1149 – The Steps to a Vacant Land Flip - $10k in 10 Hours Part 1

Hosted by: Joe McCall

Hey. What's going on? Joe McCall here. Welcome to the Real Estate Investing Mastery Podcast. And this is a special edition, REI in your car. And I'm just driving home from a chiropractor appointment. Man, that guy, I'm like, oh, I just like, what are people thinking who are, like, outside of the room? And they're like the first time visitor, and they're, they're in the waiting room, and they're hearing these grunts and these moans behind closed doors. Uh, yeah. Anyway, man, I was having real kind of bad back problems. Not bad. Like, just my neck was just really annoying. So we have a friend whose dad is a chiropractor, and so I go there twice a week now for about a month, and my back and neck is feeling way better, way better. Like right now I'm looking to the left and I can actually turn my neck without hurting. So that's nice.

Anyway, so I wanted to do a podcast talking about vacant land flipping and kind of just give you a summary of how a vacant land deal works from beginning to end if you're interested. We started really turning up the marketing a couple, three months ago, three or four months ago, and there's a kind of a long story, but I kind of started this doing vacant land flipping with my two teenage sons. And we, over the course of several years, made over 150 grand in profits, doing it very, very, very part time. Like very part time. Right. And I partnered with a friend of mine from church who could do the dispositions selling side of things right here. So I would pay for the marketing, get the deals under contract, and he would then turn around and sell them. And we had a certain split. Well, I approached him six months ago and I said, Hey, listen, I want to really ramp this up. Do you want to do you want to also ramp it up? And do you want to spend more time and attention to it? And he said, yes. So anyway, we're ramping up the marketing now. We're getting a lot of deals coming in and we're selling a lot of these deals now and really it's going awesome. And he keeps on telling me to do more and more. Let's do more leads. Let's get more leads as do more mail. So it's just cool, right? And so I've also been teaching people how to do it, which is really cool because I'm starting to see some students have success and kind of a push me into this was one of my students and friends from Illinois. Phil, I did a podcast with him, I don't know, six, eight months ago. He's already at over $12,000 a month in passive income from notes from his land deals. So he's been just kind of get tired of doing the houses, I guess wanted to do vacant land. It's so much easier to do virtually, you know, with a just from a computer. And you don't have to talk to sellers until after you send them an offer. It's just so many things I like about it. It's like if you're more of the technical, analytical guy who's not a sales guy like me, who just wants to, you know, make offers and sit behind your keyboard and computer and run your magic, you know? And this is the thing you need to look at. And especially, you know, if you have a full time job, you can't be around. Answer the phones when calls come in live or you can't make phone calls. You can't do cold calling. You don't want to do pay per click ads like even if you're doing pay per click ads which work cold calling works for houses. Right? But like those are so important. Like you need to money, love, speed

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in the real estate house business and you've got to be on it. Like when that lead comes in, you need to call them right away. You need to call them back right away. You know, if it's a direct mail ID, you need to answer that phone live. So like it's very hard for houses, but with land it's completely different is way easier.

And so what's involved with the vacant land deal? Why do I like it so much? Well, let me tell you how it starts. It starts with picking the right market. And what we do is we look for markets for counties that have a lot of demand. So there's a lot of sold vacant lots. Now, let me rewind a little bit to like we're looking for cheap rural, recreational, vacant land out in the sticks right there. And there's nobody that's going to buy that house and build a house on it. Maybe they would. But, you know, these are people that they want to buy this lot. They want to go riding their four wheelers. They want to go camping, maybe build a log cabin some day down the road. They may be just want to go, you know, hunt? They have a place they can get off the grid. And because we buy them and sell them for so cheap, there's so many buyers that want these deals. And because banks don't offer financing on vacant land, these little two, five, ten acre lots that we're doing, there's they can't get financing for these things, but we buy them for cash at $0.25 on the dollar, 20 to $0.25 on the dollar. And then we sell them with all our financing. And it's amazing. You know, I love it. We've been doing a lot of deals. We sell most of our deals, like we just wholesaling for cash. So an example would be let's say it's. With ten grand. It's a two acre lot. 2 hours outside of town. It's worth $10,000. We'll make an offer for 2500. We're averaging one out of every 1015 offers get accepted. Believe it or not. So then we send them an offer, they accept it and we send blind some. I'll. I'm getting ahead of myself. But we send neutral letters. Just regular letters. Hey, do you want to sell your lot? So anyway, it's worth ten. We buy it for 2500 and we sell it for cash for 7500 or on terms of the loan or financing for $10,000. So that's kind of how it works. So step one is follow the demand. You want to find a good county, you want to find a good county. And that is just a matter of looking at, for example, land watch and look up all the counties in whatever state you're looking at which counties have the most sold. And you just got to recognize that Land Watch isn't showing you all the vacant lots that sold. It's just showing you the vacant lots that were advertised on land watch that have been marked as sold. So we want to get a list of, I don't know, ten or 20 different potential counties. And then you want to start looking into county records like either with Data Tree or Real Quest or I use priced PR wise. And you want to look at in all these 20 counties, which one has the most sold in the last year? And that's it. So then you kind of look at, all right, well, these are the top 10 to 12, 15 counties. You're going to need about that many. You're going to need a good dozen counties to go after because your goal, you should be mailing 500 to 1000 letters a week. And that's going to get you a good, steady, consistent deal flow and which means you're going to need 12 to 15000 records. Some counties will only have a few hundred. Some might have a few thousand. But so you need a good 15 to 20 counties. All right. So you get it. You pick some counties in your state or in other states, there is no right answer is not an exact science to this. And you pull a list of vacant land owners.

Now, what I like to do is I like to look for vacant landowners that have owned their property for over ten years. They all by the way, when I'm looking for counties, I'm looking for cheap counties rates on land

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watch. I'm looking for counties that have properties that are listed and sold for under $100,000. They're between 1 to 10 acres. I don't want the cheap little quarter acre infill lots. I don't want the more expensive on the path to growth lots. But I want the rural recreational land. So that's going to give you kind of where the most of the activity is. And then you then you pull a list of people who own land in those areas. And my criteria when I'm going into price is what I like to use and what I recommend. And by the way, if you want to sign up for price, use my link. They give you a special deal. You go to land list, dot US land list dot U.S.. Now I look for between 1 to 10 acres, maybe 1 to 20 acres, and then I'll go and there's a part where where does the owner live? And you just want to exclude in county. That's what I do. So I exclude anybody that lives in that county because I don't want to mail somebody who has a vacant lot that they live right next to. So I want them to be kind of more of absentee or so. They live outside of that county and they've owned it for over ten years. If I'm not getting enough, I might do owned over five years. But you want to find somebody that's owned their property for over ten years now. Some people who do land or teach land, they look for first the tax delinquents. But, you know, I mean, that's cool if you can get it. But I just want to nail everybody. I just want to mail everybody that's own their land at least ten years. And I'm going to make them I'm gonna send them a letter. And let me say this, too, because there's a lot of other guys, cool guys, friends of mine that do land and teach land for a lot longer than I have. And who knows, their course may be better than mine. I would recommend for you to buy as many different land courses as you can get your hands on. Read as many different books as you can, get as many different videos and, you know, podcast as you can because you're going to learn something from everybody in what I'm doing. I've learned from like three or four guys and I've kind of figured out my own way of things that I like the way to do it because of my experience on the House side of things and because I like systems and automation, so I kind of do it my own way, which is a little different and unique from pretty much what everybody else does. So anyway, I have a list and I recommend you send about 1500 to 1000 letters a week. And these are called neutral letters. Some people send blind offers, which is just like a blind offer. He says, I'll buy your two acre lot for $500. Call me if you're interested.

So what I do is I it's just a typed letter. It's nothing fancy. It's not a handwritten yellow letter. It's a taped letter. It just says, Hi, Jim Smith, you I was looking through public records and I think you own a 4.6 acre lot near Johnson City in Jackson County, North Carolina. I'm looking for I'm an investor. I'm looking for more land to buy in the area. If you're interested in selling, please give me a call. We can give you a quick, easy, no hassle. Cash sale will pay all the closing costs and please text or call our 24 hour recorded voicemail. And that's real important. I put on I put that on there. Big, heavy, bold call or text or a 24 hour recorded voicemail. So that phone number is at it's the only call to action in there. I don't give them a website. I don't give them a fax number. I don't give them anything to sign. I just want them to call me. I want their phone number. And the powerful thing about that is it's non-threatening. You know, they know if they call, nobody's going to answer. They're going to listen to a message and I'm going to send them an offer. But also on the letter, which is really important, ah is a letter reference ID and on that letter a reference ID there is it's a unique number specifically for that seller. So the outbound voicemail says, hey, this is Joe with Dream Big Land. Thanks for calling. You must have received one of our letters about a vacant lot you

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own in Johnson County or whatever. Right. I'm doing all of this inside of freedom soft, which is amazing. You'll you'll see why I love freedom soft here in a minute. So the outbound voicemail says, Hey, Joe, thanks for calling. I mean, this phone number, by the way, is unique to this county, to this campaign, and it's all done inside of freedom soft. So I'm not using some third party software outside somewhere else, like fumble or call rail or RingCentral. It's all happens right inside of Freedom Soft. And it says, you know, please leave your name and number at the beep and also give us your reference letter ID. You give us a reference number and we'll send you an offer as soon as possible. Thanks. That's the message. All right. So we are averaging about two and a half to three and a half percent, let's just say 3% response rates on our letters. Now, with houses, you're lucky if you get 1%. Half percent is maybe more normal depending on where you are. We're getting about 3% on average response rates, which is awesome and amazing. And so now because of this, because I'm not doing blind offers, I get more phone calls and I'm not giving them options to go to a website or whatever. I'm getting more phone calls and because they know they're getting a voicemail, I'm getting more phone calls. Well, I hope I didn't repeat myself there, but you get what I'm saying. Like I want as many phone calls as I can. So let's say I send a thousand letters out. I'm going to get an average of 25 to 30, 35 calls. And of those maybe 70, maybe ten, 20% of them are going to be like, if you stop calling me, I'm going to kill you if you ever call me again or send me a letter again or whatever. So I'll just. Mark, those is dead. So let's say I send a thousand letters, I get 30 calls, I'm going to send offers to about 80% of them. So that's 24 offers. Okay. And if I'm averaging one out of ten or 11, let's just be conservative. If I'm doing one, if I get one out of 20 offers accepted, I'm getting one deal out of every thousand letters that I send. How much does it cost to send a thousand letters? Because anywhere from 500 to 600 bucks, depending on, you know, if you're doing first class or not. So I don't know what would you spend 500 bucks, a thousand bucks to do a deal and make $10,000? It's a pretty good ROI, right? So they leave a voicemail and then it goes into the system, right? It goes into freedom soft. It creates a new lead in that campaign. So I know where that seller's calling from and what what they're doing. So then inside of Freedom Soft, I can look up that letter reference ID and I can find out who the owner is. I can see their name, I can see the mailing address, the property address, the pen or the parcel ID, the acreage, the taxes, the GPS coordinates. I get all this information, put it in freedom, soft, and then I'm going to send them an offer. Oh, the other thing too, that freedom stuff does that's awesome is it will text automatically text that seller back and say, hey, thanks for calling, sorry I missed you. What was the letter reference idea on that letter and what's your email address so we can send you an offer? And I don't know, I get I get an email back about 75% of the time. And so now we have what we have their phone number, we have their name, we have their mailing address and we have their email address. So when we create the offer, we send it back to them three ways. We send it by email, by text, and by in the physical mail. We do all three of those things and it's amazing we can do that. All right there Inside of Freedom Soft, just a few clicks. We send them an offer. So this is good for part one of this podcast. I'm going to do part two here in a minute and I'll be back. So I can probably be in a day or two. When you get that, the next one will be released.

But I wanted to break this up in a couple of podcasts or else it'll be too long. I appreciate you all. I really do. Listen, if you want more information on how we do these, I have a new website that's going to redirect you

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to a class that I've done that's going to teach you how to do these vacant land deals, why they're so profitable, why they're so easy to do. And I'm kind of calling it my simple land flips class, sub tag, headline, subheadline, tagline, whatever, 10K in 10 hours. I'm really big on that, right? Like we don't have a ton of time to do a bunch of deals. Like, we're busy, we've got family, we have jobs, right? So what if you could make ten grand a month working just 10 hours a week? I'm telling you, it's totally possible. Ten K in 10 hours. So go to simple land class dot com if you want more information on that simple land class dot com. And see the next time I'm doing the class, sign up for it, watch it and you're going to learn a lot by now. So I'll see you guys soon. Take care.

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