1113 – Position Your Offer to Close More Deals

Hosted by*: Gavin Timms*

Hey, guys, welcome to the REI Network podcast with me, Gavin Timms. Hey, guys, how you doing? Welcome back to the REI Network podcast with me. Gavin Timms, I am traveling right now as I am speaking with you, my watching on YouTube or listen on the podcast. I'm actually driving through California. I've been driving up the U.S. one beautiful. If you've never done it, I highly recommend it. I've been in San Diego. I've been in Newport. I've been in Santa Monica, Monterey, San Jose. And now I'm heading back towards Scottsdale, Arizona, which is just on the outskirts of Phoenix. So it's been quite a good trip and work along the way. And I kind of love the the time zone, the Pacific Time Zone, because obviously I also have a house in Savannah, but that three hours earlier it just allows me to get stuff done that can start early, you know, six, seven a.m. I can be done by eleven and get all my calls done, all my stuff done and then kind of enjoy the rest of the day. So that's kind of what I've been doing and it's been awesome. So if you guys aren't doing that, you should definitely check it out. But on this episode, I wanted to talk about possession in your office to close more deals. I think the sales in this industry is the most important thing. It is the million dollar skill that you need to learn, and if you do, you're going to close more deals. You're going to help more people. You're going to bring solutions to the table, you're going to make more money, get paid, make checks, all of them things that you want to do. And I think it is down to learning sales, but also, more importantly, how to position your offers in different ways to get contracts signed.

And I want to talk a little bit about that on kind of what I mean, now I do, as you probably guys know, I do a lot of wholesale deals. We do some flips and we do some creative finance which involve, you know, lease options and finance. OK. And what happens is, is that I believe that every base helps if you start with a cash offer right now. Whereas what I mean by that is is that your goal to start with is listen to the seller and gather information that is this the first thing? Well, that's be doing it or whether you're doing it and going deeper after the VA is the four pillars that we've talked about on calls before. I'm going to run through them real quick and then talk about how to position your office. So number one is find out the problem and the motivation, right? What's going on? One of the motivation? What's happening? Well, I need help with all of all of that kind in the city was the situation basically. So number one is the motivation. The problem number two is the timeline. How quickly do they want something to happen, how quickly they need to sell? Do they have? It doesn't matter if it takes a year, does it? Or do they need to sell yesterday? So the timeline is going to give you the answers on what it's going to be the best offer to all the best. Yeah, the best offer to make then number three is the condition of the property. Does it need work? OK, how much work, how old the roof, the A.C. When was the kitchen last updated? The bathrooms, all the major items is kind of what you want to find. So if you got a property that is vacant and they've not added new kitchen for 15 years and the room is 20 years old, you already know that these things need do it and need updated. So that is going to how you're going to be able to pull your repair estimate from the condition of the property, which is again going to allow you to to make that offer. And then number four, the hardest

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thing is the price, right? What do they want for that, for the property? And the good thing is, and getting the price, sometimes you know, you have to use a little technique, something like, well, you called me, just make me an offer.

You'll hear that a lot or I don't know, you reached out. Surely you should know what you want to offer. You'll hear all these things. And if they're not going to give you a number, you need to get them to try and strike on something so you could use, you know, one of my favorites is known to some as seller. Well, let me ask you this is there going to be a mortgage that I need to pay off that close in? And what is that? So all of a sudden, instead of saying, what's your mortgage payment? You're saying, Hey, if I buy this property, do I need to pay off a mortgage at closing? Then what is that number roughly? And they might say, Oh, we have about 80000. OK, then from there you could say, OK, call how much money with the sale do you want to walk away with after we pay you that mortgage off? Ideally. Now this is an indirect way of getting actually that number from the seller without saying, Hey, miss seller, what's your number? So all of a sudden we have an $80000 mortgage that needs paying off and they want to walk away with forty thousand. OK, so now we have that number at 120. OK. And you don't have to throw that in that face. And oh, so you want 120, right? You just say, OK, you want to walk away with forty thousand. Okay, that's good. Good to know. You can obviously do that calculation now you have your number there and then you need to say now, OK, do you need to make? Well, really, I need the eighty thousand for cash deal, OK? And then you will then be able to then transition your offers into finance. So once we get that base and then four things, it allows us to then know what offers that are going to suit. So again, for instance, it needs a lot of work. They want to sell quickly that it's going to be leaning on the cash deal, right? But then it's like, Well, how much cash do they need? Is it they need three thousand dollars to do whatever they want to do and they're willing to make payments. So again, you've got to dig deeper in that in. That scenario, but let's say that it seems like it is a cash deal. OK, then you're going to go and obviously try and present that now in this scenario, the seller wants one 20. You think you need to be eighty thousand? If you already know that they are going to reject your cash offer, you just get a feel in they're kind of bitter about it. They're very stern on the one 20, they're not having it. People are called, people are sick of investors calling. All of these things is happening to you.

Then what you need to do is you need to disqualify the cash offer yourself or you still use it. Now this is really important. So what I mean by that is, is that you're going to tell them the cash offer is not going to work for them to tell them that that's not the way to go because you'll still throw that number out because then you're going to build from that. OK, that's really important. For instance, we got back on the phone and it's Dave. OK, hey, Dave, great talking to yesterday. Look, I've been looking at these numbers and what a great conversation. And you know, I know you're really set on catching up on this thing. This is the condition and the work that needs, you know, coming on to that with a word that needs Dave and everything else. I just can't make these numbers work, and I'm not going to be able to make you a cash offer that's going to work for you. So, yeah, it's just not going to work, unfortunately. And then I go quiet and then what I'm going to want to know is going to want to know, well, what is my cash offer? OK, he's

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going to be like, Well, what would you pay? And I'll say now, like, they want to say it isn't going to work like, you know, with again, the condition of things. And I know you'll sell on that one 20 and you did not want to go to 80. And I respect that and I just can't get that one 20 number to work. Now he's going to drag it out of me. So now when I deliver this OK, I'm going to go in a couple of different ways. Now he's calm and I know I got it. Like, You know what? What would that number be? And I say, well, lot to be honest. You know, I think we need X amount of thousand in repairs like we're going to be around the eighty thousand mark, which is what you owe. And you know, I've got to get you a little bit out, but I just that's not going to work, right? And then he's going to get, Yeah, I just can't do 80. That's one of the people of I've been asked, you know, offer and I say, Look, here's the thing. The reason they're offering it is because the amount of work that's needed and all of these things like we have to make money in this business, right, Dave? I mean, you know, you wouldn't, you know, I'd love to give you a hundred grand or one hundred and twenty thousand I rarely would. But then if it's only worth 150 and I've got to put thirty thousand in, the numbers just don't work. I'm going to lose money. I mean, I just can't do that. Does that make sense why people are coming at that number? And then hopefully you can say, yes, no, I get it. I just can't let it go for that. No, I understand. So then I make two more moves. OK, they how close to 80000 thousand do you think we can get now? All of a sudden, I might be able to get in to plummet to a hundred or ninety five or do something in that negotiation. So that's my question. How close to 80000 can we get? And then he will say whatever he's going to say now I'm at one 20 or I do 100 and no less or nine nine five, and I'm not doing anything less than that. I'll say, OK, I send five. Now, all of a sudden, we've just moved 25 grand, right in space of one conversation. So then I'm like, Yeah, I understand Dave, and I appreciate you moving. I just I just think that numbers ties to really tied eighty. Well, let me ask you a question if I could get close to the nine five mark because I'm going to use the lower one because he's dropped by get close to that nine five mark. What if we did kind of some kind of terms, you know, I made some payments monthly to you, something like that. I mean, do you think that'd work? And then he might say, Well, maybe or no, I need to cash out. OK, now in the Sun, you need to cash out. But let me ask you if I could make this work right now. Again, I go back to what the problem was, right? Right now you've got another mortgage. This house is vacant. You're still making payments on it. OK? And yes, you gain a little bit of equity. What you're paying a lot of interest. And it sounds like from what you said, that you were super tight with the money and it was stressing you out and you didn't want to stress anymore. So I'm just looking at ways that I could maybe take over these payments for you so you can relieve that stress. You know, you're still owning the property, but you know, I'm just looking at ways that we might be able to work together. That's all.

And then again, I would see how you would interact, and I said, Well, Dave, let me ask you a question, right? You want, obviously, you know, ninety five thousand and you know, you need that. But how much of that do you really need right now? Like, could you do like five thousand now? And that would solve your problem. And then we would make these payments and then get you more money and then we would create something like that. I mean, would that work? And again, don't always think, guys, that they they need that money now, all of it, because they don't. Maybe five thousand will solve everything for him. Right now we have five grand would probably do me from now until I could get the rest. OK, well, good.

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Well, yeah, if I could get you more money, I could give you five now I could give you five down, make some payments and then you start that negotiation and then you position into terms. OK. So why am I saying this is because a lot of you just go in high into your terms deal and then you don't have anywhere to leverage. You don't have anywhere to go. So the sale? Cycle of leading in and disqualifying the cash offer will help position your creative finance deals, whatever they may be, OK, and the seller will be getting a lot more money by waiting, so why not position it in that way? And I can give you another example. I could go in and say, you know, change the situation. But Hey, Dave, how you doing? Look, you know, here's a deal. I know you wanted one 20 and and you were on that. No, I'm going to be honest, I'm going to be way under that for cash deal, and it's just not going to work for you. So I'm again, I'm disqualified, and he might want to know the number and I want to get the number out in the right way because again, I can bridge that gap and depend on the situation. What if I even give you more than one twenty if you're willing to wait and I could make some payments to you? What if I gave you more than one 120? What would you think about that? And again, that position and from the only way to go all using that leverage, leveraging the cash offer position, the offer of creative finance, lease option, assignment sub to whatever you're doing will be able to them, then work out right. And that is the way if you're going to get more contracts, you've got to solve the problem. You've got to listen. You're going to get the four pillars that we talked about the motivation problem, the timeline, the condition and the price. Once you have them for you already know what offer is going to work for. The seller is already there. You can't fit a round peg into a square hole or vice versa, right? It isn't going to work. So you can't jam an offer down someone's throat if it isn't going to work. If if they have all the time in the world and they want a higher price, you cash offers doing nothing for that. They're not in a motivational state to warrant taking that cash offer. Okay. Because again, cash offer a speed and convenience, so buy the speed and convenience. You can get a discounted price because you can solve that problem. But if that problem is timeline, I'm going to rush. You called me. I mean, it's all if is the right thing, right? Then you're leaning and position in the cash to then very quickly come up into your crave deal. So, OK, you would give me eighty thousand what we could do one thirty over terms right now, they've just made fifty grand more.

And that is why I like starting with that bottom number and then positioning myself in disqualifying again myself, because that is the key. The key is, is that you're not saying, will you accept that right? A lot of you, when you're making a cash offer, come and go, Hey, Dave, I've looked at the numbers we can offer you seventy thousand and that is a ridiculous go away. And they put the phone down, right with maybe a few more choice words. So your position in on the phone is absolutely critical to get your words out, to keep the situation calm again to solve the problem. You can also disqualify things. Well, hey, Dave, here's the problem OK, I can do some kind of deal and pay monthly, but you told me yesterday that you need to sell this house. You want to be close to the grandkids, you want to do this, this there. It's vacant, needs tons of work. And me doing some kind of creative deal and making payments isn't going to solve your problem. Well, that's the only way that I can get to your price, OK? Or I can solve all your problems. We can do this quickly. We can pay this loan off. We can do this. You don't have to deal with the ten and all of these things. The debt is a hassle and we can close within, you know, as fast as titles ready. And but we're going

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to need seventy thousand to do that. And then again, I start the negotiation as like Dave, you understand why I can't give you the 150 or 120 whatever you want. I was like, You understand why I can't give you that because I've struggled with this in these X amount of work. From what you've told me, there's no room. I'm going to be upside down. Meantime, let me ask you a question that was that I said, Would you take this deal if you were me? If I came to you and say, Hey, buy out one for you, got to put four in, but it's only worth one fifty. Would you give me 140 for it? And he will obviously say, Well, no, I wouldn't go another. And I said, That's what I'm saying, Dave, right? I obviously got to make some money, right? I'm not. I'm in the business. I'm not. I'm not going to hide that, but also, you know, I'm more I want to solve your problem. And if I think listing with a realtor is better, but you know, from what you said, you didn't want to do that. If I think if I can get you more money and solve your problem, that's what I'm here to do. But based on this, what you need and what you're saying, the cash is the only one that's going to work right now because you need the money to do this, this and this. And again, maybe it's not with me, Dave, but you know, the offers that have been coming across have all been very similar from what you've told me. And that's why I don't know if anyone's actually explained that to you, but that's the reason behind it. It's not like we're just trying to get it low. The numbers have to work. You know, we're going to put 40000 into this deal to then be able to sell it. And if all goes well, we will make some money. But again, I don't know if you don't rehabs before, but normally they always go overbudget.

So that that's kind of how how we do it. If I have to explain that to to be able to position this offer, then I'm going to to do that right. And these are the things, guys. This is why my coaching calls and things like that, you know, we dove in. We talk a lot about this position in sales because this is where the money is right. The systems are great, the marketing is great, the leads coming in is great. Right, all them things are important. This is where you're going to solve problems and get contracts signed. And remember, it's not about you. This process of talking to a seller is nothing about you and how you're going to make money and get paid. It's about solving that problem. And if you become a solutions company where you solve problems, you bring solutions to their problems, then you will make a lot of money. That is, that's what your goal is. That's what you need to do and try and do, OK. And and if you can do that, you're going to be able to make a lot of money. You're going to get a lot of contracts signed. And again, position in your office learning how to make your office look better and still solve that problem. That is the key without being too salesy and overkill online. All you need to do this is the all. This is the best sign now getting all crazy because that's not going to work. OK? So giving them things is going to be critical. Yeah, I mean, I could go on and give examples. I love this stuff. This is where the money is. So anyway, make sure you like and subscribe. Drop a comment. Let me know. Do you agree? Do you disagree? Let me now have a discussion about it again. Share the post. And if you're interested in working directly with me, go to REI network dot com slash join. REI network dot com slash join. You can apply if you want to work together. If not, keep following. Keep. I'm going to try and keep delivering this content to how you close more deals. There's nothing better feeling for me than someone said, Hey, found you on YouTube or listened to your podcast. I tried this and I've just got a contract locked up. And obviously, I'm just scratching the surface with some of

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the things that I've told you that I could do hours of this stuff. I love it. So I appreciate you all, guys. I'll see you on the next one and I will talk to you all soon. All right. Bye bye.

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