subject to I always took care of that seller's mortgage payment. I always made their mortgage payments, even if it meant missing my own personal mortgage payment. So why am I telling you all that? For one simple reason. We wanted to buy a house five years ago. Well, seven years ago. But I couldn't because I was still too close. I still had some foreclosures and short sales in my credit from when the market crashed.

Right. So I couldn't get a mortgage. So I did a lease option, found a great house on a cul de sac. Forty five hundred square foot, beautiful home, three car garage, beautiful area. And the lead came in and the seller couldn't sell it. They wanted to but they couldn't. They didn't want to be a landlord. I said, well, you should do a lease option on it. And I said, I actually got good news for you. I already have a tenant buyer for it. And they said, Oh really? Who? And I said, me, but let me talk to my wife first. Looked at the house, loved it. By the way, the seller never pulled my credit. I've never done a lease option deal where the sellers pulled my credit and if they asked for it, I said, sorry, I just that's not the way we do it. So it doesn't sound like a lease option would be a good fit for you right now. Right? I mean, I tell them you may ask why. I say, listen, I do tons of deals. If everybody that I do deals with looked at my credit, it would ruin my credit. I have too many people pulling it. So it's just if you don't feel comfortable with doing a lease option with me, then that's fine. Let's not do it.

OK, that's how I phrased it. So anyway, I hope you wrote that down. Paid attention to what I just said. There is a lot of people worry about that, right? Like what do I say? They ask me how many deals have I done before they ask for my credit or why don't I just go buy the house and get a mortgage? That's what you say. All right. So anyway, I this house was a beautiful home walk out, finished basement. I had an office in there on a cul de sac, just great home. We decided we don't want to buy it. We wanted to we wanted something more private. We actually prayed a lot like God help us. We don't I don't know how we're going



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to get the mortgage or what we're going to do. We prayed for a house that was on three acres private back to Woods was within fifteen minutes from our church. We were real specific on what we wanted. And we wanted a separate place where you could home school our kids, a separate place where I could work. And I hope you guys are OK with me sharing this, but I'm getting some great comments here, too. Somebody is saying, no worries, Joe. I have a certain amount that I owe, which is a lot. Gregory, I'm praying for you, man. And then he says here your expertize is important. Proud of you for sharing. Thank you, Michael. Stay here. My wife and I watched the video. I appreciate your vulnerability and your testimony. God bless you. OK, I appreciate the kind words.

So here's the thing. We moved out of that house. We didn't put any money down on it, by the way, but we took care of the tenant. I mean, we took care of the landlord. We never called them, wants to fix anything. So then we go to Europe for three months and we I think it was Europe or was on a three month RV trip when we were gone somewhere for three months. We went to Europe for three months. And remind me, guys, to tell you to from the lessons learned from this, because this is super important. And I encourage you to watch my other YouTube videos. I talk in detail about the lessons learned from all of this. We got back from Europe and I couldn't buy a house. I couldn't get a mortgage because now I was removed. Now it's been it had been seven years. Like when you have a short sale or foreclosure, whatever, that's seven. You have to wait seven years before it's removed from your credit report.

OK, but OK, now I've got these tax liens on my credit. So even though my credit score was great, I still had this tax incentive, a seven fifty something credit score. I don't know what it is, but like, I don't care. It's stupid. I hate credit scores. I had these taxess and they started the IRS started attaching these lines to some of my other rental properties and then so I'll explain this in a minute. So we wanted to buy a house and we were tired of moving because we had moved quite a bit ever since my wife and I been married either through job transfers or buying a bigger, better house, losing that to short sale and then downgrading into smaller house, moving into a lease option house. We decided we didn't want to buy. I'm like, we are never moving again. But I couldn't get a mortgage to buy a house and I'm making really good money, but I can't get a mortgage. And the house we wanted in the area we wanted. It's a jumbo loan. So we need to get a jumbo.

And I'm not sure I can explain this very well. But like a jumbo loan means it's nonconforming. It's a nontraditional loan that Fannie Mae, Freddie Mac will not buy. So only banks will lend on this and they may sell it to other banks, but it's not backed by the federal government. So they're more risky to banks now to get a jumbo loan because I can afford a real nice house. You need to have a really good credit score, really clean credit history. You have really good debt to income ratio and you have a lot of money in reserves and you put a lot of money down. So even with all of that, I could not get a jumbo mortgage because of these tax liens that I was working on paying there are still attached to the house. So this is what we did.



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And I want to share this with you, because this is something you guys can do, too. And I know a lot of you know, somebody didn't buy my tax liens. I paid them all off. And by the way, guys, if you do, you better take the IRS seriously. I paid the total amount that I owed. Probably 30 percent of it was taxes. I mean, it was it was interest in fees, at least 30 percent interest and fees. I mean, when you look at how much you owe and then how much you like the tax part and then the interest and penalties you're paying credit card interest rates, I'm not kidding. You are paying credit card interest rates on your IRS back taxes that are owed. It is absolutely ridiculous. I think it's unjust and unfair, but it's my fault. So I can't blame anybody else for me. But it is absolutely highway robbery. Gregory, 18 percent. If you figure in all of the late fees and the penalties and the interest, it sucks. And so the fastest way to pay it off is to sell everything and get into really into the poverty level. And then you can negotiate with the IRS. But the IRS is the most aggressive collection agency in the world and they have the right to take everything from you and throw you in jail. If you don't pay it and you can't hide from the IRS, don't even try. Don't mess with the IRS. Don't mess with the IRS. And some of you guys are saying here in the chat, yeah, I don't make any money, so I don't know any taxes I used to. That's funny. That's maybe good.

But like I used to joke that my goal is to pay a million dollars a year in taxes. That used to be my because then if I'm paying a million in taxes, I'm making three million in revenue. Right. That's not good. It's not what you make. It's what you keep. Big, big lesson learned. So so here we are. We want to move into a house. We want to buy a house, but we can't. So I went to what I'm going to show you today. I went to Zillow and I went to the for rent and I went to for sale by owner in the areas that we wanted. And I started texting and calling landlords and for sale by owners. And I just you guys are putting some really good comments in here. I appreciate it. Julie and Lydia and Regina, I'm going to I'm going to answer these because this is really, really good. A lot of you guys, you're making money right now. You're starting to make money, but you're not being prepared. You're not preparing yourself for the taxes superimportant. And I know so many people, the more I've been sharing this, I've had so many people come to me and say, oh, my gosh, thank you for sharing that. I'm in the same boat. I don't know as much as you did, but I'm going I owe money crap. And it's like you don't want anybody to know. There was a point where I won't I won't share that, but OK, I didn't want you. We don't want people to know. There's a lot of guru haters out there. And I'm worried, like, are they going to find out about me and expose me as being some fraud with these giant tax liens? And it also gave me a lot more sympathy and mercy to other people that I know in business that are in the same boat. They have the same problems.

But there is a lot of entrepreneurs out there and I've read this article somewhere. It's like 30 percent of all ten independent contractors like self-employed independent people. Over 30 percent owe the IRS money. And the Biden administration, whether this isn't political or I'm not going to go left or right here, but the government, specifically the Democrats and maybe this is good, I don't know. But I'm I'm not trying to make my give my opinion here. They're getting more aggressive. They want to give more money to the IRS to collect more money in taxes from the wealthy, from the rich and from the people who have not been paying. Right. Whether you might be making a lot of money dealing crypto currencies, trading, flipping



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houses, crypto currencies. And sometimes you think it's easy. You can hide that money, but the IRS is going to get more aggressive in their audits and they're going after self-employed people. So if you're writing too much off, if you're not using a professional accountant to do your taxes and you're trying to do it on your own, whatever, and you're not paying these tax. On a quarterly basis now, I pay my taxes every two weeks, I put myself on payroll. So whether I like it or not, just like if I had a job, the government is taking taxes out of my paycheck or the payroll companies taking taxes out of my paycheck and sending it to the IRS. I don't know how they do it monthly or quarterly. I don't know. And I don't care. That's just getting done. So they're taking taxes out of my paycheck every two weeks like a normal employee. And I'm also paying the IRS every quarter.

And I got an assistant, my operations manager. I gave her the book profit first. I said implement this and she's implementing profit first. OK, so you want to find a good profit first? A tax accountant who understands. Go get the book profit first, all of y'all right now and read it and implement it. Don't be like me and just read half of it and say, yeah, I'll get to it later. I'll implement. I'll implement it later after I makes more money. And I don't know how it works, but you have to I think you have to get an escort and then your LLC so that your the money comes into the LLC but goes to the EZCORP and then the escort pays you as an employee, you need to put yourself on payroll so you get a paycheck every week. It's like a run through. Thank you. Some kind of run through thing and that will that'll take care of it.

All right. So we wanted to buy a house, but we could. So I went to Zillow for rent and for sale by owner, and I just started texting sellers and landlords of houses that we like. And I said, hey, and I would send these. And this is this is where I want to teach you something here. We started sending text messages from my wife, so we needed a house. So I started sending marketing out and I did a few things. I went to Zillow for rent, Zillow for sale by owner, and we sent yellow letters. And basically the message that I sent out on my yellow letters and in my text messages was this. Write this down. It came from my wife. I sign her name is Victoria. The letters the texts came from her and it said, hey, my my husband and I are looking for a house that we could rent for a year or two and then buy. Would that work for you or. Probably not. Thanks, Victoria. OK, so there's a text coming from my wife from to this to the owner.

So what I did is I went you only show you what I did. Somebody give me a zip code. Somebody give me a zip code where you would like to live nine for. OK, I'm giving one hundred of them here a zip code where you would like to live, preferably a zip code where there's one to two or three acre lots. I'll try the somebody here give me seven seven four four seven. I want to share my screen with you guys and I must show you what I did here and how we found this house. OK, I hope I'm not dancing around this and being really confusing here. What we did is we found a house to rent to own and then we eventually bought we rent to own and then we bought this house. And I must show you how you can rent to own or own or finance or at least purchase your own house to buy for your own personal residence. Then I swear I will get to these worksheets that I did here. All right.



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I'm going to share my screen here. If this is not a good zip code, I will pick another zip code. So this is somebody sent the zip code seven seven four four seven. And this is a zip code outside of Houston. So this tells me it's probably a zip code with some it's outside of the city, probably some bigger, lots newer homes. So what I did is I had two or three zip codes that I was interested in and I started looking for all of the properties that were listed for rent. And I have four kids. I wanted four plus bedrooms. Now, there's nothing that's showing up here. Let me remove boundary. Yeah, here's the thing. Zillow on Chrome is giving me a hard time, so I'm going to open I'm going to do this on safari and I'll share my screen on safari. Hold on one second, guys.

For some reason when I'm again, when I'm searching Zillow on Chrome, it doesn't update my thingamabob, doesn't show me anything. Right. Here's Safari in Zillow and I'm looking for four plus bedrooms, houses only now this is only one zip code. There's only two houses here. But what I did is I would look for one or two zip codes that I was interested in and I would go find these properties. And one of the cool things to you notice in some of these nicer zip codes, you get nicer homes, right. Which also means there are a smaller pool of tenants and buyers that are interested in these houses because they're more expensive. Right. And so this is a this is some kind of management company. But I would send texts to these numbers here. And I would also at the time, I did a slide dial voicemail's, so I did individual slide dial voicemail's. What is slide dial? Just check out slidedial.com. And there are rules and laws against this voicemail that's automated. Prerecorded slide dial is OK because it's just one at a time. It's just one message. I would leave a personal voicemail. So. Hi, my name is Joe. I'm calling about your property there on Powell, Pollo Durah and my my my wife and I. I would pretend to be my wife, but I would say my wife and I are looking for a property that maybe we can lease for a little while and then buy that would work for you. Give me a call back. Thanks.

OK, so I'd let them know I'm looking for a nice house, my wife and I or my husband and I can lease for a year or two and then buy. And when I did that I got a lot more people that would respond. Back, why? Because they knew we were we were looking for a home for ourselves, we weren't investors, and so we found some nice houses that way. Now, one thing I also did, because I wanted a nicer house, I would remove the boundary a little bit and I would look at the entire area. But I would also then hear this is what I did, is I would go to Price and I would look for houses that were at least twenty five hundred a month and rent. So that really narrows down because I wanted a nicer, bigger house. Right. And then the other thing I started doing was because I wanted property that was on at least an acre. I would choose lot size one acre. I click done and you notice it really narrows down things, right. So in Houston area, there's only five of them, four plus bedrooms over. Well, let's remove the twenty five hundred a month in rent. Now there's eight. OK, but this is what here's the crazy thing too, guys, especially if you're in a place now where you're making more money and you want to get a nice house, but you can't.

Again, guys, let me this is so important to understand. A lot of you guys, you're making decent money, but when you're an entrepreneur, a small business owner, you write off a lot of your business expenses. You



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try to write off. So a lot of things. So your taxes are lower. But then when you go and get a loan, you may not qualify because you don't you're not reporting enough income. You're not ethically reporting enough income. You understand what I'm saying here. So for this house here, this is a beautiful home in a great area. And guess what? It's vacant. Oh, my gosh. These vacant houses, these are nice, beautiful homes. And a lot of you guys on these calls can afford thirty five hundred a month easy. But you just don't want to rent. And because you're an entrepreneur, you're a small business owner, you've taken a lot of risks. You've taken risks. You might have had businesses in the past that have failed. You might have taken on too much debt, you might have taken a bad deal. You might have issues in your past that prevent you from getting a good mortgage. You're a good person. You pay all your bills on time. Right. But your score isn't where it needs to be. Your debt to income is not where it needs to be, because you've got you've got a lot of money tied up into some houses that you're rehabbing. Right. So you're a smart business person, but you just can't get the loan yet. You need to have two years of taxable income reported on your tax returns to show you that you can afford a house like this.

The banks, they don't understand that you're a risk taker. You're the fuel that drives this economy, small business owners, and they penalize small business owners and make it even harder for you to get a mortgage to buy the house. Right. So on these nicer homes like this one in Sugarland, it's a cool place to live. Sugarland, you look at the street view of this. This is a nice neighborhood with nice homes. Right. And there's a lot of wealthy people here that live here. And even though you make probably more money than all of these guys, you can't live here because your credit isn't where it needs to be. And yours, you're a small business owner.

OK, I'm saying here's the cool thing about these rental properties, guys. A lot of these homeowners, they're more open to doing creative finance. A lot of these people who own these houses are more open to creative financing. Why? Because nobody goes and buys this house. I don't know what the Zillow value of this house is, but nobody bought this house to hold it as a long term rental for cash flow. All right. This isn't a cash flowing rental property here. People who are landlords who are in the business of buying investment properties are buying houses that rent for a thousand fifteen hundred a month. So this was probably a homeowner that lived in the house. Something happened. They had to move out. Job transfer, job loss, divorce, life happened. They had to move out and they couldn't sell it for what they wanted to sell it for. Maybe they owe more than it's worth. A lot of people in these higher end homes actually own these houses free and clear. And so they are a lot more open to doing creative financing because they just for whatever reason, they may not need the money right now. They may need to wait until the House appreciates and they're worried like they don't want to be a landlord and rent this house to somebody is going to trash it. But when you can come to them and say, listen, I would like to rent this for a year or two and then buy it and I'll take care of all the maintenance and repairs, you don't have to worry about any of that. And if you want to buy this house, you need to put some money down on you, maybe put five or ten percent down that will get applied towards your future down payment.



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So you'll find a lot more sellers. I hope I'm I hope I'm being really, really clear on this because this is important. I understand you'll find a lot more homeowners that are open to doing creative financing deals on the higher end, more expensive homes. Now, this house in particular, I know this isn't the zip code that the person sent to me. I'm going to look it up on property and I'm going to share my other screen. Here you are in props room. I'm going to put it right here. And let's look to see what we have here. Disconfirm guys that you can see my screen, right? You can see. You can see. OK, good. This is a five bedroom. Forty two hundred square foot house. This is a nice house slave owner for four years. And look at this, guys. It shows up. His owner occupied. Let me show you what safari go. Let me show you this. You can see my screen here. Does this house look owner occupied? No, it looks vacant, doesn't it? You guys see what I'm seeing? You see a vacant house here. All right. I just want to make sure you guys are very good. Julie is asking, why is this thing owner occupied? If it's vacant, it looks vacant to me.

Saying, right, so these houses, a lot of these homeowners may go back to property near the address, the mailing address is still the same as the property address. So when you go into Zillow and start looking at nicer homes, this is so important. I understand a lot of those homes are not showing up yet as absentee owners. They're not showing up as absentee owners yet. So how much direct mail do you think this guy, James Prince, has gotten from other investors? Hey, do you want to sell your house? How many cold calls or text messages as this person do you think receive? See, not many. None, because it's not showing up as an absentee landlord, but the house is vacant. They've lived there for whatever reason. They had to move. Maybe they tried to sell it and they couldn't. Now they're willing to rent it out, OK? They have a mortgage on it. So they're paying somebody is paying a mortgage on a vacant house right now. I don't care how wealthy you are. They're probably paying three thousand dollars a month mortgage payment on this thing.

And it probably sucks. It probably hurts. You've got to MLS detail. You can see here it's listed as a rental. Even if they do rent it out, who's going to be responsible for the repairs and maintenance? Right. The owner is. And by the way, when I'm talking to the owner, I might sell them things like, you know, I'm just curious. You're using a property manager. Will the property manager pay you rent if the house is vacant? No. Will will the realtor or the property manager take care of the maintenance and repairs themselves and pay for any repairs themselves? No. All right.

So I'm going to rent this house from you. I'm going to put a large down payment down now, because if this is going to be your personal residence, you need to be prepared to put in a large downpayment, five to 10 percent. But you really are going to buy this house. So that's not a problem. You're going to get it back so you can still negotiate. Right. You can say, listen, Mr. Seller, I can give you the you can give them the full price if they want. Maybe they give you a credit for every month that you pay your rent on time, they'll give you a thousand dollars off the price of the home for every month. It's over twenty four months. That's twenty four grand. I'll knock on the off the price. But if you're late one second on one month's rent, you don't get that credit. So it gives the seller even more assurance like OK, yeah, they've got a lot on the line. If they don't pay their rent on time they lose a thousand bucks. So like when you're negotiating lease options



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with sellers, this is a house that are paying three thousand dollars mortgage payment on and you're offering to give them thirty five hundred bucks a month to pay the mortgage. You're going to be taking care of all the maintenance and repairs and you're going to buy the house. And if you're a second late on one month's rent, you lose a thousand dollars rent, credit or whatever. So what I'm saying. So when you're negotiating lease options with sellers, you can say, listen, what price do you want to tell us where I can get you that price? If let's if you give me maybe a credit for rent. Do you understand what I'm saying there? Are you picking up what I'm laying down right now? I don't know if this house is going to work or not. Maybe. Let's look at linked properties. You can see they own two properties. He owns another property in Austin, Texas. That's a fifteen hundred square foot house. Sometimes you can go in here and you can see if you go down here to arms length information, sometimes there's been a divorce. You can see a divorce that's happened or something like that. That's why it's vacant right now.

Now, in the Zillow listing, let me go here and pull up the Zillow listing. Hold on one second. Copy right. In the Zillow listing, it's listed by a some kind of property manager or a realtor. Try to say that name five times, OK? I mean, looks like a nice guy, but that doesn't look like the the owner, James Ingi prints. Maybe they're friends. I don't know. OK, so you're probably not going to get much by talking to this property manager or the realtor. Right. So you might want to send a letter to the homeowner, which is what I did. So we started going into Zillow and we started pulling out all these property owners and we started sending them a letter again from my wife. And this is what the letter would say, real simple yellow paper handwritten. This is how we would address this letter to James.

Hi, James Ingi print's my name is Victoria. My husband and I are looking for a house in this area that we could rent for a year and then buy. And we really like your property at seven nine one nine Chanty caught in Sugar Land, Texas. This might be something that you'd be you'd consider. Please call me back at this. No, thanks, Victoria. OK was a letter from my wife because I was blown away by how many calls we got from that yellow letter and an invitation envelope. Handwritten live stamp. All right. Did you guys get that? Yes. Homeowner's insurance still works, but the homeowner needs to change their insurance to a landlord policy, which they've probably already done if they're renting this house out. And usually it doesn't cost much more money, if anything. But they have to change the policy, homeowner's policy to a landlord policy, not a big deal.

So let's say let me show you else what else we did here, because I'm looking here in in in the Houston area. This is Sugarland, Texas. So the other thing I did, how do I find these lists of of people that are going on here? Let's go Sugar Land, Texas. I don't know how big Sugar Land Texas is, but let's say you want to live in this area, OK? And you're looking for houses that you can do a lease option on for your own personal residence. What I did is I went in here to I searched for this area. I went into filter, and I didn't care if it was owner occupied or not, but I went to property characteristics and. I wanted at least four bedrooms, I wanted at least three thousand square feet, so I wanted a four bedroom, I mean, big a house, big enough for four kids and a place where I could work. You might even do four thousands. I don't know, two. Four



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thousand square feet. There's seven sixty seven hundred homes. Not bad, right? Four more bedrooms, four thousand square feet plus maybe. Let's bring that down to earth a little bit because you may not need four thousand square feet generally. Three thousand generally. If you want an office that's you want some of these bigger houses. And then I would also do something like I went into a size. So one acre is forty three thousand five hundred and sixty square feet. All right.

So there we go. There are two hundred and thirty one properties that are over one acre, over three thousand square feet over four bedroom. Now, I also I want to exclude somebody who just bought their house recently. So I might go here to ownership info and I would say they had to have owned it for at least five years now. By the way, five years would exclude this house that we were just looking at because they've only owned it for four years and 11 months. So you must be careful that maybe let's do four years. They've own it for at least four years. All right. There you go. Some of these are fails. Now, here's a 10 Youzhny, a ten million dollar listing. So you might want to exclude the really expensive ones. So you might do a valuation total assessed total value right here. You might want to say, all right, under a million dollars, that brings it down to 40. But I don't know, depending on you'd be surprised how much house you can afford. But there you go. There's 40 properties here at some of these are really nice homes and they've owned it.

What was my criteria again here for more bedrooms? Three thousand square feet, one acre or more. They've done it for four years and it's worth less than a million. And this is just sugar land you could look at in other areas, right? Well, here you go. You can download this list, send him that letter. Let me tell you what the letter said again. Let's just look at this property here. They've owned it for four years. Ten months, OK? This is actually listed for sale, I think. But gorgeous house, right? The smallest details. Well, they just listed at the beginning of June. I would still send them a letter anyway. Right. And this was OK. I'm not even going to try to pronounce it. You know, my and my name is Victoria. My husband and I are looking for a house that we can rent for a year and then buy. And we've been looking in the Sugar Land, Texas area for a little while now. We really like your house at thirty seven thirty four. Stockbridge Drive. If this might work for you, please give us a call at phone number. Thanks Victoria. OK, that's it. It's got to be super personal and you tell them, my husband and I, my wife and I are looking for a house that we can rent for a year and then buy don't get all sales and talk about all the benefits of doing a lease option. All that. Just just talk about this. OK? All right.

So we are at an hour. Well, forty minutes or so. But we started this and then I didn't hit the published live or record. Fifty minutes into it. I hope you find that helpful. Now back here to Zillow, let me show you in Safari what else I do. So I'm looking for three plus bedrooms that are on one acre or more in Zillow. You're not going to see that many of them, but you can also go here to for sale. And now you can see there's a lot more of them. There's six hundred nineteen agent listings and forty two for sale by owner listings. So you might want to say, all right, let's look here. I want at least three hundred thousand dollar house and at the most million. All right. There's thirty three fishbowls guys. I would text them and these are all on one acre



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or more. Are you kidding me? Look at this beautiful house here. Not huge. It's two thousand square feet. But look at the all the property.

OK, guess what. Scroll down right here. There it is. There's a phone number for the owner. Send him a text and do a slide dial and say what I just said to say. Some of these are really, really nice homes. This is gorgeous. They're asking nine hundred grand. How long has it been on the market here? Twenty one days. So you're going to find a lot of these homes only have this beautiful look at this backyard. They've been on the market a long time and no fence around the pool. That's crazy. Normally that's required right then.

OK, so those are for sale by owners. Don't think that you can't also send letters to the owners of these nicer properties as well. So this is sorted by newest. OK, if I scroll all the way to the bottom, these are listed properties by realtors. I would go to the end. This is a price drop. They just cut this price 20 grand, send the owner a letter. This one has been on the market for seventy two days. The market's white hot. Do you think the seller might be getting a little nervous, like, oh, my gosh, I haven't sold this house yet. It's been two months. Everyone else is selling their house. I keep on reading in the news. How crazy fast are some of these houses? These are nice homes here. This one's been on the market. They just cut their price. Fifty grand. This looks incredible, right? Is that the front yard or the backyard backyard? It looks weird.

There's a reason why this house hasn't sold yet. Well, they've got two garages. It's overpriced. Oh, but you look through here looks man. I was going to say it looks vacant. Maybe not, but doesn't look lived in closets. Almost empty. Beautiful pool. Guys, you will be shocked how many of these properties would be open to doing some kind of owner financing or lease options. Just send them a message. I would send the owner a letter and I would also send the realtor. Another one more thing you can do here. Let's go to Redfin and let's look and use. In Texas, I'm going to remove, outline, zoom out and work with me, remove outline. Let's go to more filters. I want a house. I want four plus bedrooms and scroll down. I want lot size, minimum, one acre and time on Redfearn, more than 60 days. And we want max price under a million dollars. Right. Let's. Oh, my gosh. Look at that. Let's zoom out a little bit more. Click apply filters. There are nine thousand one hundred and sixty three homes, guys in the Houston area that are on an acre plus under a million dollars that have been on the market over 60 days. These are beautiful homes and maybe you want to exclude the super cheap ones. All right.

Because you can afford it. You can afford over three hundred grand. Now there's one hundred and forty five. You can go if you scroll down here all the way right here, you can download them into a spreadsheet. And there's a way maybe able to do this in a future video. There's a way that you can actually upload that list into prop stream and get a get and download all of the names and addresses of the owners and you can send them letters and skip trace them and call them. Yeah, these are beautiful homes. Right. And they've been on the market for a couple of months. They're getting nervous. And a lot of these home I keep on saying this over and over again. I know if you guys are getting this, but a lot of these owners, they're not they don't need the cash as much. They're more willing to wait for it. And also, a lot of these homes, a



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higher percentage of them are going to be free and clear homes. So they don't need the money right now. And in fact, a lot of them would rather maybe not sell it now because are going to have to pay too much in capital gains taxes. So if they can wait and spread that out over a couple of years, they won't have to pay as much as that makes sense.

So there's a lot of I'm not giving tax advice here. You need to talk to an attorney about all that. But there's a lot of reasons why these people may be open to doing seller financing or lease option, especially when you can come and tell them you're going to take care of all the maintenance repairs and they don't have to worry about any of this one. This price was just lowered. It's been on the market for two on one and a half acres, been on the market for seventy seven days. Let's look at these photos. I was going to say it looks one of the pictures looked vacant, but that doesn't look like it. The house is vacant. You know, this house hasn't sold yet, maybe because it's got blue countertops and blue floors. Maybe they have too many animals hanging on the walls. Maybe it's just a little too cluttered in the basement. I don't know if that's a basement. I don't think houses in Texas have basements, but there's some empty space up here. Right.

And a lot of these, too. This is important. A lot of these homeowners don't have to sell this house to buy another house. They've already bought another house or they're they make enough money. They can afford another house without having to sell this one.

Let me say one more thing here and then we'll wrap it up. These houses are also you can also flip these as lease options. I wouldn't recommend doing a sandwich lease option on these houses because I think it's a little too much risk unless you're established to to be on the hook for being in the middle of one of these deals and paying a three thousand dollar mortgage payment when the house is vacant. But you can do a lease option assignment for one of these. So if one of these owners, if you like, maybe you don't like this house for yourself, you don't want to live in, it's too far away. You could do a lease option assignment on these and you could sell this lease option assignment for 10, 20 grand. You can sell this house for a premium. All right.

Any questions about what we just talked about? Somebody is asking here, can you also upload from Redfin? Yeah. So you can download this all all of those properties that you showed you here from Redfin, you can download them into a spreadsheet and then upload them into freedom soft and skip trace them in freedom. So I should do this on in a future video. But you can also upload that into Propp stream, perhaps stream Joe Dotcom, and it'll give you back all of the names and addresses of the homeowners. And then it'll also give you the name and phone number and email of the realtors. So you can email the realtors, you can send a letter to the owner, you can skip, trace the owners and call them, send them personalized individual slide deals.

OK, Julie's asking here, assuming, by the way, I'm not going to give a few minutes for Q&A real quick. If you've got questions, please type them in the chat. I'm I'm assuming that would work for a female reaching



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out as a single person. So if you're a female might be different, but I would still say the same thing. Like I had a student that was really struggling and she was doing the ads, the direct mail. We buy houses, buy your house, cash for whatever. She took a picture of her and a friend shaking hands. Can you could tell they were both women. And she started sending postcards with a picture of her saying, I think her name was Cherie Sherry or Shellie's or something like that. She said Sherry buys houses. She changed the name of her company to Sherry, buys houses, and then her ad shows her shaking another woman's hand and all of her marketing outbound marketing would be Sherry buys houses. And guess what? Phone lit up. She put an ad in the penny, classified ads, newspaper things started getting calls from that postcard, started getting more calls because I think people trust working with a woman more than they do a man. It's just it's maybe not fair, but that's the way it is. So. All right.

Why not test it, send out some marketing that comes from your wife or your spouse or a female business partner and is asking a question about can you show us how to use your Google forms? And I'm going to have to do that in another video. I apologize. I sent all of you guys a Google to different Google. Sheets on how I evaluate lease option deals, and I don't have time to go through that on this, but I'm going to do that on a Future REI Secrets webinar. So you've got a reason to come back and join me. Right.

So, Frederik, do me a favor. Frederick, send that question to support at judgment. Call Dotcom and tell them I asked you to and ask them to send it to me, and I will do that. OK, what are some of your big takeaways here? What are some of the things you learned from this and what are you going to actually start doing implementing yourself if you want more information on how to work with me? Let me just say this, and then I'm going to just answer some questions here.

If you'd like to work with me and you aren't one of my students already, there's two ways you can work on the number one, go to PartnerWithJoe.net, is a seven month program that teaches you how to do cash deals. It's fantastic. And then if you want to join my lease options program, learn how to do lease option deals. Watch my webinar at SLOclass.com that stands for simple lease options. Watch my webinar and I'll show you how you can get my name. That's my flagship course if you want to. I talk a lot about freedom soft. If you want to sign up for the Joe McCall signature edition of Freedom, go to FreedomsoftJoe.com. All of my contracts, all my marketing pieces, my letters, text messages, emails, all of my automations, websites. They're in freedomsoft.com, the Joe Macall Signature Edition.

If you want to get Propp stream, go to propstreamjoe.com, because a lot of links I just wanted to throw at you, but I'm going to start reading some questions. Here are some comments. Peter saying Joe from Texas, Peter from Texas here. Also, I like your partner with Joe. Course, lots of wisdom in there. You are a guy of wisdom. Appreciate that. And I'm tapping into it. Quick question. What other state would you recommend or suggest for your types of exit strategies, lease options, subject to sandwich, this option, etc.? Texas has too many restrictions. I want to expand in other states.



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OK, Peter, good question. Texas really only has one main restriction that's on sandwich lease options. It is actually, I would say, easier to do subject to and wraps and contract for deeds in Texas. Texas just seems to be more investor friendly than most other states. But you can also do lease option assignments in Texas. You can do assignments in Texas all day long. In my simple lease options course, I interview a friend of mine who does a lot of lease options in Texas, a lease option assignments. I also have in my lease options course a section on subject two's and land contracts, contract for deeds and things like that. So you can do those types of deals in Texas as well. It's just different paperwork. Different thing, yeah.

How does homeowner insurance work? If the if the if you lease a forty two hundred square foot house, can you get renter's insurance that will cover the home value. Yes. OK, so a couple of things. Number one, the owner of the property needs to switch their homeowner's insurance into a landlord policy. That's important. And that's in my checklist in my main lease options course that's in the checklist there. But as if you are living in the house and you're doing this for yourself, you definitely want to get a renter's insurance policy that covers all your personal belongings. So if there's a fire or the damage on the house, you lose everything. If you don't have renter's insurance, the homeowner's landlord policy does not cover the contents in the house, which are your contents? Right. The other thing I'd suggest, too, if you're worried about maybe being responsible for something that goes wrong and repairs on the house, you can get an extended home warranty that covers all of the major home appliances. So just ask around, ask realtors what is the best home warranty extended home warranty program that you can buy? It's like four or five hundred bucks for a year and it'll cover any of the major appliances. OK, because I'm looking at your questions here.

Do I have a sample of a lease option assignment to use in Texas? No, Greggy, but in my simple lease options, course you have all the paperwork you need. And I also, my friend that I interview has some stuff in there as well. Eric is asking a question about land. Can you share the top two or three land courses that you've personally taken and would recommend and then rate them? I'm getting a lot from the landlords and I want to know how to do land deals. Rick, I'm thinking about coming out with the land investing course, and I'm probably going to do that here in the next month. But in the meantime, I really like Jack Bosh, the friend of mine. He's taught probably more people how to do land investing than anybody else. So go look, look and look up. Jack Bosher, land a profit generator in Facebook groups. Really good guy. I also like there's some guys you do a podcast called Casual Fridays.

Well, first of all, let me just say this. Go to real estate investing mastery, my podcast, and do a search for land and look at all the different people I've I've interviewed for that do land investment. And there's a lot of good people there that are doing deals and maybe have courses. So just check that out. A land geek is a real good guy. Mark Podolsky the guy who did. I interviewed them who have a they have a podcast called Casual Fridays are podcast. They have a course on land investing. And I interviewed a guy named Willig who does more land deals than anybody I've ever talked to. And he's got a little course. I don't know if he's focusing much on it. I interviewed another guy. I forget the name of the program. They're really good. He



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Harold, shoot. And Dave, those are two guys that have a really good program on land investing. Yeah. And then there's a land academy, guys. They're good. They've got a real good program. I don't know if I'd recommend because I bought it and I didn't like. All right. Anyway, just got my first property under contract. Nice. Kim, I'm finding places to list it. And you suggest. On the best places to find buyers, yes, if it's a lease option, signs are always my favorite. A sign in the yard, signs in the neighborhood on the weekends. That's where I get most of my tenant buyers from my properties. And then Facebook marketplace, Zillow, if you can, and Craigslist, those four things.

If you haven't found if it's a good lease option property and you haven't got a buyer from signs, Facebook Marketplace, Craigslist and Zillow, if you can't, then you're doing something wrong. It's probably overpriced. If this is your first wholesale deal for a cash deal, I would suggest finding another local wholesaler to partner with who already has buyers, who has access to the title companies. The money that the attorneys, the title companies that will let you do double closings and assignments and things like that makes everything so much easier to split the deal with them 50 50. And I love how you remove boundaries with the creativity, with creativity in a non-threatening way. Thanks, Sam. Appreciate it. Nice. OK, Edwards says one of his big takeaways. We'll stay on top of your taxes. Nice. So if it's a wholesale deal, Kim. Yes, I recommend partnering with a local wholesaler that's already doing deals in your market.

All right, guys, that is it for now. I'm going to end this. Those of you that were on early, I apologize for not going through those worksheets, but I'm going to do that for my next one, my next REI Secrets. I do these REI Secrets webinars every week. They're completely free to all my friends. So join my next one. OK, next next one. I should be doing one on how I evaluate lease option deals with a pen and paper so you don't have to use software calculators or spreadsheets. You can do it on pen and paper. I think you'll find some good value out of that.

If you want to work with me guys again, go check out PartnerWithJoe.net. If you haven't already partnered with Joe and check out my YouTube channel, subscribe to our YouTube channel, go watch my lease options Master Class webinar. It's called SLOclass.com. Oh, and also this is really important next week. Oh, I should have mentioned this at the beginning. I'm sorry.

Next week I'm doing a five day lease options blueprint master class in a private Facebook group and it's completely free. So go check it out. Lease option blueprint dotcom daim. Why didn't I talk about this lease option blueprint dot com starting next week. It's a five day completely free class. I'm doing in a private Facebook group on how to do lease options. Go to leaseoptionblueprint.com. It's all going to be done inside of a private Facebook group and it's going to be amazing. It's going to be five days where I'm going to be teaching you and me answering questions and helping you do these deals. And again, it's completely free, no strings attached. It's all in a private Facebook group and good. I'm getting comments here. I'm looking for it. I'm signed up for it. I'm ready to go. Lease option Blueprint Dotcom. It starts next week as I'm recording this right now, the week of July 19th. And here's the thing. I'm shutting it down. It's only going to



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be open for like eight days, eight or nine days. So you have to watch it while I'm doing it. So every morning at 9:00 a.m. Eastern, 10:00 am Eastern, 10:00 a.m. Eastern, I'm releasing the new video that for the next class. So go check that out right now. Lease option blueprint.

All right, guys, we'll see you later. I appreciate you all very much. I thank you.