



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

1118 – Where To Get The Money For Your Land Deals

Hosted by: *Joe McCall*

Guest: *Reid Kurtenbach*

- Joe:** Welcome. This is the Real Estate Investing Mastery podcast. Hey, Joe, here. Welcome to the Real Estate Investing Mastery podcast. Glad you're here. It's going to be a treat. We're going to be talking to a friend of mine named Reid. And we're going to be talking about funding for your deals, specifically for your vacant land deals. I've been talking a lot about vacant land. It's my favorite thing right now. I'm doing a lot of deals were helping coach people how to do vacant land. And one of the biggest questions that we get is, you know, Hey, where am I going to get the money to buy these lots? I know we can buy them for twenty five cents on the dollar, but what if I don't have twenty five cents on the dollar to buy three four five lots? Well, we're going to be talking to a guy. He's not a lender. He's a funder. And that's a big difference in the land business. You want to be working with partners. You don't want to be taking on more debt. You understand what I'm saying. There's a difference between borrowing money and having a private investor that you have to pay back and then partnering with somebody that can partner with you on the deal. So I think I like the funding part of it, but I like the JV partnering part of it better. And our friend today, Reid is going to be talking about that. All right. So I'd want to just jump right in. Normally, I say that this podcast is sponsored by so-and-so, but I just want to jump right in. If you're watching this live right now on YouTube and Facebook, say hi in the comments. Let us know you're there. And if you have any questions, please let us know. Let's bring on Reid. How you doing, man?
- Reid:** I'm doing great. Thank you for having me on the show. I really appreciate it. Just excited for the weekend. It's Friday, so yeah, super happy.
- Joe:** Yeah and thanks. I was introduced to you by, I think, mutual Facebook friends. And the more we talked more kind of other friends, we find out that we actually have together. So you've been in the land business for a while and we were talking about one of the things that you do. You're successful in the land business, but you're also lend. Not sorry, you don't lend money on deals, you fund land deals. And I want to talk about that. But first, let's rewind a little bit. Talk. Tell us about your story. How did you get into land investing and what about it interests you?
- Reid:** Yeah. So I go way back, but I started out investing. I got the investment bug as soon as I was in college and did all kinds of strange little businesses. I actually created a business called computer educators, where I taught senior citizens how to use their computers. And that



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

was a great business repeat business because a lot of seniors have a hard time retaining the information. So I loved it. It was like my first taste of entrepreneurship, grew that business and then decided I want to have something more tangible. And I realized that I was trading my time for money. So what I decided to do was go on bigger pockets and I found a gentleman on there that was buying and then selling manufactured homes on payments. So he was seller financing them, and I started investing in those homes and started buying them, wholesaling them, sell, selling them to park owners and selling them retail as well. And then through that process, I started buying them with land. And occasionally I would come across a manufactured home that was on land, but the manufactured home was just not salvageable. It wasn't anything that we could keep, so I would tear down that home and then we would turn around and resell the land and the profit that we made on the land I was just blown away with. So we started investigating a little bit more about, OK, do people actually do this for a living? Is there a way to make money by buying vacant land and then turning around and reselling it for a higher amount.

Joe: How many years ago was this?

Reid: Oh, This was probably twenty sixteen, twenty seventeen. And then we really started getting into it in 2019, where we started finding land deals. But I took a little bit of time to really explore all the different education out there. I felt like if I was going to dove into it, I really wanted to make sure that I pushed on it. So I took a lot of different trainers courses in the land investment world, and then we quickly found out that it just it wasn't our flavor or we didn't have an appetite to start sending out mail and doing other types of prospecting to find sellers that wanted to sell their land. So we thought, Well, let's do what we do in other our other businesses where we try to find an operator that is really, really good and then we find their deals. And so we started doing that and then it just kind of grew from there. So we really got into it around 2019. And so far we've done I think we're almost up to 300 deals now, 300 deals. That's awesome. Yeah. So and hopefully a lot more here soon. But it's just been a good roller coaster.

Joe: There's a lot of advantages to being the bank, although it's different than a bank, you're not lending again. And let's ask, let's just talk about that right now. What's the difference between lending and funding a deal?

Reid: Yeah. So we're taking more risk. Think of us as more like the partners, I think of us more as your copilot, but you're running the show. So all of our investors run the show, they run the deal, but we're not charging them any sort of interest or anything like that. It's purely a percentage of the net. It split, so after all, expenses are paid once we resell that property, we take a percentage of the net profit. We don't charge them anything up until that point.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

And that means that if we can't sell the property well, we're the ones that are on the hook because we spent the money to acquire the property. We're paying for all the expenses. So taxes always anything in regards to the acquisition of the property, the purchase price, closing costs on the front end. So we cover all of that.

Joe: Yeah. And the great thing about working with a funder like you is when somebody brings you a deal, if you don't partner with them on the deal, then it might not be a deal they want to buy, right?

Reid: Yeah, we go through a lot of underwriting processes and we just looked at a deal recently today that we called back the investor and said, Hey, did you know about the wetlands? Did you know about this other issue with access? And he wasn't clued in on that. And we said because of these reasons, we don't feel comfortable going forward with it. If you want to proceed forward with it, you're welcome to. Here's all the information we got from the county. Here's all the information that we got from a broker, but we just don't feel comfortable for it. And I think he appreciates that second pair of eyes. Yeah. And if he decides to go forward with it, we were just like, Let us know how it goes because we're not always right. We make mistakes too, but we want you to be as well informed as possible because if you're going to use your own money, we want you to be safe and we want you to continue doing deals in the land business and not let one deal take you.

Joe: All right. So I want to ask you some questions about what is your minimum criteria on a deal? Are there certain parts of the country that you will not land on or will or? So let's talk about it. What are some of your minimum criteria?

Reid: Yeah. So as of right now, this has been a little bit. It changes over time depending on how the market's doing and so forth, but nationwide will look at any property in the US. We'd like to see properties that are a fourth of an acre larger. We'd like to see that it has legal access wetlands. We want to see twenty five percent of the property be in wetlands or less floodplain. It really depends on where the property is located. I mean, in parts of Florida, you're just going to be encountering floodplains. So. But if the market says that most buyers don't care about that when we resell it, then we're flexible on that. We want to see a purchase price of a million or less than \$10 or less. Yes, yes. But generally, most of the deals that we're funding are between. The average is between 50 and thousand, but we just funded a deal recently for I think it was about 160000. So but most of the time, once you get over 100000, we found that the sellers are a little bit more sophisticated or not able to hit those those profit margins that you're looking for. And then the minimum profit spread on the smaller deals is about 5000. On the bigger deals, we like to see at least 10 or higher and we want to see people. We want to see our investors buying the properties at



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

50 percent of market value or less. We'll go a little bit higher if we see that it's just a homerun deal where we can just turn around and sell it really quickly. But most of the time, we want to leave some spread in there or some room to be able to if the market changes, or if we didn't see something ahead of time when we were acquiring the property. We want to give that room to people to lower the price because we're all about the velocity of our money. We want to move it as quickly as possible, usually within 90 days or less. How many days, 90 days or less. But generally, what we're seeing on average with most of our deals is between three and four months as a sale period type from despite, you know, acquiring the property. So the funding of the deal to the disbursement of the proceeds and then I think that's about it generally.

Joe: All right. So your average deal you lend or you fund is about between 15 to \$30000. We find deals less than that. Yes.

Reid: We'll look at a lower amount. We funded a deal for 500 bucks recently and we were just like, why? Why do 500 with us? But the investor just wanted to start the relationship with us, and we're like, Yeah, sure. And the numbers made sense. We just thought, Well, you can fund this yourself. And yeah, but I just want that second pair of eyes. So, OK, that sounds great. We'll just do it nice.

Joe: And so somebody, let's give an example here, OK, let's say a property is worth \$10000. They can sell it for \$10000 and they get a contract to buy it for \$2500. So it's about 25 percent of the value. And let's say it's a two acre lot. It has dirt, road access and it's in Florida, the north central area of Florida. All right. So it's worth ten grand. They're buying it for 2500. They want the money for this deal. It's too little under two acres. So what? What would you do then?

Reid: We would do it if the numbers make? I mean, the numbers make sense there because it's a \$7500 profit spread, and then it generally require the investor to sell with a broker or through a flat fee MLS provider. And even when you're doing that and you're paying for drone footage and paying for professional photos. Anyone with a property is looking. I still see that \$5000 spread there, potentially. So if the numbers look good, which from the sound of it, it would work. I think we would do that deal.

Joe: So you would you require a flat fee broker or something you want a realtor to list it? Is that right?

Reid: Either a realtor or a going through a flat fee MLS provider, just because we we want to see as many eyeballs on our property as possible. And what we found is that if you don't and



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

you just kind of go the route of Land dot com or putting it up on Zillow on your own, there's at least the way that we've seen Zillow work lately is that there's two tabs. One is just the general tab when you see a land listing, and then there's the other tab and no one knows to click on that other tab. So your listing is really not looked at unless it's going through a flat fee MLS service for if it's going through a realtor. But sometimes the realtor fees can be up there. So on this one, I would think that at least a thousand dollars would have to be offered to either a buyer's agent or two or biggest 10 percent is not going to motivate someone to list this property. I've just talked to so many brokers that are like, Yeah, if it's a fishbowl, and probably they shouldn't say this, but a lot of times they just say, I'm not going to share that or I'm not going to show my buyers this because I'm not going to get paid enough. So we to get on the sale side, we try to incentivize as much as possible by giving a really high buyer's agent fee. Or we give, you know, if it's if it's small like this, we'd probably just say, Hey, we'll give \$1500 a thousand to fifteen hundred dollars. But that's that's again, a decision that is made by the investor. And we just give our two cents and we're a sounding board. But we've just done a number of deals thus far where we know what's going to move a property and what's not or enticing what's going to entice an agent to go ahead and do this.

Joe: Yeah, I've heard that. We see that sometimes, too. It's just hard to get properties on to Zillow to begin with. And then if you do, it's in that other tab, which is a for sale by owner tab and no one ever clicks it. And the great thing about doing a flat fee listing, and you can do it for ninety nine bucks, right?

Reid: Yeah, and go to cheap, cheap.

Joe: Broker less dot com is one of them. Yeah. And for 99 bucks, you can get it on the MLS and go on Realtor.com and Zillow. All of those sites. So, yeah, super smart. But you just got to make sure you're factoring in some money for a realtor commission. So you want to see minimum profit spreads of about five to 10 grand on the deal, right? Yes. Yeah. Had you move your properties an average of three to four months, do you ever fund a deal to somebody that wants to hold it for cash flow, like for a longer term fund?

Reid: We have been doing some subdivide. And those are a longer term period. But as far as the cash flow goes, we haven't encountered that yet. It's not something that we would be opposed to because we have cash flowing rental properties. So we're all we're completely open to that. But most of the time, the investors that are approaching us want to just do a quick flip and they're looking to build that treasure chest of money so they can continue sending out more mail and getting more deals.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** Yeah, that's a nice thing about I call it wholesaling, right? When you're wholesaling, land your quick flipping it or whatever, quick turning it. You can use that money to pay for more marketing. You can use that money when you do find a good deal that cherry pick the best deals for yourself, right? And just take them down yourself.
- Reid:** Yeah, exactly. And we have some investors that say, Hey, you know how for the larger deals and you guys do fine, but for the smaller ones, I'm going to do it myself. We have others that figure one investor that has come to us several times and I'm like, You're doing like twenty twenty five deals a month. What do you need us for funding? And he's always telling us, Well, if I have enough money to fund my own deals, I'm not doing enough deals. So he just wants to put all of his money back into marketing. And then he doesn't mind that we take us a little bit of a cut of each one of his deals because he just figures he gets more and more deals because of all the marketing that he does.
- Joe:** It's not the cost of the money, it's the availability of it.
- Reid:** Yeah, yeah.
- Joe:** All right. So what are some of the biggest mistakes you see land investors make, let's say, beginning land investors? What are some of the biggest mistakes you see people make?
- Reid:** I see that they go off of active for sale comps rather than sold comps. They don't call the county to determine if there's any soil issues or if there's any issues with wetlands or floodplain. They don't really look at legal access. Sometimes they don't call a broker that is their boots on the ground to say, Hey, what's the value of the property? They're just simply going off of maybe land dot.com or Land of America or one of those. And those sites are great for a gauge of pricing or they go off of price data, but sometimes that the cost they use are completely inaccurate. We had one come up where an investor was comparing a property. I was in the middle of an island to all these other properties that were on the outskirts of an island which were waterfront. And he was also comparing it to farmland. And so it's very different and his lot was super skinny compared to his others lot. So or I've seen some investors go off of go after regular shaped parcels and think that they're going to fetch the same amount of money as maybe one. That's your typical rectangular square type property. Those are some of the things that I've kind of seen that most investors make mistakes on.
- Joe:** So not good access. They are not calling the county about soil issues or looking into wetlands and flood, whether it's in a flood zone or not. But it's interesting, you say, calling a



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

broker. Is that something that you require people who bring you deals to do or is that something you yourself?

Reid: We do it. We don't require the investor to do that. It's something that we think that they should do, but that because you learn so much about a property by having an experienced broker on the ground. Now, if we're talking to an investor that has a county that they target specifically and they've been doing it for several several years, or they just have a lot of experience with that county, they should know their numbers and that's different. But if it's someone that is, you know, taking the shotgun approach where they're basically mailing out to several different counties throughout the state or several states, they can't possibly know all the ins and outs of the pathway of development and what's going on in that county. So we always feel that we've we gather and get so much intel from someone on the ground that knows what's happening and is a land focused broker, not a residential broker, but a land focused broker. And that's the other thing, too, is sometimes I've seen investors just reach out to a couple of brokers that are really geared towards selling residential properties or residential homes or single-family homes versus land. And I think they're different, you know, the way that they value properties and so forth. And there's so many things that are land specific broker will know about when it comes to wells and who to go to for surveys and what the expectation is around. If you need to do a protest or not, when you turn around to resell the property, those things you kind of want to know ahead of time because protests aren't too expensive, depending on where you are in the country. But it's an added expense and you really want to make sure that you understand all the things that the buyers are going to want you to do before you go ahead and buy the property. Because if you know that they're going to expect a protest, why don't you negotiate for factor that into your numbers ahead of time? And if the property doesn't work well, what do you know? Did you ever pay for the property at that point?

Joe: Okay, good. Talk about how you find these brokers. How do you find a good broker to call?

Reid: So I really will look for I'll go to. There's a couple of different broker websites like Ryland, I think dot com and then we'll just go on Zillow and a couple of other popular websites Land dot com to just see which are their most active brokers in the area. And there's a couple well known brokerages out there that just focus on it. And so we first start out there and I've made some contacts just through finding land deals throughout the United States with my wife, where we just already have a list of all the brokers in each one of the states that we fund the deals that. And we kind of go back to them and say, Hey, is this within your region and go from there?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** All right, nice. What are some of your favorite hot areas right now, some of your favorite areas to find deals in?
- Reid:** I like the areas I like the south southern regions I like. I guess what I would say is I can't give you specific dates because I'm under an NDA. But what I will tell you is I like funding the different states that have barriers to entry, so perceived barriers to entry. And so I think there's certain states that maybe have high taxes or they're a little bit more rural or they they're just more prone to, you know, having to go through a title attorney. So then there's a perceived expectation that there's going to be a higher cost with that. And so I like those type of states. Any states that are really well known are not being taught during this time. Throughout the land investment courses, I think a lot of people gravitate towards parts of California, parts of Arizona. I think you could still make money there, but I think it's it's interesting to explore elsewhere.
- Joe:** Nice. Some of your people that are bringing you the most deals, what are you seeing in terms of marketing that's working the best for them? Or are they just making blind offers or are they making neutral letters? I see a lot of guys doing texting right now to find their deals. What are you seeing?
- Reid:** I see a mixture of all of the three and I also see range offers. We get it. So when we're finding all these deals, we're constantly getting letters from different Olin investors. And so what I'm seeing more of a trend of now is a range of. And people are saying, OK, well, if you know, if you feel that your property does well, basically what they do is they just say, Hey, I can pay X amount per acre between this amount and this amount. But if you feel that your property has some unique characteristics to it, then give me a call and we can talk through it. And a lot of times, I think the smartest investors are understanding that just like in the single-family world, which I think most people know that if you're coming from that world or from commercial is that it's all about rapport and building up that relationship with the seller. And so I think early in the days of late investing, you could just shoot out different offers and then it was kind of a numbers game. But I'm seeing more and more people figure out, OK, well, if I cold call, if I spend the time on the phone with these, these land sellers, maybe I can get a better deal where others are interested in doing that. It's just more of a numbers game. So I think you just have to have your own technique.
- Joe:** And then kind of the last campaign that I did, I send out a neutral letter told them on their text or call. Our 24 hour record recorded voicemail, so they knew calling this number. It was going to get a voicemail, which in the houses I've done that. It's gotten a lot more responses by doing that. And then we immediately text them back. And this last campaign we did 30 two hundred letters. We have five properties under contract, four of them. All



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

right. Three or four came from texting them back. So we got their information looked real quickly at what Price told us to offer. Looked at Zillow looked at, you know, how does this feel? Is this feel good or whatever? And then we sent them an offer in the physical mail, but we also texted them a link to the PDF of the offer and said, Hey, listen, check this out. We just sent this in the mail to you and let us know what you think. And we started a dialog by text going back and forth, and then if they have a question, we call them and talk to them on the phone. But it's amazing to me. It's kind of a combination of different campaigns, but you're absolutely right the more you can talk to people and be like a real person. One guy told me I offered three grand. He wanted, Oh yeah, and he was had some questions. So I got on the phone. I talked to him and he said, Well, listen, I bought it for five grand a few years ago. I said, Well, jeez, you know, you should probably just listed on the MLS. You know, you should just sell it with a realtor or something. You can get more. He said, Well, no, I said, I can't do that, and I said, Well, if you don't mind me asking why? Was just asking questions. And he said, Well, my daughter's getting married in a few months, and I need the money to help pay for the wedding. I said, Well, you know, you could listen with an agent, but if you want like a solid guarantee that you're going to get the cash and we're going to close, you can take my offer. I think I offered thirty two hundred or something like that, but I would have never gotten there unless I hadn't gotten on the phone with him and asked him, What are you gonna do?

Reid:

Have you find the motivation, right? I mean, I think that's key, and I think most of the sophisticated sellers are sophisticated buyers or investors and single family or commercial world. They that's what they're trying to figure out is what is the pain point? What is the problem that I can solve for the seller and coming to that resolution, it may not always be money, it may be something else that they really need. There's been situations, at least on their manufactured home side, where as we still continue to buy manufacturing plant where people need, you know, they're looking for continuous income. And so maybe they don't want the cash, they want to do a seller financing deal. And so I've run across those situations to where it makes sense, and they wouldn't have known. I wouldn't have known that if I just gave them a lowball cash offer, because generally on the manufactured home side, I'm willing to do three different types of offers. One is a lowball cash offer, one is a mix of seller financing and cash, and the other one is just a higher offer. That's just all seller financing. So I think you get that when you get on the phone. And also I'm starting to see more of follow up to in the land investment world. It's more of a that I mentioned a shotgun approach where you don't really go back to that county for like a year or so. But I think more investors are realizing, well, maybe it takes a few touches for them to see because there's more and more people that are getting into this land investment space. And maybe it's the letter that you send out because I remember I'm in a mastermind with a couple of other land investors, and one of them was kind of upset because he said, Hey,



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

I've I've made up to this person a couple of times, and then I found out that this other person that had mailed out then got it and I was like, Well, it's just your letters and everybody else is, we're conditioning that seller say, Oh yeah, maybe I should take that amount, even though I think it's too low. And so I think that's why follow up is key because you're just representing your brand more. And the more you mail, the more you're in front of them and they think of you rather than anybody else.

Joe: Now that's really good. All right. Let me ask you some more questions when you actually close on the deals, how does that work? Do you do you help with the closing because you're funding the deal? How does that work?

Reid: Yeah. So it's it's pretty simple. We are basically as soon as we decide that we're going to fund the deal, we send over a funding agreement. That funding agreement essentially maps out what the terms are arrangement and then we're instantly connected with the. Attorney or title company that the investor wants us to work with, and if they don't have one we work with, we just suggest one to them and then we're completely in communication. Same page. And then when it comes to us reselling the property or with with them reselling the property, the agent is keeping us in the loop as well, or they're keeping us in the loop if they're going through a flat fee MLS provider and then the title company, we're all connected as well. So pretty simple. We're just it's we're pretty much partners, but again, we're not. I hate to say that we're backseat partners or we're in the backseat. We are generally more so in. We're like a copilot. One of our investors referred to us as his board of directors. He can't come to us if he has questions, but generally he's in the he's he's in the pilot seat and we're just there to give him advice and tell him and strategize with him if we have issues with selling that property.

Joe: Yeah, well, that's smart, too. So you do require them, not you don't allow self-closing. Right?

Reid: We've done it a few times and every time that we have, we've got burnt. So generally, there's always something that comes up that we didn't know about or the the investor didn't know about. We're still open to it, but we've just found and most of the other investors that we work with just would rather go through a total company or title attorney.

Joe: So and do you what do you tell that student to do to go find one local in that area? Or is there a title company that you can use?

Reid: We found that there's more mistakes that happen at the national level because they're not. And it takes longer. That's just our experience that, you know, maybe other people have



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

other experience, but we generally like to support local businesses in the area that we're buying the property in. And so we try to find a local area and generally that investor is doing a lot of deals in that one county. So if they can build rapport with that local title company, they can usually get like an investor rate do, like a hold open policy and it's just cheaper for the cheaper for them. So they like that.

Joe: All right. Cool private money. Somebody who wants to do what you're doing. I know you can't give away your industry secrets that I might know, but I'm assuming you're not using all of your own money, right? You probably brought on some private lenders of your own. So if somebody is looking at this thinking, well, dang, maybe I need to get some private lenders and then I could fund my own deals. What would you say to them? Would you say? Yeah, you know, it's I wouldn't do that. Are you or what?

Reid: Well, right now we use our own capital. We've had some people approach us. But as of right now, for all of our land deals, we primarily use our own capital. We have had some family and friends that have said, Hey, we'd like to fund some of these deals for you, but we put them more into our other businesses at this point. So I think from a private money standpoint, if you can find friends or family that are willing to do it, that's fine. The one thing that I would do is still seek legal counsel. One thing that I've just learned is that you want to have everything in writing and you want to make sure that you're you're following all the state laws. And if it's family or friends, you just I guess for me, it's I always think about what what would happen if things went sour. I don't, you know, in the beginning, everybody thinks it's very rosy and stuff. But I've been in situations with partners and so forth in the past and other endeavors. And when we needed to split or something like that because of a disagreement, you know, sometimes they don't take it so well. So I think it's really important to just lay everything out. Go to, um, counsel or use another lawyer legal service to just draft it correctly, and especially if you're going to deal with friends or family or just anyone. I would. I'm always kind of the type of person that airs on being as cautious as possible when it comes to that. But it's definitely it's definitely an avenue to take that. The one thing I would say about finding is that it may look pretty passive. Yes, it can be. But if it was as passive as they thought it would be, then we probably wouldn't be talking right now. Because if I just if I didn't underwrite any of the deals with my wife, we probably I know we would have made some very, very costly mistakes because we get deals all the time that don't make sense to fund. And I know that there are some people that just are willing to just write a check. And then what happens when you lose money? I'm in it. I mean, my wife and I want to do this for the long term. This is not something where we're just going to do for a year or so and then just be tapped out because we made some bad deals. Yeah.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** So I'm looking here at your website. Can I give the domain out? Is that OK?
- Reid:** Yeah, of course.
- Joe:** Parcel funders dot com, right? Mm hmm. Yes, sir. You got the right one. That would have been embarrassing. So talk a little bit about your funding fees.
- Reid:** Yeah. So we we offer transactional funding, and that's just essentially short term funding provided to our investors who purchased and quickly resell a property within the same day. So flash funding, double closing, that's a five percent. Fee as of right now, and so that's five percent of the funding amount and then the joint venture funding it refers to just went to like us and the investor come together to undertake a project and we pool our resources together. So they're pulling their resources, the actual property, our resources, the money and then a combination of our knowledge. And so essentially, it's the way that we've structured our fees is that it rewards the investor the quicker that they sell. So our fees are start out lower and then gradually increase, the longer it takes to sell that property. So from three to 30 days right now, it's 30 percent, 30, one to 90. It's 35 and then so forth and so on, and it ratchets up. But generally, most of our investors are in that 30 one to 90 day period to resell that property.
- Joe:** Yes. And so the split, if it's three to 30 days, is 30 percent to the funder you seven percent to or 70 percent to the investor.
- Reid:** And that's, after all, the net profit. And I think when you're looking at, there's a few other funders that are doing deal funding and the land space. And what I think is really essential is sometimes it can, you know, depending on what people say and how they structure their fees. You really want to ask them when you're vetting that funder, you want to say, what fees do you actually cover? Do you do you cover the cost of the realtor fees and so forth? Because some, depending on who you talk to, they may or may not cover the cost or the marketing expenses, is what they call it. So I think when you're trying to compare apples to apples, it's really important to really ask those type of questions that them as much as they're going to get you, because at the end of the day, you want to go with the funder, that's not going to leave you at the closing table and get cold feet and say, Yeah, I thought I could do this deal, but I ran out of money or I just don't feel comfortable. And then you're kind of left holding this deal in your hands and you've got to fund it and you've made a commitment. You got maybe like nine days left to fund it. We've dealt with a lot of investors in that situation where they've come to us scrambling, saying, Hey, I had someone, a friend or a family member or even a funder that I thought was going to do the deal with me. They said that they would end and now, you know, they just came back and



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

said, I don't have enough money. I don't feel comfortable about it or some other excuse. And we've had to scramble to help them. Luckily, we've been able to help all of them, but that's just something that's very uncomfortable and I know what I would feel like if I was in their shoes.

Joe: Oh, I can imagine. Yeah. So your website does say here the funders fee is the amount percentage of the total funding amount or net profit that partial funders receives. So you are receiving 30 percent of the net profit if it's done before 30 days. Yes. Cool. Talk about the loyalty program. What's that?

Reid: Yeah. So this is a little bit different. This is where we're pretty unique. So the more deals essentially that you do with us, the cheaper it is from a funding perspective. So once you do a total of. And it ranges. So there's bronze, silver, gold and platinum. And so essentially, if the amount of deals that you do with us equal twenty to thirty nine thousand dollars in funding or total net profit. So that's how much partial funders makes up the total number of deals that we've done. Then you get two and a half percent or two hundred and fifty dollars off of each deal that you do with us. And that would be for a 12 month calendar period. So that's essentially and then it kind of goes up from there. So it goes to forty to seventy nine thousand this five percent or \$500, whichever is greater. And so forth and so on. So and it it's a 12 month calendar, so it's from January to December. But this is something that I've heard from a lot of our investors that, you know, some people will say, Well, if you do five deals with me, I'm going to give you a break. But I felt like that was a little wishy washy. I thought, No, we need to do something where if you do five deals or one deal with us, it really comes down to how much money we're taking in from a funding fee. So this kind of levels the playing field and because we have some investors that do like two or three deals, maybe four deals a year, and each one of the deals gets between 60 and \$80000 net profit. So if I said you got to do five deals with me and then you'll get a break, that doesn't really make sense when another person is doing one or two deals with me, that makes that amount of money versus someone that does 10 or 15 deals with me. And it's a smaller net profit. So we tried to level the playing field that way.

Joe: I'm looking at your testimonials here and a lot of these guys I know, I've seen them, I've had them on my podcast. Some of them or I've got a Facebook group. Yeah. Was that? David Van I can never pronounce van siskowski.

Reid: Yeah, I always mess up his last name. I just call him David.

Joe: Eric, I've seen him at a boot camp before, and I'm not. Yeah, he's a good guy. That might have been one of the Jack Bosch boot camps. Well, very cool. I love it. Your website again



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

is. Parcel funders dot com, I'm going to put that on the website here in the video right here. I mean, does any of you all if you're watching this right now on Facebook or YouTube? Hopefully I spell this right.

Reid: One thing I do mention too is that we do have a referral plan too. So anybody who comes to us through you or anybody else. We offer two and a half percent or two hundred and fifty dollars in credit, whichever is greater or cash. If once we've actually closed that deal with that investor. So yeah, and that's unlimited. So there's no cap on that. So we don't have it as a too high of a fee because we we really don't want to incentivize people to just refer us people if they're not a fan of our service. We really want people to vouch for us if they do enjoy it, because I've seen it go in the opposite direction where people are making so much money from just referring people, they're just like, Well, whatever, I don't care about any anytime that we refer people to a different service. They're truly ones that we've used and we vouch for them completely.

Joe: Nice. All right. Anything else, any any other services that you would do? I'm looking at your website at the bottom here. You have a newsletter, you have some other partners that you guys partner with. I see your land. It's a transaction coordination company. That's a good company fabric. I've heard really good things about it. They only do maybe three or four different states, right?

Reid: Yeah. Yeah. There unfortunately, are not in all the states, but I know that that they're working on that.

Joe: And are you Jesse Kwong is real good guy. Great website. Yeah. What is REI optimize?

Reid: That's by Callan. And she's she's awesome. She basically has a program where she's taking all the different pieces, the land business and completely automated it. And so she offers a course that talks through that. And so I'm a big fan of what she offers there. Nice. Cool.

Joe: All right. You got a lot of other really good resources here, of course. Seth Williams from RE tipster. Super good guy. Yeah, yeah. What is entitle and flip?

Reid: That's Mike Marshall. So he used to be a county planner, and so he's the guy that I go to. If I have questions about subdivide and how to turn a property that may look a little bit overpriced on the get go. But you can subdivide it. You can do all kinds of things with entitlements to the property. And so he's he's kind of the expert that I found in the space.

Joe: Nice. And then one more question. Sure. Supercharged offers. What is that?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Reid:** Yeah, A.J. So she basically has a system in place where she helps land investors and also investors and commercial real estate and single family, where she'll help automate the prospecting side of the business. And she creates a website for you. She takes care of all of the mailings she does. She's very big in the metrics, so it's if you haven't heard of it, you should check her out.
- Joe:** Yeah, she was going to be on my podcast and so we had to reschedule. I'm not sure what happened, but she's going to be on Zoom calls. Well, I'm sorry. I didn't mean to ask you about other companies. I'm asking you about all these other things.
- Reid:** But that's that's important because I think these are all tools that we recommend to the investors that we work with and if they need it. And so I want them to. There's a lot of noise in the industry and I want them to be able to get the best tools possible.
- Joe:** I love your website, by the way. It's very friendly. I was looking at it the other day on my phone. How did he do this? Is there? And then I'm looking now at it on a on my browser, on my laptop and this it's really nice and smooth. Did you build it yourself or had you broke it? Yeah.
- Reid:** So we did it in about a week. I went, Yeah, basically, it's it's based off of. So we use Zoho for all of our businesses. And this is Zoho site. So it's not. The site really adds a Zoho site. Yeah. And so we yeah. So we put it together in about a week. I have a really good web developer. We make a lot of changes to the thesis. There's a lot of limitations with Zoho side, so it's definitely not perfect. But yes, Zoho site and it's we're happy with it. I'm really surprised. Yes. I know it wasn't that expensive to put it together. I mean, I've got other websites that are thousands upon thousands of dollars, but this one is fast and then everything integrates with our CRM and all the other tools. For me, I'm all about systems and trying to get everything, so it's streamlined and so that's interesting.
- Joe:** So that's sort of like Zoho on the back. And those of you don't know, Zoho is kind of like Podio in a certain sense where you can build your own database, right? Or Air table or something like that.
- Reid:** Yeah, Zoho. Think of it more like Google Workspace. It's a competitor to Google Workspace, and I really like it because with Google Workspace, you have to integrate with all. These other different products like County and stuff, and already has a bookings application, so if you pay for zero one, which is that's what this one is, it's basically thirty seven bucks per user per month, which is cheap for all the different applications that you



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

get. I mean, you have Zoho Sign, which allows you to do digital signatures so you don't have to use like a DocuSign. I know I sound like I'm promoting them, but it's I really like it. Their support could be better, but they've they've every I mean, no company I have found is perfect. So but it gets us everything that we need.

Joe: Let me ask you one more question about Zoho, because I geek out about this stuff as well. Yeah, I've heard it's a great CRM and a lot of people are using it on the house side of things, right? But for inbound and outbound calls and text messages, does it have like integrated phone capability where you can make and receive phone calls and make and receive text messages?

Reid: Yeah. So they have zoho voice and they are working on bringing texting to it. It's not there yet, but you can use a third party solution and we already use one now called Ringio. And that's the solution that allows you to do texting from the CRM, as well as making phone calls for uninvited.

Joe: So you can make. You could send texts from inside the CRM.

Reid: Yes. Yes you can.

Joe: And then when they respond to that text as it go inside of Zoho. Yes. Wow. And what was that called again? Ringio? Yeah. This podcast has gone off the rails.

Reid: Hopefully, it's been viable.

Joe: Yeah, I see it here. Salesforce and Zoho vault this super cool. Yeah. All right. Well, this has been very good. Thank you so much Reid. Parcel funders is the website. All right. Forget about all those other things we just talked about. Go to parcel funders dot com. This is something that I'm recommending now to all of my students and friends that are wanting to get the land business. You need somebody to help fund your deals, right? And if you're looking for maybe a board of directors in a certain sense, right, then read at parcel funders, is the is the man? What's your wife's name, by the way? Don't mind me asking.

Reid: Her name is Hayley, and she's the brains behind the operation. She. Yeah. Yeah, yeah. And she's and actually she owns the company. So definitely female owned and she's she's the brains of the operation. She's great. And just one thing. I think what's really important to when you're working with a funder is that you want to understand, are they treating it more like a transactional relationship or is it something that can grow into a friendship? And for us, when we look at doing deals with people, there's always a conversation that we



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

have about what's your why? What are you? What's your ultimate goal? Where do you want to head? Because it's not just money for us, like we want to see how we can share what we're doing from self-directed IRA, self-directed 401ks, whatever we're doing and the from a long term generational wealth building side, as well as what we're doing in the land finding space. We want to share all that with them because and our connections, because we want to see them grow. And so for us, when I was just real quick, I went out to San Francisco last year and I met one of our investors and had lunch with him. And then another investor flew out to Denver because he was going to a wedding and we were like, Let's grab some pizza. That's the type of relationship that we want with our investors. It's not transactional for us. It's it's more than that. Yes, money is involved, but we've learned so much from our investors and hopefully they learn something from us. Nice.

Joe: Reid Kurtenbach from partial funders dot com. Go check it out, guys. And thank you again, Reid, for being on the show and say hi to your wife, Hailey.

Reid: We'll do all right. Thank you.

Joe: Take care, everybody.