1112 – Buy By The Ranch, Sell By The Pasture

Hosted by*: Joe McCall*
Guest: *Trevor Probandt*

Joe: Welcome. This is the Real Estate Investing Mastery Podcast. Hey, what's going on, guys? Joe McCall, the Real Estate Investing Mastery Podcast. Glad you're here! Hello. What's going on? It's a beautiful, cold, wintry snowy day right now in St. Louis. Our guest today is in Texas, and I have a feeling it's going to be a little warmer down there. But anyway, I'm glad you guys are here. Welcome to the show. This is a podcast and a YouTube video channel. Whatever that I've created, where I get to interview really cool people that are doing a lot of cool deals. And today's guest is name is Trevor Probandt, and he's been doing deals. His whole family's been doing vacant land deals for a long, long time in Texas, and he's been doing deals bigger, better, more profitable deals for quite a long time. And I put the call out there a few months ago, a few weeks ago, Hey, I'm looking for guys doing deals, land deals. I'd love to get you on my podcast and somebody recommended Trevor and Trevor and I connect and I said, Yeah, let's get you on the show. So he's going to be here. It's going to be a lot of fun. And I think normally I tell you guys, let's do this, let's do this. Normally I give you guys a website or something to go to today's sponsor for this podcast. How about that? Does that sound professional? Today's sponsor for this podcast is Freedom Soft Joe The Freedom Soft Joe McCall's Signature Edition. Did you know there is a signature edition of Freedom Soft? It's this is a serum that I use every day right now for house deals. Lease options, wholesaling deals and vacant land deals. And so if you get the Joe McCall signature edition of Freedom Soft, you will get my workflow automation websites, contracts, marketing pieces, all of that good fancy stuff inside of freedom. I love freedom soft. It's amazing. And if you want to see a webinar that I did with Rob Swanson on how to get pretty much hundreds of leads within minutes, go to this webinar. We did together hundreds of leads dot com, hundreds of leads, dot com. And that little video will show you kind of what freedom soft will do, how you can use it in your business, and why you'll see why I'm such a huge fan of it and why I use it all the time. So go to hundreds of leads dot com, hundreds of leads. Dot com. All right, cool. Let's bring Trevor Probandt. How are you doing, my man?

Trevor: Good man. How are you?

Joe: Excellent, Trevor. We just met a few minutes ago. We've been talking a little bit on Facebook Messenger and stuff, but you and your family been doing land since the 90s. Can you believe that back in the last century, back in the late nineteen hundreds? So like, talk a

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little bit about your story and how you got your family and how you got into land and investing and all that.

Trevor: Yeah, I grew up on a cattle ranch northeast of San Angelo, Texas, and now I grew up on forty eight hundred acres. And so I didn't have like, you know, the whole boots, cowboy hats, you know, horses, all that other stuff. That was me. They've been in the ranch and business since nineteen twenty nine. Well, science and oh, and we'll discuss that here in just a little bit and what the changing of the guard is in the next in this next century. But anyway, in the early 90s, my my grandfather, my dad and my uncle, and anyway, they started buying big ranches and subdivide them simple, subdivide not building subdivisions, but doing subdivide. And just like buying, you know, a case of coke is cheaper for coke. When you buy the case and you sell it by selling by the Coke, you make money.

Joe: That's a great analogy. All right.

Trevor: It's not. It's it's not sexy. You know what I mean? Like, it's not, you know, but it works just about anywhere, all the time. And so that's what we call a force appreciation. A lot of people go vertical. Some people do commercial stuff. You know, everything else like that. But that's that's basically what I do right now, for the most part. But I also buy some some smaller and do some cash flow stuff like bread and butter. Owner finance deals, too.

Joe: Yeah, well, we love bread and butter, and we're going to talk a lot about the owner financing deals because that's those are those are great deals to do. So you were raised on a big ranch. We title this podcast. Buy the Ranch, Sell, Buy, Buy the ranch, sell, by the pasture. What do you mean by that?

Trevor: When in the ranching jargon, whenever you takes a five thousand acre place, what you're going to do is you're going to often subdivide those into fenced areas that you allow your livestock or those cattle, sheep or goats. And you what you do is instead of grazing them all in the entire place at one time, you move them into different pastures and allow the land or the grass to rest and grow again. Right. And then and so it's a rotational deal. So instead of coming in and trying to reinvent the wheel, what we often do is we take those current pastures, they're already there, they're already fenced. And instead of buying it, we buy the whole ranch and then we sell by the individual pasture. So we don't we don't fight the topography, we don't fight the infrastructure that's already there, right? That's that's where the art comes in with this kind of stuff is I'll literally get on the highest point that I can be on and I'll stay in there and I'll look at it and I know where I'm at, recreational users or the buyer hunters, things like that, especially hunting in Texas, right? Deer hunting, hog hunting, all that other stuff. So I grew up that way. I know what people want, right? And

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basically, I let the land tell me how how big the parcels are going to be, and I also allow the infrastructure that already has the fencing, the roads, the water wells, things like that to dictate how I subdivide.

Joe: Yeah. Sometimes, you know, when we talk about these big lots, you know, these big ranches people that it gets intimidating a little bit to some people that are new, but you're talking about our target customer is the recreational hunter guy who wants to write a four wheeler guy wants to build a cab and go camping, shoot their guns, just get out and get in the middle of nowhere, right?

Trevor: And here's the big key I make unaffordable non trophy ranches affordable. So obviously the especially in Texas, you know, the live water right, the giant multimillion dollar views, things like that that's going to get bit get bought by some rich guy in Dallas or Austin or whatever. Right? These non trophy assets that were working, ranches that don't have running water don't have these multimillion dollar views. Well, they may sell for three or four million dollars, right? Or they may be asking for three or $4 million. Very few people that can afford that are going to spend that on that asset. What I do is I take those three or $4 million parcels and I turn them into $500000 tracks that more and more people can afford right and do it that way and then force depreciation that way.

Joe: All right, nice. So what did you guys watching us now on Facebook and YouTube? If you have any questions or comments, please type them in the YouTube or Facebook comments and they'll pop up here and I'll bring them up to Trevor and we can talk about them, right? So Trevor, when you buy a ranch and you sell by the pasture. But what's the average size of a pasture that you would sell.

Trevor: In my neck of the woods to, well, one hundred and fifty to four hundred acres?

Joe: One hundred and fifty to four hundred acres? Yep. Yep. A good size. Yes, sir. Texas is the big date.

Trevor: Exactly. Again, the closer you go to larger populations, the smaller you go with your parcels, right? Because a 10 or 20 acre parcel, may be a lot of country for someone that just wants a weekend getaway with an hour away from Austin or Dallas. Right? Yeah. And the prices the overall prices are much higher per acre on those smaller tracks. Here's the fun thing about that, right? The more expensive. It's just it's the same thing a buy an apartment complex with a low cap rate if you have a game plan, if you have a game plan for improving the eye on that asset. The valuations every single dollar that you help the, you know, I choose the valuations way up, right? Same thing in this game with more expensive properties, if you

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can find a parcel that's worth ten thousand bucks an acre, right? As one hundred acres we tournament and 10 acre tracks, they may be worth twenty five thousand dollars an acre.

Joe: Ain't that something.

Trevor: Right? But that's something the percentages may be the same. I may be able to add another 50 percent where I'm at, but it may only be a thousand dollars an acre more. Right? And so that's where that's where the art comes into, and that's where understanding what your in buyer wants to have. And that's as you know, land is non homogenous and land is harder to comp. And the reason that's why I love it is because, you know, you're a genius guy when it comes to automating and doing all this other stuff, right? I love it because I can't go out there. A hedge fund is not going to go out there and buy this much and charge this much and do all that. You know what I mean? Like, yeah, it's it's still land is still, I think, the final frontier as far as real estate assets that you can have the inside track and know something more than anybody else, right? I mean, that's one reason we invest in real estate because this is a non market imperfect market, right? This is the ultimate when it comes to that stuff. So it allows you to put in the work and you may know more about two or three counties than anybody else does, and you can make millions of dollars over the next ten or twenty years.

Joe: Oh, yeah, yeah. And there's the demand for land is going up dramatically, just the political climate. What's going on in the world, you know.

Trevor: Especially today, with Ukraine and I mean, yeah, everybody's talking about bug out and you know what I mean.

Joe: What's going to happen if it gets worse in Ukraine and Russia and we go into a third third World War, right? Like, yeah, people are looking for the safety and the serenity and the the of having vacant land. So the demand is going way up. But there's still a lot of opportunity. There's very little competition for vacant land deals, right? So Trevor, you were telling me kind of how you got you grew up on a ranch, you grew up with the family that you've been doing this for a long time. But like you said, some when we first got on about your dad, I think was complaining about taxes or something, right? Yep. So what did you say to that?

Trevor: Well, you know it. He had been complaining they had made a deal. I guess it's in 15 or 16 and made a bunch of money on it, and they're like, Well, you know, that's all. It's just like doing house flips, right? Especially if you sell it within the year, which is your whole goal, right? Is you pay a lot in taxes, right? Granulation, you just made one hundred eight hundred thousand, well, are you going to get taxed at 40 percent, right? And that's, you

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know, and that's anyway. It's it's it's great and I love paying taxes and all this other stuff. But Dad was like, Hey, man, I need it. We need to figure out a way where we can get off this treadmill. I was like, well, why don't we do sell notes and things like that and he's like, Well, well, they've been doing that stuff out in way West Texas since dirt was new, you know? And I started looking into it, and that's where I started learning about from these different folks with Jack Bosch and Jack and Jill and all these other people and even Podolsky and those guys like owner finance. Yeah, right. And that's what I was like. Oh, dude. And so like, I remember my first mailer and this was in 15. I said it's a bunch of like 40 acre tracks in northern Arizona. And I had like, unbelievable and I paid a little bit to offer a little too much, but still made like eight or 10 deals that are like seven hundred offers. You know what I mean? Like, phenomenal to the park, you know? Yeah. Oh yeah. I wish it was still that way now. People like us talking about it.

Joe: It's not as good as it used to be, but it's still stinking really good compared to houses.

Trevor: Absolutely. Absolutely. So, yeah, I mean, and that's still like my long term goal is and that's where I'm really going to focus this next year is and that's I'm I'm not good at is, you know, with these big multimillion dollar deals, you don't really delegate that right? Like, you got to make sure you're there at the meetings. You're going to make sure that the commissioner meetings get to make sure you're there with the server and you're meeting with the water well guy. And you know, all these things like that, the small ones, that's where I've got to do a much better job of delegating. I've actually got a call at three o'clock with a with a guy that wants to help work with me on doing some stuff like that. But like, I still think that's the the best margin, you know, under a below $100000 parcels that banks don't lend on, that's still your best opportunity to make a lot of money on this.

Joe: And there's a really good reason for that, too, is because that's the most the average Joe out there. He can't afford $500000 a piece of vacant land, right? But they can't afford the one to ten acres, one to 40 acres that are under $100000. Especially if you found this true, Trevor, when you're let's say you get a 40 acre lot, you buy it for, I don't know, 30 grand for something. You sell it for 100. Do you get more calls from people when you advertise that property for with owner financing?

Trevor: Absolutely 100 percent of the time. And here's another thing to this and I've got to you know, there's there's many roads around and I've got a I've got a young guy that bought a bunch of little cheap rinky dink parcels that I had bought and just sit on for a long time. And he makes thirty three thousand dollars a month now. But at one hundred bucks a month, a parcel, right? You know, a lot of buyers that want the 40 50 $80000 parcels are much better. Yeah, and they and they fall all over if you offer owner financing. Mm hmm. I mean,

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in I've had offers for like Harley-Davidson's and pick ups and cash. And you know what I mean? Like, it's just it's it's not. I mean, I would kill myself on a Harley Davidson. But yeah, I mean, it's it's insane if you have good dirt, something that you know again, a 30 40 acre parcel in Wisconsin or Arizona, Colorado or something like this, like people will fall all over themselves when you offer owner financing. And there's two wonderful things about that. One sells fast and you get a premium price in two. Whenever you do that, it allows you to charge way more interest than anybody else can, right? You can charge at eight, nine, 10 percent interest even on these parcels, depending on how far out you want to go with them, right? And that's the beautiful thing about it. Once you own the asset with cash, you're the bank. You decide what your desired rate of return is. You know how long, how long these are you? You don't mean like there's a million different things to do that. And the cool thing is, and this is something I've talked to some, some younger guys that have done a bunch of stuff out in West Texas. You can build, you can take a year or two and build some portfolio, some of these loans and once they've got some seasoning. My goodness, people will fall all over themselves to buy them. Oh yeah. You know, you got these guys are too. If I lose any of their money, they lose a heck of a lot of hustle and some mail, and then they cash up with five hundred thousand dollars for just that, you know, much less the cash flow that they made. You know what I mean? Like, it's yeah, it's real, but you got to build a system and that's what I'm not. That's what I'm going to work on.

Joe: All right. So let's talk about the you talk about good dirt. Well, what is good dirt for you? What are some areas of the country that you like to target?

Trevor: Of course I'm a I'm a western guy. And here's the thing is and people do tons and tons of Olin finance stuff in Texas. I don't land contracts are not legal, and there's a million ways going around that right. Deed in lieu of foreclosure performance, where are you? Hell, you want to call it. I love Colorado, northern New Mexico, northern Arizona and Utah, but especially Colorado, northern Arizona, just because I also hunt a lot out west and I like those places. Yeah. You know what I mean? And I try to focus on 30 to 50 thousand dollar parcels valuation, and then I try to buy them 30 to 50 cents on the dollar.

Joe: Nice. Now some people are saying, Yeah, Colorado, northern Arizona. Isn't those some of the most competitive markets right now for land investors?

Trevor: It depends on what you're. Depends on what you're offering. It also depends on what you're trying to do. Like my only goal and I have it written on my bathroom mirror is. I always say a deal is this cheaper money and it also says offer more right? My only goal in this whole thing is not to offer. I want to hit my desired return because that's all this is right? This is able to get us where we want to be right. I love land. That's why I like it, right?

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Like, I grew up in the sticks. You know, all this other stuff. But the reason that I use it is like, if I can come in and you want to offer 25 cents on the dollar and I can offer 50 cents on the dollar because I got somebody that's willing to lend me $2 million at seven percent interest. How many more accepted offers am I going to have the new Joe?

Joe: Yeah, even in a competitive market, you can offer more competitive market.

Trevor: I'll still kick your backside. You know what I mean? And yes, I mean those those are competitive areas. But to be honest with you, I don't know. We're not competitive right now. And here's another thing here's here's how you set yourself apart everybody in the dark and send text messages. Everybody in their dog wins in marketing. Nobody has any cash. Raise capital. Get the deal done in whenever somebody tells you that, Oh oh, so-and-so has already sent me 13 offers and all this other stuff, I'm like, Well, you signed that deal? Send it to Susie over it, Stuart title, right? We'll email it right now, and I'll wire up a earnest money check right now. You can close, right? You can close. That's that is, in my opinion. That's how you set yourself apart in the land business. And that's the that's having capital.

Joe: And we had people freak out about competition. But I'm telling you when you compare this to houses.

Trevor: And I don't play in the house game, so I don't know what I know, but you know what I'm saying, I just don't. Not in the day to day stuff.

Joe: Well, especially in the DFW area. Oh God, there's guys there that you can't even touch one half of one percent response rate with your direct mail. Right. It's just so insane. But when you can get two to three percent response rate in your direct mail with vacant land on a bad day? That's that's really good. All right. So you're you're targeting not the little one or two acre lots, you're targeting the bigger ones because you have the capital, you can close on them.

Trevor: In my large, all my large deals that I've done, you know, six plus million dollars in the past eight months have all been on market.

Joe: They've been on really on. So are you offering, are you negotiating or are you offering them their asking price or what are you doing there?

Trevor: Depends on the asset. You know, I mean, I'll pay 120 percent if I've got a great game plan. Yeah, if it's got the right shape of it has the right infrastructure, things like this, right? Like that's that's the difference between playing hey, all I've got is one stick right? Like I've got

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the whole world looks like a a nail when you guys bopping hammer, right? And when you get multiple tools in the toolbox allows you to do lots of different things, right? That's partnering with landowners, that's working with brokers to do all this other stuff. But to be honest with you, just making offers, finding stuff that's been on the market for a little while and making offers. And we bought one that that one, I was just showing you that I've got to go to the final commissioners meeting things like that and have been in the market for two and a half years. I made an offer and they took it and it was nine hundred and seventy thousand dollars less than the asking price.

Joe: Wow. You know, you're talking about the simple things that you can do to the land to make it more valuable. I was just interviewing Mitch Stephens on his podcast where he was interviewing me, but we were talking about his land deals and he just did a big deal that the only thing they did is they brought in a machine. This was in Texas somewhere that cut in a road, and it was like they had to. They had to cut into the road and then read all he had this machine it. It takes bigger rocks and grinds them in travel, and they take reclaimed asphalt. But anyway, they were able to cut a road through pretty rough, difficult terrain. Cost them for this whole project a few of two or three hundred thousand dollars to build this road. But because they did that, it then allowed them to parcel this huge property off. Yep, and sell something that was unsellable before, you know, it's a little more advanced, right? That's not something that a beginner is going to want to do, but.

Trevor: You know, and that's the thing. But yeah, you're going to have a water guy. You're going to have a surveyor, you're going to have to have a road guy, you know what I'm saying? And things like that like these, you know, on there, I don't know what he paid for per linear foot on that kind of stuff. But again, as long as it's outside of, it's at least in Texas, that's all it does. Texas, I don't know about other states, things like that, but you know, as long as you keep it above 10 acres and as long as you're out in the county, you're not in town or the extra jurisdictional territory, man, you can kind of do it again in different different counties. Have easements had to be so wide, not so wide, you got to have so much things like this. But, you know, like that deal that we did this past year, that was twenty four hundred and twenty four acres. And I did that with Justin and Adam, the guys from Casual Fridays, and we bought that for three point four and we put one hundred and fifty thousand dollars in power lines. And then we put another 30 some odd thousand dollars in road work and everything else. But we still ended up needing one point eight million dollars in profit. You know, I mean, and again, you know, last year was a was a crazy year. You know what I'm saying in the market? And things like that, and we've got two more that we're going on, I just had an offer come in on this next one that we're doing. We've already got if this one goes, we've got a fifteen hundred acre deal that we've got, we'll have seven hundred and

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four hundred or seven hundred. Yeah, seven hundred fifteen acres of the basically half of it sold already. We just went on the market a month ago. So I mean, again, like, well.

Joe: Let's talk to the guy who's just getting started in this right and you're interested in land, OK? And they like the idea of the owner financing. Yep. So, you know, they pick a county, let's say, in Michigan, OK? In fact, I have a friend right now who's interested in Michigan. He's from there. He, you know, he has dreams. Memories are rather of being a kid going up north to hunt lots of beautiful lakes. Beautiful country up there. It's a great place to go in the summer, and there's a big demand for rural vacant land from people who live in Michigan, right? Mm hmm. So a lot of people from the cities will will go up there for vacations.

Trevor: There's a lot of hunters and fishermen up there, too. Oh yeah, yeah, OK.

Joe: So, you know, he's looking for five to 10, 20 acre lots, let's say, let's say five to 20 acre lots. Yup. So what would you walk through kind of your process, Trevor, if you were to pick a market, if you were to pick Michigan and picks? What would you look for? How would you pick the counties to target.

Trevor: If you get on in your financial calculator and you look at it once you get above 50 or 60 thousand dollars unless you get a really big down payment. It takes so long for you to get paid back on this stuff, right? As far as the owner finance side. Right? And so that your rate return drops off pretty, pretty steep once you get beyond that, and that's the retail side. So I would look at and try to find areas that are of that five to 10 acres or whatever he's looking for Olin, say, Zillow or realtor or whatever the hell it is and look for what's for sale in that area. That's $50000 within those parameters, 30 to 50 thousand, just to say just to get started right? And I would look and I would try to find clusters of those things right?

Joe: I'm looking right now as you're talking, OK?

Trevor: And then once I would start finding some cluster to start seeing some, why would people want to be there, right? And then I would go to the sold side on the Zillow and see what those those things. So I don't know if Michigan as a as a disclosure state or non-disclosure state.

Joe: I'll tell you in just one second, it is I'm seeing prices on their sold. OK.

Trevor: OK, good. And then I would I would try to find the ones, the top three or four brokers that had sold on there. And I would call them, I'd be like Mr. Broker or Mrs. Broker or whatever

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it is. You know, the one that's got a whole bunch and that has an office in that town or area. You know what I mean? And I would call them say, Listen, Mr. Mrs. Broker, my name's Trevor. I'm a real estate investor. I won't if I were to give you 10 listings in the next 12 months. Kind of within that 50 or 60, 70 thousand dollar range, whatever. Where would they be and why? And shut up. OK, they will tell you where the market is, you know what I mean and what the market is and talk to them and call them until you talk to three or four good ones. You start, you start seeing trends, right? And once you get that, listen to the people that make a living there and especially some of these folks that have lived there for 30 or 40 years, they know exactly what everything goes for. You know, I mean, they know that shady acres, that thing is going to go away. You don't want to touch that son of a buck. They also know that, you know, pine views is the hottest market around. And if you find anything under 50 thousand dollars a thing, you'll still on a day.

Joe: You know, reminds me of just the other day and one of the Big Land investing Facebook groups, somebody posted something on there that, Hey, I got a bunch of lots that I want to just wholesale in a certain county in Arizona. Yeah, and I forget what it was. But look, a hundred and something comments right below that. And it was only a day or two old, and every single one of those comments had an email in it. Yup. And that damn somebody seeing that should think, Whoa, wait a second. There is a huge demand for properties in that county, right? The only share my screen reader. Can I do that? Let's look at Michigan here. This is, I think, a good this is Michigan here. I went to Zillow. I did a search for sold. I'm looking for properties that saw between 20 to 50 grand. Yup, lots only. And I did two to 20 acres.

Trevor: OK, it's a little broad. You may want to tighten it up a little bit. There you go. Two to 10 acres. Yup.

Joe: Ah, you can already see some pockets here.

Trevor: Oh, yeah. Oh, that's great. Yeah, no. You can see lots of pockets there. Like you zoom in a little bit on some of those on that northern side there, right? Let's get some of that green. There you go.

Joe: So this area, right? Heck, yeah. This area over here. Hmm. So these you think about this, this is this is I harp on this all the time. Whether you're doing houses or land, follow the demand. Where are people looking for properties right now? I'm not going to do any marketing out here, am I? No, and I don't know why that is.

Trevor: Maybe there might be nationally, there might be public land right there.

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Joe: Public land? Maybe that's a lot of agriculture. There may be. I doubt it. That's green. But some of these areas are big and you'll see there's also nothing near Detroit in that area, right? Yup. So this is a good place to look and just see where the demand is. And then let's just do I'm going to draw a circle around kind of this area up here, OK, now don't click Remove Boundary. And I'm going to click this draw thing right here, and then it's going to draw this area. Click Apply. And here I got three hundred and sixty six results. One thing you could do to and I should have done this sold in the last year. All right. So these are all the ones that are sold in the last year.

Trevor: Still, a lot still two hundred.

Joe: Well, that's really good, right? And you can see now some of these, these are older listings and and you're saying you can click on some of these and see who the brokers are.

Trevor: And a lot of them, too will tell you which one subdivision they're in. Or you can even look those up yourself on the GIS map.

Joe: Well, this is cool because not every county does this, but it tells you who the listing agent was. Yup. And the buyer's agent. All right. So you know, you got Sean Riley here. Let's say you see his name over and over again in this area. Are you going to call him and tell us again what you'd say to Sean Riley?

Trevor: OK? I'd be like, Hey, Sean, this is this is Trevor probing a I'm a I'm a real estate investor, but I'm kind of working looking at work in your area out here. I just buy vacant land, you know, and put it back out on the market. I was just curious if if you can kind of tell me, you know, if I were to give you 10 listings because I'm looking to build a relationship in that area, I can give you 10 listings in the next year, between 20 and 50 thousand dollars. Right? I saw you did this one at one two three Oakwood. Right? Like, where would those be and at what price point would they be at right? Is there? Is there a particular subdivision or area? What what is flying off the shelf for you and just shut up? Mm hmm. And he'll tell you if they're worth a darn, but also if they don't help you lot move on to the next one. There's plenty of them, but the good ones. You'll know the first time you talk to them, and it may take a couple of phone calls. That's that's where people are terrible at this game is they don't build those relationships. They want to sit behind their their computers and do it all algorithm and all this other stuff. The people that buy and sell the like, the owners, the brokers, all the people that do everything in here, it's all business like it's all relationships, it's all people. The land doesn't change, right? It hasn't changed in a very long time. You've got to understand that at least whenever you're feeling it out. And the nice thing about it is

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once you learn accounting, you'll have it for a very long time and you're going to have one broker or one realtor that does a long time. But it's just like dating. You're going to have to talk to a lot of people before you find the one.

Joe: And what the what I think I'm seeing here is the huge advantage of this is now you got a realtor or a broker that can list this property and do the work. Finding that buyer for you, right?

Trevor: Yup. And here's a here's another thing to do. You think that whenever you whenever they hear about something, they might not call you about it? Mm-Hmm. You know what I mean? Oh, I've got a guy. I've got a guy. And that's and that's where you build that relationship in that area. And then what if you know, like, we saw one of those, it looks one of the soldiers over there. It looked like it had been one of the parcels like it had been a simple subdivide. You know what I mean? Like a little map and things like this. And so all of a sudden, once you do four or five, eight, 10, whatever it is in a year with some of these folks, right? Once you once you do that kind of stuff, all of a sudden you're like, Hey, now I want to look at some, you know, 40 or 50 acre tracts, you know what I mean? And you're like, you talk to you and you're like, Hey, what's the process on doing a simple subdivide in your neck of the woods? You know what I mean? But don't. That's like asking somebody to get married before you get to know a little bit, you know what I mean? Like, like, it takes a little while to do that kind of stuff. Unless you've already done it in other places, you can send them and talk to them in the right jargon. But what you're talking about doing right here is just building some relationships. Understand that. And here's the cool thing about that is you also have somebody to go check that out and will be a backstop for you where you don't get your backside in a huge bind, right? You get one that says you get say that one, that's forty two thousand right there. So you thought you get an accepted offer for ten thousand bucks, right? You got an accepted offer for 10 grand and you like, Oh wow, oh, Sean or whatever his name was, right? Like Sean's working for you, he runs that area. You'd be like, Hey, Sean or Steve? Yeah, whatever. Anyway, it'd be like, Hey, Steve, I got this one over over here, blah blah. Will you go check it out for me? Yeah, yeah. And not only will they take the pictures, but they also make sure that there's no garbage on that stuff. There's no, you know, I mean, because their name is going to be associated and that's how they're going to make their money. And I will tell you that a good broker will keep you out of a bind. More than anything.

Joe: That's huge. And here's the other huge.

Trevor: Especially when you're doing virtually.

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Joe: Oh they're going to tell you. Yeah, listen, and I have a story in Michigan, actually from a probably four or five years ago. You know, Seth Williams, I sold this deal to him. I just I actually I forget what we did. I told him, Listen, I was so busy. I said, if you take this deal, but that was a particular property that was right next to a landfill. Out of landfill, it was like a quarry, a quarry. And I would have never known that even looking at Google Maps, I just it just looked like an area where they had cleared out trees. You know, it didn't look like this huge quarry, but because we were with me and Seth, we talked to some local agents in that area and we found out about it and we realized, you know what? The guy said, Listen, there's this is still a great area. You can still sell this thing. And I don't know all the details, but here's the point I'm trying to make these realtors are going to tell you now, you know, this is kind of on the wrong side of the tracks. This is not a good area. There's a neighbor here that is is has dementia and he's going to bring out a shotgun every time somebody comes and look at this house. There's this light, so you need to be careful.

Trevor: Big deal to is making sure you have access because any of this stuff. Do not waste your time. I will scream it from the rooftops. Do not waste your time with properties you can't get to easily. If you can't get there in a damn Volvo don't get there.

Joe: In a Volvo?

Trevor: Well, believe me, I've been burned so many times and so I'm just jaded.

Joe: Okay, you know? Yeah, yeah, I get it. So the realtor can help you get pictures they can tell you if there's really access or not, they can. A realtor can also help you. What put the property on the MLS?

Trevor: And a lot of them are going to have especially as hot as land is right now. They're going to have their own buyer's list and that thing will never go to market.

Joe: Hmm. What kind of commissions do you? Would you pay a realtor on? A tend to tend to two to 10 acres. What kind of commission would you pay them for that?

Trevor: I'd pay them 10 percent, 10 percent, eight to 10 agent, especially if they have buyers on both. You know what I mean? Yeah, and everything else like that, I would do it that way. Just, you know, that's that's where you get into that, right? Because then you're going to spend a thousand bucks for closing costs and then you're going to do that. So you are knows if you're going to fill in for gas, you know you need to buy them. Twenty five, thirty five percent of market value. You know what I mean to make it worthwhile?

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Joe: And then when if you're selling it to an owner financing, you still pay that realtor 10 percent of the final sales price when they bring it just depends.

Trevor: What I would do, and it depends on on what you're doing, but like I would be like depending on how much I get, because what I allow people to do on owner financing is I allow them to buy down their interest rate. This is a big key that's helped me, you know, 10 percent. Now I'm going to charge you nine point nine percent interest rate at 20 percent down. I'll may take it to eight percent interest in the grand scheme of things two percent over 10 years on a forty thousand dollar. No, it's not that much money, but if you can get 20 percent down to 10 percent down, it makes your rate of return skyrocket in year one.

Joe: Mm hmm. And just so we're clear to you, like going after the larger lots, you know, for a beginner, maybe two to 10 acres, two to 20 acres you don't like, you steer clear of the quarter acre smaller lots, right?

Trevor: Because I like selling to recreational buyers, right?

Joe: You also get fewer homes at this size too, right?

Trevor: Yes, I love the whole thought. And it's funny actually with the judge in this county that I'm doing a bunch of these big subdivisions and everything. She wants to talk because she's got some county owned plots in town and they are in a rural area, so they have us, USDA or AG. You know, the loans, USDA loans, where they're zero percent down, no PMI, things like this. Well, that's where I've been trying to look at is is finding some of those those lots in these rural areas and putting like a prefab, not on a mobile home. But you know what I mean, talking about that, but that's something I've just never done, to be honest with you. So I can't really tell you good, bad or indifferent on it.

Joe: I'm looking to see which county this is in Michigan. Ross Roscommon, Roscommon County. OK. All right. So this is one of the counties in that area we were just searching in. OK. What do you like to use for finding a list of landowners in that county?

Trevor: I mean, the easy button is priced, PR wise said. That's the one that you do the dot com. Yeah, they're the ones that use data tree, but you can actually price your own properties. You know what I mean? That really depends. If it's if it's an active disclosure state and it's in an a pretty homogenous area. It's a great, great way to do it. But I like data tree. I've used list source. I'm used to all of them, man.

Joe: So you a data tree yourself? Yeah.

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Trevor: Yeah, just data tree instead of priced. You know what I mean? And I go through whatever I want to.

Joe: I'm looking here at price. I'm just kind of walking people through here. I have a subscription with them. I like these guys.

Trevor: Yeah, no, I do, too. I mean, they pull data to care, too.

Joe: I think it's a good place to get started. I like to target people that live in the county, so I'll do exclude in county. Mm hmm. And let's just see what our count is here.

Trevor: I also like to do. I personally like to do it where they've had it for four or five years. They own it for a little while, but that's just me. So now you get seven hundred twenty and maybe you need to go in county also, right? Like, that's almost enough to make a difference.

Joe: So I'll do include all but I also there's a period last sale date. Last date before. Let's do. Five years ago. One, two, three four five. All right. Let's see what we've got here now. Get Count 740. All right. So these are these are people who have owned it over five years who live. They may live next door. So sometimes you know you might want to exclude this, but this is only one county, right? This tiny little gap, you should go after these five or six or seven counties that are all around here.

Trevor: Absolutely.

Joe: OK, cool. So you get a list. The thing I like about price is that it does a decent job and gives you 90 percent of the way there for comping lots, right? Yup. All right. So when you you, you send out some direct mail, Trevor, what do you like to send?

Trevor: Two page old school, here's my offer purchase agreement. What first page introductory? This is what I do. This is who I am. Second page, here's a here's an offer.

Joe: OK, so you're sending what's called a blind offer.

Trevor: For for for these types of properties? Yes.

Joe: OK, cool. Have you ever tried sending just a generic letter saying, Hey, do you want to sell your property? I want to buy it. Give me a call.

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Trevor: A Yeah, I actually got dog cussed by a little lady yesterday for a neutral letter that sent on a, you know, a very expensive place. But she said it was terrible practices and all that. But again, those are multimillion dollar branches, right? Yeah, see my cell phone because I don't want to miss it. And she got me this, and that was just A.. Would you be interested in selling it or I can partner with you or I could, you know, I was the most on offensive letter of apology ever sent in my life? And she found it offensive, you know?

Joe: So, yeah, well, yeah, you're going to get that.

Trevor: Oh, for sure. So you, like a little ladies, are more mean than anybody else. It's weird.

Joe: Have you ever tested range letters where you send them, Hey, I might be able to buy your thing for between here and here?

Trevor: No. And there's man you know, I send out fifty sixty thousand of these a year, right? Like, I just send the damn thing out if I feel like especially in these areas, I know these counties that I know five or six counties, I know extremely well. And I'm just going to send them out. And when put it is whatever percentage that is, am I missing out? Probably. You know what I mean? I don't know. But I'll also mail the same counties once every six months or so.

Joe: So you're doing a lot of mail. What about on average a month? Do you do.

Trevor: Four to five thousand.

Joe: Nice. OK.

Trevor: My pat live bill is pretty expensive.

Joe: So let's talk about that. The calls, they go to a pat live. Somebody answers live. Yeah. And then what happens to the lead?

Trevor: Then then I'll get the, you know, the the email and says, you know, basically my whole deal is, you know, they answer the phone, what what? What's the number? Blah blah? Do you accept what's on offer price? You know? And then and then if not, then if or if they do. Either way, I always ask, have a mass my pat life people? Hey, do they have any other properties that they would sell also or instead of or anything else like that? Then it comes to me and it goes again. You can make fun of me like, I don't I don't have any cool crumbs or anything else like that. Like, it goes into an Excel spreadsheet and I look at usually at

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night, I'll pull up all of them accepted ones. Or, you know, a couple of days a week, I pull up the extension once this. And things may be changing, you know, because I mean, yesterday, I think I had 14 offers on properties I own, like I had mail like you mailed your own it. Yeah, I'm own all my own properties, you know what I mean? You know so and so a lot of those were still the cheaper ones you know that I've got and things like that from back in the day. But you know, it's just one of those things. It doesn't seem like there's ever like a big like rush on a lot of these. You know what I'm saying? And so a couple of days a week, I'll go through all of them, see if that's exactly where I need them to be. You know, if I have any questions, I'll call brokers in the area. But for the most part, again, I've done all the hard work and I'll be like, OK, I know that this one, like other day, I got one. It's like in Colorado, it's got aspen trees on. It's got all this other stuff. I've got it offer. At twenty seven thousand, it's probably worth eighty, you know what I mean? But but to be honest with you, like that. Still, I had that still listed at 40 or 45 percent on price. It's just appreciations happened so fast, you know, and some of these areas and things like that. And so I go through it and decide which ones I want to call back and which ones I want to do whatever. And that's where I've got it. I'll get a higher.

Joe: Well you know too, the thing that's interesting is you're going to find less competition on those bigger lots right out of the a lot of the big winners that are going in there targeting the smaller lots that because they only have a thousand twenty bucks to spend. The ideal, you're going to find less competition on the bigger lots that you go. And I love the fact that you're targeting recreational buyers because they're the ones that are looking for land that they can just bug out on right there for where there's, you know, go camping, build a cabin some day.

Trevor: And I'll tell you this right now we are seeing a big increase in people wanting more acreage. Really, they don't want they don't want that one acre four acres or five acres. They want that. 20 or 30 or 50 or whatever it is? Hmm. I'm seeing a big push on that.

Joe: Trevor, let's talk about raising capital because somebody is going after those bigger lots, which we're recommending they do because they're going to be easier to sell. Yup. You got to close on them. They got to get the money to do that. What do you tell somebody who's just getting started on how to find the private money?

Trevor: Man, that's and that's all of us, right? Like Joe, I mean, you know, you do the same thing and you're very, very well known and respected and, you know, in real estate and all that other. So I'm sure you're always looking for money, right?

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Joe: There's always times I'll send an email out, which is the nice thing for me. I have an audience and an email list, right? I can send some emails and get money, but so let's say somebody not know and they don't have a platform, you know.

Trevor: I completely understand. OK, so and this is the cool thing about what we're talking about, right? Because we're talking about twenty thirty thousand right and this is this is somebody I still think that you should go a little more expensive than the five acres in Castillo, right? And the, you know, the one or two thousand dollar parcels, right? These are so much easier to sell. Get such better buyers. You know what I'm saying? Yeah. The thing is, is what you would do is you get that accepted offer, right? And then you go open up your mouth to anybody and everybody. But the cool thing is, is your dad, your uncle, your cousin, your aunt, your whatever it is, has fifteen thousand dollars laying around somewhere. Yeah, yeah. You know what I mean? That's the nice thing versus the housing side, where it's going to take you three or four or five hundred thousand dollars, right? And a note in or, you know, I mean, this is the cool thing about that and this is something you know, I live in. I live in a market where there's less than a hundred thousand people. We have no real meetings. We have no things like this. If I have a real meeting, I run around and this is where I want to be. To be honest with you, I want to tell every and I've got a podcast, my own little podcast, and it talks about 40 40 acres or rent house, right? I want to turn every hour and turn all of those accepted offers, whether that's, you know, to sell for cash or to turn into owner finance. Or maybe you wholesale it to somebody that wants to turn it into owner finance deal. Right? Yeah. I go to a real meeting in Miami as a hey, who buys rent houses? Everyone raise their hand after this. After the meeting. I want to take all y'all out to coffee. I want to show you I take an amortization table right on that. I print out on Excel and I say, Hey, this is what it costs. This is what you get. You don't say I buy for twenty to you for twenty five. Or we can partner on it or whatever the hell, you know, whatever you want to do with it and be like, I want to take this and this is how much you can make. This is your return. There's no tenants. Nothing to burn down. Anything else like that? Right? We can both put our names on the deed. We buy the thing we partner with it. We split proceeds right down the middle or whatever you can negotiate. Right? Yeah. That is where no, no good buy left behind. You know what I'm saying? And pretty soon, and I think that's where a lot of people are falling down. And I just think I was thinking about this is like, there's so many people that are fighting like, you can't get a one percent rule anymore in any of these large markets, especially DFW used to be a great rental market, even with a sky high rent prices. Good luck. Right? Well, what if I could turn some of those people that have been buying rent houses left and right? What if I can tell them I can? I can take, you know? You know, they can sell two of their rent houses and keep all the capital and do whatever we can turn them into, you know, five thousand dollars a month and notes right with that five hundred thousand dollars without all the headache.

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Joe: Yeah, this is this is so key. And I've seen guys even do this in Facebook groups. Now there's there's all kind of rules were not legal attorneys. We're not giving you financial advice. You've got to be careful when you're raising private money, selling securities or whatever. You got to be careful that. So but I've seen people post actual deals in Facebook groups. This is probably one of the fastest, easiest ways to do it. Post a deal in a Facebook group and say, Hey, I got a potential deal here. Anybody want to partner with me on it? Or I saw one guy one time and he got a ton of responses to this? I think he said I'll pay either 10 percent if you want to just lend the money or I'll give you 15 percent of the profits. So he gave them the choice. And I don't know where it ended up, right? But I know he got a lot of responses for that. So even if you get a good land deal, right, it's called the flap your lips method, open your mouth, start talking to people, put it out there and different Facebook groups, and you'll start finding private investors that will either lend you the money, but also they'll get more money if they want to partner with you on it.

Trevor: And that's where I've done. A lot of that is partnering because it's not a security. If you're both on the deed, right, you're a partner on the deal. You're not necessarily a security where you got all the control, right? That's really what a security is. You've got the control over the deal. Make sure that their entity is on on the on the deal and then you and they have their are where it is and then you get your operating agreement that says this is how a split profits, whatever that is, where you negotiate.

Joe: Well, that's really good. Now, I hope you guys are picking up the gold we're laying down here. This has been one of my friends and I hope you're smelling what we're stepping in here because this is good stuff. And here's the thing I want to also bring to you guys. There's there's a lot of Trevor's out there that are doing a lot of deals. They're killing it. What if you, you know, Trevor mentioned some of those states he has, right? What if you find a deal out there? Why don't you contact somebody like Trevor and say, Hey, listen, I got this deal. You want to partner with me on it, right? We'll just split it 50 50. I think Trevor, if it's a good enough deal, would be willing to partner with you on a deal that you bring to him if if it makes sense to him, right? And then as you go through that process, you can learn how a guy like Trevor does what he does right by bringing them deals, and he can help you with all of those little minor details. So I like that. So you partner with the investor on the deal and you have an operating agreement that's kind of spells out. Can you give us a little more details on that? Like how do you normally, how might what's an example of how you might split the profits on something like that?

Trevor: Yeah, most of my stuff, I just I usually split right down the middle and as far as 50 50 for the majority of my stuff. But like all these big deals, I take less, you know what I mean? And but

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I don't have nearly as much capital in them, right? Like the big subdivide and things like that, right? And so basically what we would do is, you know, again, everyone is perfectly as long as everyone knows exactly what the rules are before you even get started, right? Expectations at the very beginning for everything is how everything sets up, right? And to be honest with you. And I understand that's expensive money and even this this time I'm working on right now myself, but I sleep awesome at night. I don't have to worry about anything, right? Like, there's no interest ticking off.

Joe: Well, that's a good thing, too. If it's a partner, you're not making payments. Let's say there is no buyer, right? It takes you three months to find a buyer or your buyer leaves after six eight months, right? You don't have to make payments. It's not a debt.

Trevor: Yup, yup. And here's the owner finance deal. And that's, you know, being 100 percent honest. That's where, like raising real capital right now and talking about where there's a fund and how long is that fund and things like this, because people don't want so give you on these big flips and sexy deals, all this other stuff. Oh, well, I'll give you one hundred percent rate of return on your money. I could do a override and then a percentage of this and you feel like, you know, and yeah, you're going to be on the note. But the thing is is, you know, you hold it for a year, maybe two years tops. People are like, Oh yeah, right, well, on these, I'm going to give you a 15 percent rate return on your money, but it may take 10 years out. You don't have as many people jumping up and down about that, where that's where I'm really trying to focus on how I would build a fund right in how I would set that up. As far as maybe it's a two year term and then we can either sell it or buy you out, you know, all that stuff beforehand, and that's where I'm at right now. Next week, I'm actually going to be in Fort Worth, meet with Adam and Justin, and we're talking about a big teaching deal that we're talking about, like these big deals. But I've also got a meeting with with an attorney that does securities and all that other stuff to see how other people have done it right. Because like when you talk about apartment complexes, right, either you've got a capital event, you've got either a sale or refinance, right? That's where you get your money back out. Or how do you do that on these long term deals? Right. And so it's just one of those things, and I've always been very conservative, you know, and like being on these podcasts and even have my own little podcast. It's one of those things where I know a ton of this stuff. I've done a bunch of it, but almost allowing yourself to be known for doing that like you have that awesome email list. And also there's some I've never done, you know what I mean? And just building, building that following and building the people that want to invest with you is something that I've got to get better at. And that's just been a hundred percent honest.

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Joe: Well, Trevor, how can people you have a little podcast. What's the name of the podcast? How can people find it.

Trevor: Land investing the dirt road to wealth. And it is no production. It's me in a room and the room that you're seeing right now with the elk in the background like that. It's just me kind of getting fired up about stuff and kind of talking. And there's no fluff, no anything. But that's kind of that's kind of what we're doing. That's how I kind of.

Joe: Yeah, that's awesome. YouTube video channel also or.

Trevor: No, sir. I'm not smart enough for that.

Joe: So it's just an audio podcast, right?

Trevor: Yes, sir.

Joe: All right. And give us the name one more time.

Trevor: Land investing the dirt road to wealth.

Joe: Land investing. The dirt road to wealth. Cool. Yep. And do you have a website or any place where somebody wants to get a hold of you, Trevor? Facebook. LinkedIn?

Trevor: No, I mean, yeah, I've got Facebook and things like that. If they want to, they can actually just call my cell phone, which is nine four zero seven three six eight seven nine seven. I think I've got you've got it and everything. But we're also I'm working on building a better website, doing this whole social media stuff and and things like that. I've just been terrible at all that.

Joe: Repeat your cell phone number one more time.

Trevor: It's area code nine four zero seven three six eight seven nine seven.

Joe: There you go, bam.

Trevor: And if and if somebody if somebody is interested in like, learn like how to do these big ranch deals and things like that, that's something that Justin and Adam and I are going to be talking about this next week. You know, and and that's that's super exciting.

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Joe: Yeah, Justin and Adam, if you guys don't know, they have a really good podcast, I highly recommend it. You should go check it out. It's called Casual Fridays REI. I think it is casual Fridays REI. They used to do it once a week on Fridays. I think they're doing more frequently now, right?

Trevor: Yeah, they did it every day there for a while. But now I think they're back just a once a week because we're running out and going and doing other stuff.

Joe: So these guys are super busy. They're laid back. I like their show. I've listened to a lot of their episodes to go check out the Casual Fridays Real Estate podcast as well. Trevor, thank you so much for your time.

Trevor: Yeah man. I hope it helps somebody else. Like I said I would if you got deals, especially in, like I said, those 20 30, 40 acre parcels, right, 50 cents on the dollar or less. I'm interested in buying them barter in one way or another. I usually buyer myself, you know what I mean? But I would love to, you know, if you can sell them, I don't care what money you make on the deal as long as my desired return.

Joe: All right. All right, Trevor. Thank you so much, guys. We'll see you all later. Thanks for listening or watching. We'll see you guys take care, everybody. Thanks.

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