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1194 - Why Land Investing Is Such A Blue Ocean, Even In Competitive Markets with Dan Haberkost

Hosted by: Joe McCall

Guest: Dan Haberkost

Joe:

What's going on, guys? Joe McCall, The Real Estate Investing Mastery Podcast. Man, I got another great episode today. I am so excited that a lot of episodes of podcast lately talking about land investing and I got a good friend on. His name is Dan and he's going to be talking about why vacant land is such a huge blue ocean right now. Sounds kind of like an oxymoron. Vacant land, blue ocean. But it's not. There is so much opportunity right now, especially with where the market is going. Dan is a really smart guy. You're going to find out from them. He talks a lot about inefficient markets and you may be like, well, what does that mean? So we're going to be talking about why the housing market is or real estate like different types of real estate are so inefficient and how maybe that can be a good thing as there's a lot of opportunity right now. Vacancy. You heard me talk about this for a long time in my own business and other people's businesses that I'm working with and interviewing for the podcast. There's a lot of people that are killing it right now with vacant land, and hardly anybody knows about this. Hardly anybody is doing it. You may think, well, tons of people are doing it because you listen to really good podcasts like mine and I talk about land investing a lot. But when you look at the big scheme of things, very, very few people are know anything about real estate investing, number one. Very few of them even know about vacant land investing. Very few of them are actually doing anything about it. So you may think everybody's talking about it because I've been talking about it or other podcasts you listen to a bit talking about. But still, it's a huge blue ocean right now. We're going to be talking about that on the podcast. So I got a free giveaway for you. First, a few pieces of homework right now. Number one, if you are watching this on YouTube or listening to this on an audio podcast. Thanks for being here. I really appreciate your please give me a thumbs up like this video, like this podcast. Subscribe to my podcast channel. Subscribe to our YouTube channel, whatever it is and comment. Let me know what you think of the show, what you think of this episode, different questions that I should be asking that I'm not asking, or different things you want to hear about. If you can leave me a review in iTunes or Spotify, wherever you're listening to podcasts at and just let us know what you think. Subscribe to the show, leave a review, give us the thumbs up comment I really, really appreciate. That's number one. Number two, I got a free gift for you. I want to give you something really cool here. This right here. What I'm holding in my hands is a contract of a deal that I did with my son. Well, actually, this is a different view. This deal I



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did with my son, it's a property in North Carolina, 5.08 acres. We bought this property for 70 \$600 and we sold it for \$19,300 and had a profit of over \$11,000 on this deal. And this contract right here, it's a one page contract. It's all wrinkled because I've been have it's been sitting here on my desk for a long time is what made it all happen. And I'm going to give this contract to you for free. You can get it. It's simple land contract dot com. Simple land contract dot com. You go there, opt in. I will send you that contract for free. No strings attached. Well, the only string attached is you need to give us a good email address so that we can email you. Then that contract is completely free. Simple land contract dot com. On the page after that you want you opt in to get that. I'll give you a little invitation to join a webinar that I've done where I teach people how to flip vacant land, learn how to do it for yourself, and see what the buzz, what all the talk is about. All right, so go to simple land contract dot com and you'll be glad you did. Let's bring on Dan and Dan, how are you?

Dan: Joe, I'm great. Thanks for having me on the show.

Joe: Thanks for being here. Really appreciate it. You're with a company called Front Range Land. Front Range Land. Right. And Dan, how do you pronounce your last name.

Dan: Haberkost

Joe: Haberkost, I'm sorry, I knew that, but I was afraid to butcher it and mess it up, so. Okay. All right. So where do you live?

Dan: Colorado Springs.

Joe: Beautiful. My daughter has a gymnastics tournament there in February. Okay, I won't be going, but she's got a big thing there and it's beautiful. I wish I could be going there.

Dan: Yeah, I love living here.

Joe: All right. Tell us a little bit about your story. How did you get into real estate investing to begin with?

Dan: Sure. So that goes back to when I was 16 years old. I was living in Ohio where I grew up. And I worked for a guy who owned a farm and a portfolio of rentals, and I started working for him younger than that. But by the time I was 16, he'd go to Aruba for a good portion of the year and I'd be in charge of the farm and the rentals and that. Taught me a lot about the sort of real estate that I do not want to own. C properties, he had a very, not a great dynamic with this tenants. So that wasn't a whole lot of fun, but I certainly learned a lot.



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Work that through high school and then in college I was working full time, running a landscaping company, going to school full time. And I remember when I was about 20, I reached a point where I was frustrated, right? I watched my friends go off to college and have fun, whereas I'm working full time and going to school. But I thought it is where it is. How do I take this skill set that I've accrued these past five or six years and start some sort of business when I'm done with school? That allows me to accelerate myself financially as an adult. And I started reading about investing, you know, stocks, different businesses, and like everyone else, it was rich dad, poor dad, where it just light. And so I ended up buying a duplex in Ohio before I graduated college.

Joe: What year?

Dan: This was 2018.

Joe: Okay.

Dan: Yeah, I'm 26. So shortly thereafter, moved to Colorado, wanted to go climb mountains and build a business out here. And so bought another house as soon as I moved out to Colorado as a house hack. And it was about that time I realized that all the low and no money down stuff is great for maybe a property or two. But if you want to build a portfolio, you need to figure out how to scale your income. And it was about that time that I met a guy here at the local real estate group, which I actually host now, who had been doing land and development for 40 plus years all over the country. And I would drive an hour south down to Pueblo. I don't know if you're all familiar with any of the other towns out here, and I would follow them around, help them over I could and just learn from him. And I did that for over a year and finally then just started slowly participating in projects with him. And that ultimately is what led me into the niche of land and development and starting front range land left my last job in 2019 and ever since, just been buying and selling land, building spec houses and buying more rental properties.

Joe: There is a guy I've interviewed on my show was from Colorado Springs, I think Brent, what was his name?

Dan: Oh, I know Brent very, very, very well. Brent Bowers.

Joe: Bowers Thank you. I wanted to say Daniels, but it's not. Brant. Brant. Bowers Do you know him? Friends?

Dan: Yes. Yes.



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Joe: Do business with him?

Dan: Yes.

Joe: Nice, solid dude. I really I've interviewed him once or twice, I think on my podcast.

Dan: He was here last week and he actually spoke at my real estate group in person here.

Joe: Okay, cool. And you know Michael Jake?

Dan: Yeah, I've met him a few times. Don't know him that well, but I do know. Know him a little bit.

Joe: It is a lot of house deals. But I spoke he used to run a real estate club in Colorado Springs and probably ten years ago I spoke at his REIA about lease options.

Dan: Oh, okay.

Joe: I think I've spoken a couple of times, but great. Yeah, beautiful place to be. And the cool thing about what you're doing right is you're doing vacant land and Colorado Springs is very expensive, very competitive when it comes to houses. Right. Because you have the entire United States in your backyard. Yep. You can do vacant land deals anywhere. Okay. So talk about how you discovered land and you started dabbling in it a little bit. What did you like about it? Why did you why did you decide to get into that?

Dan: Yeah. So Rich is the guy's name. He taught me about land from the context of building houses. And so the first couple land deals I did were just going to find parcels so he could put another spec house on it, just assigning it to him. And so it's interesting, having done well over a hundred land deals, I think the largest lot of ever purchased was 1.6 acres. The vast majority of them have been quarter acre postage stamp lots because the space or the segment of land that I know is all infill and my end user tends to be a builder or just the mom and pop is going to hire a builder to put a house on it for them. So that's the context I learned about land in it, and part of it was just the availability of, Hey, here's someone to teach me that knows it very well. But beyond that, it was just the lack of competition. It's funny, you don't know what you have until it's gone. One of the first land markets I was in, I mean, I'll just say it, Pueblo West, Colorado, it's slowed down now. I could spend \$100, \$100 and get a deal that would net between 12 and 15 grand like clockwork.



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Joe: And this was two years ago?

Dan: This was yeah, that was feasible for the second half of 2020 and a good portion of 2021. And then that market is really slowed down. So it doesn't work so well there anymore.

Joe: Some would say you think it is has slowed down, but I bet you a glass of iced tea. The new investor went into that market from housing. Into that market and went into it. They would be blown away by how little competition there is with that county in that area and how easy it is to get deals. Because it's funny, I see this a lot and I've seen this with houses. I hear people complain the same thing about housing. I hear these guys that are doing really well, you know, do 100 grand a month in houses, wholesaling or whatever. And they're still complaining about the competition all remember back three years ago, five years ago is so easy. So it's all perspective. That's my whole point I wanted to make here, but very true. Yeah. So anyway, you were doing some were you selling these lots in this part of Colorado to developers?

Dan: Yeah, mostly just small local builders.

Joe: Yeah. Cool. Yeah. So then where did you go from there?

Dan: So now mostly in Florida and North Carolina. I'm still doing a few spec houses down in Pueblo and entry level stuff. But, you know, when I think about it and just the uncertainty coming these next couple of years, I think about where are the migratory patterns in our country and especially where people with money going. And so I think about my parents, they're baby boomers. I think they're a decent representation of the overall generation where they're going to sell next year their house in Ohio, they're going to move to North Carolina. They're going to have cash for all or at least a good portion of their house. And a lot of people just like them are doing the same thing, but they're buying a lot and putting a new three bed, two bath house on it all throughout the Southeast. So that's why I've really pivoted in those two areas because, you know, the baby boomers are still going to retire. And with Florida specifically, it's so much more friendly to businesses, you know, just anyone with money. There's a lot of people moving there just for that reason alone. So I feel comfortable continuing to do business in those markets. And, you know, builders build, that's how they make their money. Very few of them understand how to go direct to seller and build out a marketing funnel for land. And so unless all the builders in the country go out of business, I'm still going to have an end buyer.



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- Joe:** Okay. Now, I love that you're going after builders like you're selling your lots to mainly builders right now, right? Yep. Okay. That's been your bread and butter the last couple of years. And you're seeing the buyer demand slowed down a little bit in Florida.
- Dan:** It has slowed down, but it's certainly not gone. It's still I mean, to go last 30 days on Zillow, a lot sold and you're going to see thousands. I was going to.
- Joe:** Say that we we're doing a deal right now in Lee County. Lee County, Florida. I'd have to look into it. We're buying it for we're trying to buy it for 18 the sellers at once, 22 grand for it. But there are properties just in the last few days that are sold some same properties sold for 45 grand, 35 to 45 grand. Right now, I just I'm used to doing cheap rural recreational land where I'm getting it at \$0.25 on the dollar.
- Dan:** Sure.
- Joe:** I'm getting it maybe 50, 45, \$0.50 on the dollar. And that makes me a little more nervous about these kinds of deals. But this is in an area if I were to show you on a map, a satellite, you'd see a bunch of little houses everywhere and then a bunch of vacant lots everywhere. Yeah. Little quarter acre lots, nice subdivisions. So I'm, I'm looking at this thinking maybe this is, I'm a little nervous, but then I just look, I go to Zillow and look at sold and there's a ton of sold. It said they're selling they're in the last 6090 days. That is so Mike. I guess my big question is like even though in the last 10 to 12 months, things have really slowed down in terms of selling houses. There's people still buying this land, right?
- Dan:** Yep, absolutely. So a couple of thoughts I want to mention there in Florida, what I've been doing, there's a huge portion of people who own land and have been given unrealistic expectations about what it will sell for. And so you'll see tons of 100 plus day listings. So ignore those entirely. Try and look at comps from the last 30 days, 90 days max, and then make sure that you're able to list it and still make your margin lower than everyone else in your area. That's how I've been doing it. I have my realtor pull comps and I'm the lowest in the area and I'm my expectation is in line. And what I bought on is in line with the very recent sales. I don't care what it sold for in July because it's just not reality anymore. And then my second thought to what you were saying is, in the North Carolina markets, I'm in there a little bit slower. I don't have as many big builders there. So I expect 30 to \$0.40 on the dollar there, sometimes even 20 in Florida. In the markets that I'm in where it's still moving, I'm comfortable closer to \$0.50.
- Joe:** So you're buying at \$0.50 on the dollar, are you? One of the thing that makes me nervous sometimes in Florida with some of these properties is I see a whole lot of active listings,



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right? I still see a lot of sold, but I see a lot of competition. Active listings. Does that make you nervous at all or are you you're just looking at the solid and you say, man, these things are still selling. Just going to make sure yours is the cheapest.

Dan: Yeah, that's how I deal with that. You know, we bought one a couple of weeks ago where that was the case, but the sellers listings relative to the comps were just out of this world, just unreasonably high. And so, you know, mine was 14 or so lower than everyone else's and again in line as far as how I bought it with comps. So I'm comfortable with that.

Joe: So are you using a realtor to sell these then?

Dan: Some of them and then some of them will go direct to builders. But in Florida, more often, a realtor just have a really solid realtor down there.

Joe: Nice. We I was surprised how easy it was to get a realtor because, again, I'm coming from this. Well, we're selling rural lots. I've done some deals in North Carolina as well, Wilkes County, Jackson County, Macon, maybe, and then some of these areas and then in some other states. But like, it's hard sometimes to find a good realtor because I'm also selling these things for 15, 25 grand. Not a lot of realtors in that area because it's so rural, number one. But also number two, I'm not there's not enough margin in there for a realtor to be interested in listing those. Sure. And I'm finding with Florida completely different and I'm looking at Zillow right now and I'm just kind of going into a certain area that I think my deal is in, I'm pretty sure here. Can I share my screen? Because I think this is important, guys.

Dan: Yeah, I'm very familiar with Lee County, too.

Joe: All right. Let me share screen. I'm looking at my camera here because the thing is right in the way. Okay, let me share this room. Okay? Let me make it a little bigger. Hold on, hold on. Sorry. All right, so that fills in the screen a little better. Yeah. So I think my properties are right around here somewhere. I don't know, I'm just kind of going off it, but I wanted to bring up the point looking at all these factors, let me remove boundary. All these reds are active listings, right? But if I go here to solds. And then I go to sold in the last 90 days. This blows me away. Yeah, look at that. Yeah, that's insane.

Dan: 1121 am I seeing there?

Joe: Yeah. 1121 right there.



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- Dan:** And I know Lehigh very well. If you're on the far west side, that is the nicer side by far. And the duplex lots. So quite a bit more. Yeah. Yep.
- Joe:** All right. So let's zoom in to one of these areas. You know, I'm not sure where mine is, but it's. I think mine was somewhere up here, maybe. So I'm looking at this and I got a cellar that it's a quarter acre lot. Let me kind of show you. Let me switch to where? Okay. Here. You almost switched to satellite and zoom into some of these areas. And you see, like there's a lot of these homes I know it may be hard to see if you're listening to the audio. I apologize. Just go to my YouTube channel. But you see these lots where there's vacant lots and then there's houses kind of all mixed up. Right. And let me zoom out. I want to switch back to four sales. And one of the things with Zillow is you have to make sure you also change the days on Zillow to any you see just in this area, there's 937 agent listings, 27 for sale by owner listings. And if I'm sorting this low to high, I see some of these quarter acre lots for 9000, 9000, 9000. So if you're in this area, let's zoom in a little bit more. All right. The cheapest lot here is 10,800 and then 12,500, 12,500. Looks like a lot of those are the same. That doesn't make. They're using the same picture. Mm hmm. So if you're making an offer on a property in this area, what would. What offer would you make?
- Dan:** Yeah, so it would depend. We'd need to get a little more zoomed in, but very likely, you know, in the eight, eight ish range. But we'd need to get a little more granular. And that's a big thing that's been different about how I've done land versus a lot of people. I know the idea in my mind of going after an entire county. I don't understand that maybe unless it's incredibly rural, but if you go after an entire county, you have different subdivisions, you have some rural land. I mean, so I really zoom in and pull lists based on different parts of a subdivision where all of the pricing is the same.
- Joe:** And then. Are you sending blind offers then? Okay. So if I if I'm zooming into this area, I'm seeing a lot of sold. The cheapest are 12 grand, 13 grand, 13 grand. And this is the last 90 days. So what do you want to sell yours for?
- Dan:** Yeah, if I'm looking. Okay, looking south or west 18th. That's where I'm seeing more. 21, 16, 13, 27. I'm guessing the 27 is a half acre. That would be my immediate thought. Okay. I would want to see if that 13 sold on market or if that was just someone buying off market. Man, but probably six or seven K you need to be buying it for at max. I do a little more thorough due diligence, but that's my initial intuition based on what I'm seeing right there.
- Joe:** So you'd buy it for six or seven grand? Sell it for 13 grand? Would you list it with an agent for 13 grand?



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- Dan:** Well, no. Okay. So to be clear, I'm thinking that 13 was probably not an on market transaction and it probably was because someone bought it off market. If that is the realistic comp that I'd want to buy it even lower.
- Joe:** Okay.
- Dan:** But you can see right away how unrealistically high a lot of those listings are.
- Joe:** 42, 34, 43, 55. That's why they're not selling.
- Dan:** Yep. Yep. And it's all over Florida. Everyone figured out, hey, Florida is really hot. And so they just were increasing their prices every month, know every couple of months. And of course, that stopped. And so many of them don't need to sell because they bought the stuff ten years ago at \$0.05 on the dollar. So they're just living it said, you know.
- Joe:** This, this is what gets me excited about land. And this is why you may think, gee, this does not look like a blue ocean to me. I mean, you're zoomed in and you see a ton of reds and you go switch to solds and you see a ton of yellows. Now, let me go back to sold in the last 90 days. This is why I'm looking at last 90 days. There's 16 sold in the last three months in this little window. This is why it is such a huge opportunity, because there is so much demand. And if you're making the right offers. You're going to find, I don't know, one out of every 21 out of every 30 offers you make are going to get accepted. Yep. Right. So make a bunch of offers and you can sell these things and still make really good money. The competition is something that you kind of need to ignore. The competition. The competition is good. I mean, I would be more nervous, don't you think, if there were no solds?
- Dan:** Yes. Yes, absolutely. You know, it's funny, you had you interviewed Brent, you interviewed Ray a month or two ago. A lot of guys I know. And we're all in the same markets in Florida. Yeah, we're all doing you know, I think he showed a Palm Coast deal. Ray went on your podcast. I'm buying. I bought one last week. There are two more. I'm buying later this month. Palm Coast. It's just it really is endless. You know, a buddy of mine was helping me in a little more complex market pull. And price is the same market he's in. It's not doesn't even occur to either of us to be concerned about the other because there's just there's so many lots there's so little competition. And it really a blue ocean is a good word for it.
- Joe:** I put a post in my I don't know if I'm going to be able. Oh, sorry. I don't know if I'm going to be able to find this in time. But I put a post in my Facebook group I looked at in the last six months how many vacant lots were sold to investors in the entire United States in the last



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six months. How many vacant lots were sold to investors and how many houses were sold to investors? Okay. And I forget the exact number. I'd have to look, maybe while you're talking. No way I can find. I know where it where it is. Let me show you some numbers with you guys, because I think this will blow you away. Oh, I'm not going to be able to find it out. Okay, here it is. I thought about it in the last 90 days, guys. There's been 2800 vacant lots sold to investors. Now, I was only looking 1 to 20 acres because that's what my course teaches. Mainly focusing on the 1 to 28 2800 vacant lots sold to investors in the last 90 days. Now that was an LLC. In that same 90 day period, there have been 45,400 houses sold to investors. There were 16.2 times more houses than vacant land that were bought by investors. And then if you look at the numbers deeper, only 261 investors. Now, I looked at LLC buying homes that bought more than one property in the last 90 days. There's only been 261 investors in the entire country that have bought more than one vacant lot in the last 90 days. And then if you look at. Okay. There's 132 million total houses in the U.S.. There's 48 million vacant lots in the U.S.. Wow. So that means check this out. This is my point I wanted to make. There are 30 there's 3100 homes for every active house investor. Right. For every one active House investor, right now, there are 3129 homes for every active land investor. There are 23,000 vacant lots available to the vacant land investor. So there makes the point. I think it does. Just looking at like how much open the market the how open the market is out there. All right. So let's talk about you, what you're doing. Then again, you're targeting North Carolina and Florida, some of your main areas. It's funny because you're not even worried about talking about which markets you are in because whatever is not too worried about. Here's the other thing I'm seeing a lot of now down to down is a lot of Latin investors who have been buying the land courses. A lot of them flake out. They're in it for 18 months and then they're out. One of my students, I won't say his name, talked to him yesterday and he's too busy and he just can't do it anymore. And he doesn't like being behind a computer and just doesn't want to do it. He's out. He spent a lot of money on my program. He sent about four or 5000 letters. And is that right? No, he sent them only about 3000. He's got 60, 70 leads right now sitting in his database.

Dan: Oh my gosh.

Joe: And I'm sending neutral letters out, so. Right. Yeah, but and I said, I'll take them. So I gave him I said, there's a lot of good leads. Are the leads. They're not even dead. Give me your leads and I'll just I'll give you 25% of whatever I can do with those things is that I get. My whole point to bringing that up is, yeah, a lot of people are buying land and it's much more interest. You know, guys like me are doing podcasts talking about it, right? But there's a lot of people getting into it, trying to get into it that are quitting. They're giving up their they may send a little bit of mail, then they're out. And then these investors, these homeowners, these vacant landowners are getting a lot of letters maybe. But it's only a



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small percentage of people that are even ever calling them back. Yeah. That are even never even following up. That will actually make offers wide open opportunity. All right. Yeah, I was passionate about this.

Dan: I agreed. The follow up is everything. I cannot tell you how many deals we have gotten on the 20th follow up. It's just a matter of being present so that when they are ready, they sell to you. You know, there's some people you get that they are ready, right? When they get your first mailer. That happens sometimes, but a lot of times that is not the case. And having a good lead follow up system is absolutely essential.

Joe: Right. Okay. So you're doing a lot of follow up. I wanted to ask you about I want to ask you about that because I want to ask you about the tools that you use, this stuff like that. So your main thing right now is sending blind offers to properties, right? How are you pulling your lists? What are you using to do that?

Dan: So I use PropStream. And you know, in Florida, it's much easier because you're dealing with thousands of lots, a lot of times that are almost identical in North Carolina. It's a little more granular, but there's a yin and yang to everything because it is so much harder if you can deal with that. In one of the markets I'm in, 1200 mailers. We have gotten four deals off of four. It's looking to be a net once all sold somewhere around the 60 or 70 mark is it's crazy. So it's always a yin and yang in that the harder it is, the more profit potential there is generally, the lower you can buy it. As far as cents on the dollar, the less competition you have or as Florida is, the easier market with all that. But then it's more competition and I buy more at \$0.50 on the dollar.

Joe: Okay. So let's talk about North Carolina then. What are you targeting there?

Dan: It's still all infill quarter acre up to an acre. And I really I actually talked to my parents that markets they were looking at to retire in and then started looking around those areas. I was calling realtors, calling builders there. I personally want to see lots of new homes going up, lots of lots sold, of course, but it needs to still be affordable, right. Like we were talking about earlier. I want to be where the major demographics in our country are going. And so a lot of these markets in North Carolina fit that, where you can still get a new home for 350 or 300 a use inventory, a lot of times selling in the two hundreds. That's still affordable. Interest rates aren't going to stop those markets if people want to live there. And then on the more qualitative side, when you call investors or excuse me, realtors or builders in Florida, everyone's familiar with land investing. Everyone knows what assignments are, everyone is very competent. Whereas when I call people and let me give you an example in the North Carolina market, the first realtor I spoke to, I asked about a lot and he goes, oh,



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that's not listed. You can't buy that. And that is the consistent response I was getting in this part of that state. Nobody understands your market direct seller. Nobody knows anything about investing. You can list a lot on the market. That's the only way to see them. So markets like that, when you see those signs, those tend to be, again, even more of a blue ocean because there's nobody else there that there's still demand. To my first point about lots of new houses, lots of lots selling, if you can find those two things together, demand, but no one is fulfilling that demand and no one else mailing these owners. That is where you can get just obscene rise.

Joe: All right. Now, I want to I want to share something here in what you call this land watch. Let me see if I can share my screen here. Now, this is this is a list source. Right? See my screen? So what I've just did here and I just wanted to maybe get your feedback on this and you listen to the audio. I'm sorry. I'm looking at list source and I'm just pulling a list here of vacant land. So I went into I did create your own right here. Zoom in a little bit here. And then I did North Carolina last market sale day. I went to property, went to last market sale date last three months, property type. I did vacant land. And then I'm going to do one more thing here. I'm going to go to a lot area. And let's do light acres. Now I'm going to do point to the one. So you have to be 0.2, I think 0.2. Right. That's a little less than a quarter acre to one acre lot. Right. So I go back again to the left here in North Carolina, last market sale day, three months, point two acres to one acre property type vacant land and there's been 2800. Now, if I go to options, I'm going to say corporate owned, no preference because again, we don't care. Right. If it's a LLC that bought it or an individual landowner. Right. 37 or 3648 vacant lots sold in North Carolina in the last 90 days. That's a lot to me. I'm looking at that.

Dan: Yeah, absolutely.

Joe: That's a good number. And if you go here to Zillow, I just did a search here. And Zillow sold in North Carolina. I did home type, vacant land. I did a lot size, a little bit under a quarter acre to one acre sold in the last 90 days. And they're showing 3300. So you're never going to get anything that's giving you the same results in both places. So then if I go here to purchase list, I'm going to pretend like I'm purchasing list, but I'm not. I'm going to go to purchase partial list. I'm would do custom selection and I want to look by county. And North Carolina has. Looks like 60 something counties. Right. But now look at this. Brunswick has 495 transactions. For 631. Gaston 135. Johnson has 303. I go to page two, Wake County 385. So the top two counties I'm just looking at this are Wake County and Brunswick County. So let's look at Brunswick County and Zillow. Brunswick County, North Carolina. This is near the border. A border of South Carolina and North Carolina. Yeah. Right now, you don't have to say if you're in this county or not, because I don't know.



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Dan: I think you know.

Joe: Okay. Well, it tells me just that little search I just did, which was completely free. Right. It's near Wilmington, but oh, my gosh, there's a bunch of activity here. And Zillow shows me there's 548 578 results of sold. Now, some of these lots, 20 \$500, 20 \$700 thing. There's a lot of activity that's exciting going if I switch to for sales a lot of oh this is interesting. Well we may have to change the days on Zillow too any.

Dan: It's a decent ratio.

Joe: That's a very good ratio, isn't it? I've sold 2/1 sales. It's almost equal. Remember, it's almost 1 to 1. There's 889 actives. And if I go to Seoul. In the last six months. There's more souls than actives from the last six months. Right now? Yep. All right, now somebody is going to say, wow, what about the competition? There's how can this little old me who's just getting started make even make a dent in a county like this? Well, well.

Dan: This is the county that 1200 mailers yielded me what I just told you.

Joe: I didn't mean that. I mean this. Oh, that's okay. No. Hey. Which county you did? But did you hear that? Guys, this is the county. I just found it kind of by accident, where Dan just looked at the numbers, he sees the activity, and he's going to go in there and get deals out. Now, if I go, you're using PropStream?

Dan: Yeah. Can I comment on the question you said about the person who says they're new? Yeah, well, this is a great market for that because there are a lot more challenges here. So there are your listeners familiar with the protests or should I talk through what that is.

Joe: Yeah, yeah. Talk about that.

Dan: Okay. So if you're going to put in a septic tank, right, if you do not have a sewer line on the street to connect to and you have to put in a septic tank, this varies from market to market. In some markets, it's just a matter of being more expensive. And in some markets, it's an actual yes or no. They call it a site evaluation now in Brunswick County. But the old fashioned terms protest and it has to do with testing whether or not the soil will allow you to put a septic tank in. And if your lot fails, you cannot put a septic tank in. So that's something you need to be very aware of in this county when you're doing your due diligence, if there's no water and sewer along with that, there's just very substantial differences where one area has run down trailer or mobile homes, and then the next area



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is a nice golf course subdivision. So all this to say, this is a great market to really, really niche down. Find your little area, take the time to price things very granularly and you can get exceptional deals because it's hard if people are trying to spray and pray in this market, they're going to be having a rough time because there are so many variables. But as we're looking at, there's a huge amount of demand. It's just taking the time to get over those hurdles and learn about your area within the county, just within that county. Joe there is a huge amount of variation so you really have to niche down.

Joe: Yeah, well I like I like this and that's one of the reasons why I like sending the neutral letters, like we said, because I can, I can make the offer on the lead that actually comes in. But look at this. This blows me away. Brunswick County. I just want to perhaps dream the by the way if you want to get more information about PropStream, PropStreamJoe.com you get 10,000 downloads a month crazy like that for just \$97 a month. So I went here and I did quickly a quick list choices. I chose vacant land. Right? I said owner occupied. No, all that means is the address of the owner and the address of the property is different, right? I did property characteristics. I did 8700 square feet to 43,005, 60 square feet. That's about 0.2 acres to one acre years of ownership. I did five or more and I did absentee owner location. I did out of state and out of county. What that means is they don't live in that county. They live outside of that county. And I did include unknown sales date. This blows me away. There's 12,734 properties there. All right. Now, I could even filter that more if I wanted. I could say, all right, well, I want them to own it for at least ten years. They get ten years. 11,224 properties that I just pulled I could pull if I wanted to, of people that have owned this vacant land for over ten years, who don't live in that county, they live somewhere else.

Dan: Yep. What that tells me. Yeah, well, when I think about, you know, having done this for a while, the avatar who most frequently sells is not desperate. They're more apathetic. They bought the land ten, 20 years ago, and they just don't want to deal with it. And so when I look at a new market and I see there's that many people who bought a decade plus ago who don't live there, I know there are plenty of people that would be happy to part with their land at a low price if it's convenient and easy because it's sunk cost in their mind.

Joe: Okay, now a little bit. I know about North Carolina. I wanted to ask this as well. Let me switch my screen off there a little bit. I know that North Carolina is some of the areas where I've tried to do send mail to some of the. And I'm going in, I'm going more rural. I'm not going after these little tiny lots here. Sure. Some of the ways are really restrictive. That's not as big of a deal for you, is it? Because I'm trying to sell land to people who want to go hunting camp and whatever, you know, do I put the trailer or RV out there or whatever? So the restrictions for me are bad because I'm targeting recreational land for



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you. Restrictions don't matter. It doesn't matter if these are in ways with a lot of restrictions. Right. Is that makes a difference.

- Dan:** Yeah. I closed one today. That is expensive. It's already under contract to sell hopefully by the end of next week. And yeah, it's just a matter of being aware, right? If your home doesn't allow modulators, you need to know that for knowing who to market it to if you're not just listing with the realtor. So it's just a matter of knowing your product and knowing who your avatar or end buyer is, really knowing your quote unquote avatar on both sides. Who's your seller, your marketing to and who's your buyer so you can align your marketing appropriately.
- Joe:** Okay. So you're selling land where there's a lot of activity. I'm just looking at Zillow again and there are tons of properties here that are selling for in these little pockets. Mm hmm. So I share my screen again. Here you go. These little pockets. I don't know where this is. I just kept on zooming in and ignore these. These ones here. If I. If I go too high. Too low.
- Dan:** Can I make a couple comments regarding what you're doing right now? So, guys, a couple of things right away. Oftentimes, Zillow classifies pre-sold new construction as vacant land. So if you see a bunch of lots for sale for 50 grand in comps, know 45 to 50. And then there's these outliers at 4400. Those are houses that were built. So take those out. And then number two, really be mindful. So less true in this market, but especially in Florida. If you look at the sold and it's a lot lower and it was not listed on market, it was very likely your competition, you bought that and it's not a good comp. It wasn't exposed to the market in the MLS.
- Joe:** Yeah. So that's great. Great point. You want to try to make sure like this one right here I'm looking at, you can see there's a little icon there that was on the local MLS. I forget what it is, but is point five acres sold for \$65,000? What about six, five, six months ago? But you can tell it's from the MLS. So that's a good count, right? This is a vacant lot. But you go ahead.
- Dan:** I was going to say, working on one right now in Bolivia on Riverwood Drive.
- Joe:** Is that the same area I'm in? Looking?
- Dan:** I believe so. I think it might be that same subdivision.
- Joe:** Okay. So there's a lot of activity here. And then this is recent activity. And if I go to let's look at satellite image here. And you zoom in. All right. There's these areas that these vacant



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lots are selling where there's some homes and then a lot of vacant lots. So who's buying these lots?

Dan: It's small builders. Well, I take that back. Clayton Homes is there in the less expensive areas in the 20 the 15 to 30 price range they'll buy for their manufactured product. And then otherwise it's mostly small, local or regional builders. And then also just the clients of those builders are the mom and pop who's going to hire one of those builders in the coming years. So it's really not a lot of big institutions.

Joe: Okay. Now, in this area, I'm zoomed in here. We're looking at all the actives, and there's 17 of them in this area. The cheapest one is 34, and then there's one for 45 that just cut their price ten grand a month ago. 45, 45, 49, 50, 56. You're looking at buying and selling a lot here. This is your competition. What would you price yours at?

Dan: You know, I'd want to go to the sold. And then a big factor in this market specifically is wetlands and floodplains. So you'll see markets or subdivisions where the prices are seemingly nonsensical. Right. There's a 20 and then there's an 80 and then another 80 and another 20. So you need to go on the GIS and pull up the wetland and the flood zone overlay and see if that comes into effect in your subdivision. Now, in this specific subdivision, I just again, we're doing this very quickly. I would check those 220 case sales up at the top, but it looks like the north west side of this little subdivision is worth a little bit more. And I'd probably want to offer again doing this quickly in the 25 ish range and then yeah, on the South End, I'd need to do a little more due diligence and figure out why there's such a range. Maybe there is something over there with a wetland or a flood zone or utility variation because there's a lot of variation I'm seeing on the southern part.

Joe: So you're talking about the GIS mapping system that's usually counties have those available to the public free. You can also get it on map right where you can pull up your property and see the parcel and then turn on different layers. Right. For floodplain or wetlands. And so it makes would you still buy a property that is in a floodplain or would you totally, completely pass on that?

Dan: Yes. So I forget the classifications. I can just see the color in my head for that GIS, the yellow is none. Not that bad. Still easy to build on. The blue is very difficult to build on. So if it's in the yellow, for example, there's a subdivision not that far from here where we have two lots. One of them is the one I just closed today that's selling next week and there's a ton of demand. So I took the time to pull up the GIS with the flood zone and wetland, pull up stream and draw all the lots that aren't in the wetland and aren't in the bad flood zone



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because there's water and sewer, there's tons of builders, tons of demand. But it's just it's really granular because there's those other factors of the flood happened.

Joe: Okay. So all these factors you have to look at when you're pricing your properties, you're sending blind offers. How are you doing that on a spreadsheet? Are you grouping them by subdivision? Maybe.

Dan: Yeah.

Joe: So I mean, it's in that way.

Dan: Yeah, I'm entirely visual personally. So I have two behind this. I have two big screens. I put my computer up here hooked that up. I have prop trim on one, Zillow on one, and then over here I'll have the GIS and I go to the areas. So like that subdivision that I was referencing where okay, they're all the same or approximately the same size. They all have water and sewer and are all the same zoning within the same neighborhood. And then I will, like I said, draw out the areas that do not have the floodplain and wetland and then price them all the same because they're pretty much the same thing over and over again. There have been some markets where there's so much variation. I put a range on it, but generally speaking I just pull list based on an area that is all priced the same. And so.

Joe: So PropStream. Are you drawing a polygon or something?

Dan: Yes. Yes.

Joe: You're getting that granular.

Dan: Yes. Yeah. And that that has worked very well for me.

Joe: So yeah, that makes a lot of sense. And now a lot of people do that for me. I like to go, let's just download all 12,000 records. Let's mail them all a neutral letter. Hey, do you want to sell your lot text or call? My 24 hour recorded voice mail goes to voicemail and then I have a VA that looks at them first and then a VA will look at each one and we get price will tell us what they think they we should offer. And then they give me a link to where that property is on Zillow. So I can click on that link and it pulls up the property and then I can make a quick decision of what I want to offer that click a few buttons. It generates the letter in a contract and then I send them back an offer based on what I'm just quickly looking at, you know, if I think and I can sell it for 20, I'm going to make an offer for 5000, 7500 or



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something like that. Sure. So yeah, that's so cool. I knew you were going to spend the time up front or in the back end, right?

Dan: Yes. Yes. That's so true. It's always hard on one end. It's never easy on.

Joe: But let's talk about how you're closing these deals then know you're you using your own money, private money, or are you using funding? Companies. What are you doing there?

Dan: Up to this point, it's been pretty much just my own money going into next year. I'm really, really working on scaling this. And so I am looking to raise some funds to just keep the wheels turning.

Joe: Okay. Yeah, that makes sense. Have you ever raised private money before or is that you.

Dan: On a small, small scale? Yes. Yes.

Joe: What are some of the ways you recommend other new investors get into this? Maybe you've not done deals before. How are they going to raise fine private money?

Dan: Well, when you're getting started, don't be short sighted. And if you have to give away half the deal to get it done, that's fine. Ideally, you're not giving away that much. But when I very first started, there were a number of deals. I didn't have the money to close it. I just gave an investor 50%. They put up the funds. We split at the end. Again, that's a lot. You can get it much cheaper, but really, really try and think long term here because on your hundredth deal, it's not going to have mattered. What's going to have mattered is that you got it done.

Joe: Well, then you can tell your private investors, look at these other deals I just did. Yeah. So you have to talk about some of the tools that you use. What are it? What do you use for websites when you're advertising, selling your properties?

Dan: So I do list a good portion of what we have with realtors that has been useful because then I have resources. They are a resource when I need company feedback, boots on the ground. But I still sell a lot of lots to Facebook through Craigslist and just those resources. As of now, I have a front end website for inbound leads. I don't have a back end sales website because I'm not selling the rural recreational stuff and I haven't found that to be as useful for the infill product. And then my acquisition managers serve kind of dual roles because acquisitions for land is very simple. They do some disposition as well, where they're calling builders, calling realtors have sold lots. One of my favorite lists to pull as far



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as disposition on props stream is I'll pull the area, right? I'll draw an area where all the lights are like the one I want to sell. I do three plus lots owned, purchased in the last 90 days, sold at or above the price I want to sell. And then what do you know? I have a list of someone who owns multiple lots, just like the one I want to sell and has purchased at least at what I want to sell my that. So that's a good list of cold call. Now let's see other tools. I'm switching from pipe drive to Pebble. I've almost fully integrated into Pebble. It's been great. It's allows me to send my mail through there and all the data is in pebble ahead of time. So it, as I'm scaling, helps me to take out the human element and rely more and more on systems and processes. There's always a human element, but less so when everything's fully integrated with SOPs. So let's see, I said a lot there. What was the other part of the question or did that answer that.

Joe: That answers that, your website. But I was going to ask you about the CRM as well. You're switching from pipe drive into Pebble, is that right?

Dan: Yes, exactly.

Joe: They I heard a lot of good things about Pebble. I've looked at do it before. Do they have yet. I know they're working on it, but integrated phone and texting.

Dan: That comes out this month.

Joe: It does is are you sure.

Dan: That is what I was told last Friday by one of the founders of Pebble. So I can double check after the call. But I thought I'm 95% sure that's supposed to launch.

Joe: This month because I talked to Jesse a little bit about that a couple of times. And I know he's getting a bunch of people in his ears telling him, do this and you listen to that. I told him I was so adamant. You know, you've got to add in phone texting, outbound inbound calls and texting inside the platform and email if you can swing it, because it's frustrating to have kind of your phones somewhere else. Right, leads are here and you're trying to manage to keep them all together.

Dan: It is linked with email. Now my email is attached.

Joe: So you can send or receive emails in there. That's phenomenal.

Dan: Yeah. Working out, getting there.



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- Joe:** Okay. So I'm going to have to look into it then. I love my freedom. Soft. That's like I love my freedom. All right. Let's talk about have talked about that. Find the money. Do you have like a price range you're going after? Do you want to like a minimum profit?
- Dan:** I really don't want to do a deal unless there's a ten K net profit or more.
- Joe:** Okay. And that's after closing costs.
- Dan:** Closing costs, paying my acquisition manager everything nice.
- Joe:** When you use a realtor. What about what commission do you pay them?
- Dan:** Six in Florida total. Eight in Colorado, ten in North Carolina.
- Joe:** Okay. You're closing with title companies or attorneys. You're not self-closing.
- Dan:** No, not anymore. I did that when I was starting with some really cheap stuff, but I like the title agent too, because that's just another resource. Whenever I have title questions or issues or when the seller is uncomfortable, Hey, you don't have to trust us. Go talk to our title agent. Yeah. One little tidbit there, guys. Having a frequently asked questions sheet that we send sellers along with our offer once we're negotiating has gotten us so many deals where they're worried that it's a scam. And Joe, do you remember when you bought your house or do you remember when you bought this lot? Oh, sure. You probably didn't hand the seller all the cash, right? Oh, no, of course not. Remember the title company here? Here's ours. Call Brooke, call Laura. She'll explain the process, and then that eases their mind. And then they want to use us.
- Joe:** Wow. You wouldn't be willing to share that if you were sure.
- Dan:** Yeah, that's good. Yeah.
- Joe:** Oh, all right, listen, because I normally want to have a guest on, I say, hey, can you give us something that we can give away to our audience? And so what I'm going to do right now is I'm going to put together a link and. We're done recording. Okay, great. And you can send that to me. All right, let me remove one, because I don't. Now, let me remove another one. Here we go. Joe McCall com slash Dan. Joe McCall dot com slash Dan. I love it. D A N. And this is they. When you send an offer, it's just a one page. Maybe that which said many



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frequently asked questions. I love that because that just helps them feel a little bit more at ease, right?

Dan: Yeah, absolutely. And here to you right now.

Joe: All right. So, guys, if you want this, go to Joe McCall dot com slash Dan. And by the way, Dan, would you also email to me your preferred contact if you want? People want to reach you. You know, your Instagram, your Facebook, YouTube, whatever it is, LinkedIn, phone number, if you want, or an email, because I bet you there's somebody here who's a private investor who would like to lend money maybe on some of your deals. Right. Yeah. Great. Somebody else watching this, listening to this maybe has a deal in some of these areas and wants to partner with you on it and maybe can send you a deal. You could maybe be a funding company for them or something just to be in a deal. So, so cool. Thank you, man. Appreciate that.

Dan: Of course.

Joe: There's more questions I wanted to ask. Are you using a live answering service when the calls come?

Dan: No, I've thought about that. But as of now, I just have my guys, they answer it most of the time live, but occasionally miss it and then just call them back.

Joe: Okay. How many, about how many letters are you sending a week?

Dan: I think of it in months I've been sending about 8000, so that would be 2000 a week.

Joe: Nice. Do you track your numbers? Like what are some of the KPIs that you use to track whether your campaigns are successful or not?

Dan: I'm really working on getting better at this and getting this system down, which is part of why I bought Pebble, because it's better for that. But the primary thing that I'm working on, getting down to a science is just how many letters to get a deal in, on average, what words that deal yield. And I'm not as organized I'd like to be, so I don't truly have that down to a T plus just understanding the volume you need to send in to get a real regression to the mean to get a real average. You have to be somewhere consistently over the long term to truly get a realistic number there. So working on getting better there.



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- Joe:** Nice. Super important. Yeah. Are you what? You're using props dream to download your list, right? Yeah. Have you ever looked at price or other list providers?
- Dan:** You know, I looked at price and it does look to be maybe a little more useful for this difficult these difficult to price markets. So I may end up just adding that to the tool belt.
- Joe:** Yeah, there is a you can do a polygon. If that was that was important. I'm not a question, is there? What does your team look like? How about that?
- Dan:** I have yeah. Yeah, I have one full time acquisition manager and two part time. But this is probably where I've made one of the biggest mistakes this year is not doing better hiring, training and managing because the. You still need a good salesperson answering the phone. You need someone who is trustworthy, who knows the product, and can close the sale. And again, learn from me on this, guys. When you hire, make sure you're not just putting a warm body in the seat. Make sure it's somebody who likes talking to people and who's good at it. So next year, I'm looking to consolidate, to properly incentivize. Well-trained acquisition managers can handle what I'm looking to accomplish next year. So I'm working on that. And that does. In conjunction with having the pebble pebble properly set up with the systems, processes and sops in place so that they can succeed.
- Joe:** Yeah, that's awesome. Pebble will help a lot with that. Having a good CRM, for sure. Dan, anything you want to say just to kind of wrap this up and talk about?
- Dan:** Yeah. You know, the biggest thing you mentioned, Brent, the other day, I've been helping him and hosting a support call for him with his students for well over a year and a half now. And referencing what you said about people quitting. Guys, if you're taking the time to listen to this podcast, if you know you want to do something, you can make millions of dollars in any of these initiatives, I think lands easier. I think it's a better niche. But whatever you do, pick something and stick with it. Stop oscillating between niches. Stop sending a little bit of mail in, sending a couple of texts and then a few phone calls. Take something, stick with it consistently. And if you master it and become better than the competition, it gets a lot more fun when you're a few years into this, I'll tell you that. So just stick with something until it works, and you can certainly accomplish what you're trying to accomplish.
- Joe:** Consistency. Consistency is the key. Love it. Dan Haberkost. Did I get that right? How can people reach you? Get ahold of you if they want to talk to you.



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- Dan:** Yeah. Dan Haberkost on Facebook or Instagram. I'll definitely respond if you message me there.
- Joe:** Good if you're listening to the audio, it's D A N H A B E R K O S T, right? We'll have links to all of that in the show notes. Appreciate you being on the podcast. I really do, best of luck to you and it's been great. Great show. I appreciate it.
- Dan:** Thanks, Joe.
- Joe:** Don't forget, guys, that link again. Joe McCall dot com slash Dan, Joe McCall dot com slash Dan to get the one page FAQ that you can include when you're sending out your offers. Love it. All right. We'll see you guys later. Bye bye, everybody.