



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

1199 - What Is the Current Market Outlook for Vacant Land?

Hosted by: Joe McCall

Guest: Anthony Pappas

Joe:

Hey. What's going on, guys? Joe McCall. The Real Estate Investing Mastery Podcast. And you're in for a treat today. We've got a special episode and we're going to be talking about vacant land investing. Surprise, surprise, right. It's something that I've been doing a lot lately. My sons and I have been flipping vacant land for a few years now, and we're really starting to ramp things up again. One of my sons going to school to be a chiropractor. My younger son is actually now in the last few weeks getting back deeper into land, working like 30, 40 hours a week. So we're starting to make a lot of offers and I'm getting excited because we're seeing a lot of momentum. And this is something that I've been doing deals for a long time and I've been teaching and coaching people on real estate methods for a long, long time. And I've done a lot of wholesaling, a lot of lease options, a lot of vacant land investing. And I'm seeing more of my students have testimonials and doing deals with vacant land investing than I ever have before in the past with houses. So that's why I'm so passionate about this, is why I'm talking a lot about it. I did a survey recently to my list, said, Hey, what do you guys want me to talk more about in 2023? And vast majority said land. They want me to talk more and more about land. So I got a special guest today. His name is Anthony Pappas, I believe I hope I got that right from a company called Mavro. And he's been doing deals for only I think I'm going to guess three or four years. We'll ask him here in a second. But since he started, he's grossed over \$3 million doing vacant land, which is crazy here. And so we're going to be asking him some questions about what he is seeing in the market. The market has been shifting for houses and vacant land in the last year. We're going to ask him what kind of shifts that he has seen, what's going on, get his opinion on what's what's going on. So it's going to be a good episode. I'm looking forward to sharing with you a lot of the details here. And if my camera, if you're watching this on YouTube, if my camera is slow and spotty, my apologies. I'm kind of trying to figure out what's going on here. I might switch cameras while Anthony is talking. We'll see what's going on with that. A couple things real quick. If you are watching this right now on live live on YouTube or Facebook, say hi. Say hi in the comments down below. Tell us where you're from and if you have any questions, please type them in the chat, in the comments, because I can show them to Anthony and I can ask him any of your questions. Okay. Like we've got a couple right now already. This is a good question from Joe, and we'll get to this in a minute. What percent of market value are you offering after running comps? And



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Aaron also has a comment here. That's awesome. I'm glad you guys, Joe and Aaron are here. Keep the comments. Keep the comments. Comments. All right. One more thing if you want. I got a cool thing I want to give to you for free. And it's my contract. And I've talked about this a lot before. I don't know if you can see it here on the camera, but this is a contract that I'm going to give you for free if you want it at simple land contract dot com. This is the contract. I know. It's hard to see. There you go. All you can see is a red number that says \$11,224. This was the contract that me and my son, my sons and I used to tie up a deal and sell it, flip it in North Carolina. And we made \$11,224 on this deal and you can actually get this contract for free. It's one of the things that I give away for free. If you go to this website right here, simple land contract dot com, simple land contract dot com. And after you go there to get it, there will be an invitation to watch a class that I did that teaches this land flipping strategy. So go check that out and it would be really cool. I think you're going to get a lot out of it. So again, go to simple land contract dot com right now if you're driving then wait and go to that site. And if you're if you're wanting to get more information on that and some other links that I have, go to my YouTube channel, subscribe to our YouTube channel and look at the link in the description below. We'll get you in on that. Okay, let's bring on Anthony. Enough of me chat in the way. All right, let me remove that. Let's bring him on. Anthony, how are you doing?

Anthony: Well, Joe, I appreciate the invite.

Joe: Thanks for being here, man. Glad you're here. We have a really good barbecue place here in Saint Louis called Pappas. Have you heard of it?

Anthony: I have not. Dallas is famous for Pappas barbecue as well.

Joe: Well, I'm sure our barbecue in Saint Louis is not good as good as it is in Dallas, but it is still pretty good. If you're ever in Saint Louis, I'll take you there.

Anthony: Sounds good. I'll take you up on it.

Joe: All right. Hey, the name of your company is called Mav Pro, or Mavro.

Anthony: Mavro, yeah.

Joe: You were doing land for two and a half years. This is pretty cool, your numbers and I hope it's okay to share, is it?

Anthony: Oh, absolutely. Yeah.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** Yeah. Your gross revenues last year, \$1.56 million flipping vacant land. Yeah. Hot diggity dog. All right. And the year before that, \$1.2 million gross revenues flipping vacant land. Obviously, that's not all profit. You probably spent a lot of money in marketing and overhead and staff and VAs and software and all of that. But those are pretty good numbers. Congratulations.
- Anthony:** Yeah, we ran about a 30 or I ran about a 32% profit margin. So you can do the number from there, but still not bad here.
- Joe:** Very, very good. And by the way, I hope those of you listening caught that Anthony knows his numbers. Right. And I always say this to people, if you don't know your numbers, you don't have a real business. Got to know your numbers. Sound sexy and cool when you're showing a big check on Instagram for a \$20,000 deal that you did. But there's a whole lot more to that story. What you actually get to keep. You know, number one, there's taxes. And number two, there's all the marketing that you put into the deal, the investors that you still have to pay back out of that deal. But anyway, a discussion for another time. So where do you live now?
- Anthony:** Based in Phoenix, Arizona. Small sit or not, a small city. Chandler, Arizona is where I live, but most people know Phoenix.
- Joe:** So you mentioned Dallas. Is that where you're from?
- Anthony:** No, that's the next market I'm looking into. So I've done a couple of trips out there and we've looked around at some stuff and I like to get my feet on the ground before going into a new market and was out there for a Jocko Willink event. And so then spent a few extra days there checking out neighborhoods and seeing which areas were full of developers and which weren't.
- Joe:** Well, speaking of barbecue, there's a place down there in the stockyards. I forget what it's called. If I ever go down there, I know exactly which corner it's on. But the barbecue there is really, really get it.
- Anthony:** Find that name and send it my way because I'll be back out there probably next couple of months.
- Joe:** Nice. Okay. All right. So how did you get into real estate? And just three years ago, it sounds like. Right? What were you doing before that?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** I was a journeyman plumber for the last decade and was building multifamily and single family houses for investors. And I started seeing them make a ton of money. And those can be used to make you show up in a nice truck and then you walk the property and you leave. What do you do? Then they started telling me while we put the deals together, we find the deals, we find the funding. And I was like, Oh, that seems interesting. Then my fiancé got into real estate. Red rich dad. Poor dad forced me to read it. I don't want to read. I thought it was some guru nonsense. That light bulb had a body of those crushing it and single family real estate said, Hey, how do I get into this game? He's like, How much money you have? I'm like, Not much. My plumber, he's like, Well, then you should check out wholesale, plug me in with Steve Trang. And then it's been snowballing ever since.
- Joe:** Steve Trang's a good dude, amazing guy. And you got started. All right. So you were doing houses when you first got started, is that right?
- Anthony:** That is correct. Yeah. I even joined Steve Trang's team for a little bit and then true entrepreneurial spirit, I was tough to coach and even harder to follow the lead of somebody else and wanted to do things my own way and then branched off and started doing houses with a partner, realized that wasn't going to work out. We had two different goals for where we wanted to go and stumbled into some land and hit the ground running.
- Joe:** Okay, now how did you stumble into land?
- Anthony:** So I was looking at some lots. We were looking at a mobile home in AJ at the time, Apache Junction in Arizona, and there's so much land around it. I'm like, Why is nobody doing anything with this land I was on? I think it was batch driven at the time and just started collecting lots and calling owners and I had to underwrite it a little better because I knew what goes into developing those lots from my plumber background. So I was able to call someone that I want a hundred grand. I'm like, you know, I'm a water meter, no septic, nothing. There's 35 grand worth of infrastructure needed. You're the first person to say that, like, well, the numbers don't make sense. I'll buy it at this number. And they said yes. And then builders liked it because I knew the numbers a little better than the average wholesaler.
- Joe:** Okay. So that's interesting. You came from it was a utility underground development kind of a perspective because you know, then what it takes to get a property ready for a home builder, right. Or for a mobile home, right?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** Yeah. For a mobile home or for single family builders. I had that background that kind of gave me the insight to what they're going to need to get that, you know, ready and buildable.
- Joe:** All right. Hey real quick, content house. You say here you have a question, ask away types of questions in YouTube chat. Thank you. Aaron can hear us. Aaron's got a question about wholesaling or finance, so we'll ask that question here in a minute. And Ed says and Laura, Laurel, bring on 2023. We got another question from Facebook user what's the best method or platforms for selling your vacant land deals? We will talk about that as well. And Aaron is here from Houston. Nice. Okay, cool. So you started doing land, but were you doing land is the traditional way that most land investors get started where you're just you're buying cheap recreational land and you're wholesaling it to people who want to go hunting and camping and stuff like that.
- Anthony:** No, not at all. I was looking for land that was in high demand for developers or investors to go and either place a mobile home, build a new house or even small multifamily. I didn't I've never touched the outside stuff. I know people crush it with you on the postcards and finding the land out and seller financing it. It's just not something I've ever done. Everything with mine was within a major city with access to utilities and normally in an area with a ton of growth and development.
- Joe:** Yeah, very cool. So give us an example of a typical market you like to go after.
- Anthony:** As though Phoenix has been the bread and butter. I like to stay in Phoenix and the outlying major cities that have, you know, strong economic growth. Obviously, with the downturn, things are going to going back to reality because the last two years have just been a whirlwind of crazy deals going left and right. But we're starting to see that we have to underwrite deals appropriately without banking on appreciation. So many builders were banking on appreciation. We're just not seeing that anymore in this market.
- Joe:** So you were targeting infill lots or these are properties. Give us an example then of like where in Phoenix do you typically go? Raptors where there's a bunch of new home construction. Is it in an area that's being kind of re gentrified where there's a lot of tearing down old homes, building new homes, or what is it?
- Anthony:** That's a great question. We focused we as a my team focused on, you know, areas that could either drop mobile homes. A lot of investors were doing mobile homes like crazy because people are getting priced out of the Phoenix metro area. So they're having to go out. So we're focusing on that. Any lots that can be subdivided or split. So you could place



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

four homes on them. That's something we went after as well. Then a ton of infill lots. Anything within an established neighborhood utilities are right there, either on the street or already on the property. So that's kind of been our bread and butter of what we've been going after.

Joe: In the Midwest. And maybe it's different in Phoenix, where a lot of the infill lots are in the city. There's nobody would ever want to build a brand new home there. It's just such a rough neighborhood. Right? Right. Even in markets like Phoenix, do you still target those kinds of infill lots in those neighborhoods, or do you still just stay away from them?

Anthony: So Phoenix has just such crazy growth and an influx of people moving here that even those lot's been selling like crazy. Because even if it's a rough neighborhood, you're still going to sell that house for 400,000. And this market is just it's gone crazy. So you could be next to a house with a parked up roof and sell a house for 350 without issue. It's just the craziness that has been the Phoenix market.

Joe: Is it still like that. You know, as things shifted in the last 6 to 8 months.

Anthony: It has slowed down and there's been a little cooling, but we're still seeing record low inventory. Inventory has doubled over the previous two years, but we've we still record low inventory builders are still opening up new neighborhoods. Left and right are KB Homes. You know, Merritt, those giant companies are still going gangbusters on these new developments.

Joe: So there still are these homebuilders there. They've obviously own a bunch of land now because they've been buying they're still building homes on these properties, on these lots of they've already bought.

Anthony: They are correct. Yeah. There's still a ton of new construction going on. The single family infill lot builders have slowed down just because their margins have got a little sketchier where they're actually going to exit because that appreciation is gone and we're starting to see a little bit of depreciation with houses sitting on market way longer than they have in the last two years. So those guys have stopped buying, but the multifamily builders and the larger builders outside of town are still going okay.

Joe: What's interesting you say that things have slowed down a lot, but things are homes still selling in 30, 60 days?

Anthony: Yeah, yeah. We're still getting.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: Back to a more normal market. It's not crashing right now.

Anthony: Not by any sense of imagination. We're not seeing a crazy crash, but they're are sitting longer. So in Phoenix, people are bidding 80 to 100 K over asset price just to get the property. So we saw some wild stuff and that's gone and now it's kind of back to numbers having to make sense.

Joe: That's funny because people are kind of what I see in St Louis at least even with some friends you know, who are selling their own person residents, they're kind of panicking because they're not getting multiple bids all day that it's listed and they're freaking out like, oh my gosh, is something wrong? But they're still selling their deals, their houses within a few weeks of couple of months. And inventory. Right. Is still really low. All right. So you started because of your background. You knew all right. You knew who your buyer was and your buyer is are developers, people that are building new homes, either big builders or individual smaller builders. Right.

Anthony: So normally smaller builders. I think the largest builder that we've done has done like ten houses on one parcel. Okay. So that kind of smaller medium range builder, we haven't done anything like the giant builders that come in by 32 million for 100 acres.

Joe: So then are you, are you finding the buyers first, calling them up, talking to them, finding out what is it you want, what are you looking for? And then doing your marketing for the deals?

Anthony: That is correct. Yeah, I flipped it and started working backwards. Instead of finding the deal first and trying to blast out to a buyers list, I went and found, you know, I try to find 3 to 5 buyers in the immediate area and that's how I kind of judge the strength of an area and whether worth us going into and if I can find 3 to 5, then I'll reach up all of them and say, Hey, are you still looking to buy more? What are you thinking of the market? How much depreciation are you factoring in with your numbers? And how can I see this through your eyes? I don't want to send you a bad deal.

Joe: How do you find those home builders?

Anthony: Google, driving. That's why I like to go visit lots of is like in Phoenix. I know all the neighborhoods and I'll go drive them frequently because most builders will put a sign in the front yard saying such and such custom homes as building. So that's how we built a good buyers list driving neighborhoods, finding properties, going up and adding them.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** So you're not you're not looking for the neighborhoods that Pulte or whoever the big homebuilder is in Phoenix. You're not looking for them. You're looking for the smaller home builders who's building 10 to 10 lots you so right.
- Anthony:** Yeah. We also have some like builder associations out here you can join. You can also look at Facebook groups and stuff like that. But Google's been great. You could Google, you know, custom home builder in my neighbor or area, whatever city you're in and then go go down the list and just cold call them say how are you still buying? What are you looking for? This is what I do. I wholesale and I'm not going to send you a bad deal. I just need some answers. What questions answered? So I send you good deals. Like how do you underwrite? What's your price per square foot to build? What utilities are a deal breaker if they're not there and stuff of that nature.
- Joe:** Okay. All right. So you call them up, you talk to them, and then you just you ask them, what are you looking for? What other kind of what are you do you need right now? Yeah. So what are they telling you? Are they telling you? Are they saying, hey, yeah, we still want land steadiness. What you've got, we're still buying? Or are they telling you now we're slowing down a little?
- Anthony:** Well, a lot of them have slowed down and pump the brakes and said, hey, we're holding off. We're going to try to offload some of the stuff we have. Some of them have even asked me to try to help sell some of the deals. They bought a little too high in the frenzy, like, hey, can you wholesale these for me? And unfortunately, some of the numbers are just so high because they bought them last year just gone with the craze. So we are seeing that slow down. But the multifamily builders I know are still going strong and looking for good opportunities.
- Joe:** That's interesting. I always say this too, when the market shifts, it creates opportunities. You're going to find who the buyers are. There are always be people buying properties, right? I saw it in the housing meltdown in 2008. There were still people buying properties. In fact, there was a lot of money coming in, buying foreclosures, buying as long as they were deals. Right. Right. But so now it's interesting. You're saying the multifamily builders are this is some really cool I know a guy in I won't say the state because I didn't get his permission to say this somewhere in the continental United States. How about that? Narrowed down a little bit. Who is killing it right now? Selling, buying vacant land, building duplexes? He actually builds the duplexes himself.
- Anthony:** Okay.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** And he will build the duplexes and sell them to retail buyers. And he basically sells them and says, hey, would you like to live in a home for free? You basically, I'll build you this duplex even with interest rates going up. Right. Even with interest rates, it's 7% or whatever. I will build you this duplex. You could rent out the other half or Airbnb it and then live on this half its house asking one on one, right? Mm hmm. And they will cover, if not all, a major portion of your mortgage payment. And he cannot find enough land and build these things fast enough, even in a slow market. Right. Building these little duplexes.
- Anthony:** That's a great idea.
- Joe:** He's got so much money begging people, begging him to lend money to build these things. And so there's yeah, you're right. There's a lot of opportunity. You just got to make sure you doing it in the right place.
- Anthony:** 100% and getting back to making sure that the numbers make sense. Getting rid of appreciation factor and maybe some depreciation. And so many multifamily builders were banking on rental increase just going year over year over year. But now we're seeing it kind of flatten out and in some cases actually slow down a little bit as new inventory is coming online. So factoring in numbers based on, you know, if a market does pull back to the multifamily land that they are buying, they're buying a lot more cautiously. And the numbers have to pencil it on the highest I've heard as a 25% depreciation with the lowest average being about ten.
- Joe:** What do you mean by that depreciation?
- Anthony:** So they believe the market worst case will pull back 10 to 25%. And that's what they're saying. Hey, this is our worst case scenario and this is how we're underwriting in stress testing these deals.
- Joe:** All right. So talk about how do you find these multifamily builders to sell your land to.
- Anthony:** Same thing. I do a lot of virtual driving for dollars and physical driving. So I'll go check out these neighborhoods and see who is building multifamily, also building relationships with good commercial brokers in the area. They will be a great lifeline and especially ones that are wholesale friendly because they do exist and say, Hey, this is what I do. I find off market land. And I've had a lot of great connections brought to me from a local broker that I work with named Gunner out of LevRose. And he's been phenomenal in helping me find good multifamily buyers.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: Excellent. And you mentioned a little bit what are what are some of the things you say to these developers and realtors of what how do you how do you say what you do and then what? Ask them what they're looking for.

Anthony: So if I was that like if I was calling a single family builder, I'd say, hey, my name's Anthony with Mavro Properties. I'm a land wholesaler and I wanted to ask you a few questions to see if we could potentially work together and I could source some deals for you. You have about 5 minutes to answer some questions. Then I have a list of questions I go through asking price per square foot, utilities, zoning, what they rezoning, how much time do they need for an inspection period? Would they want to factor in the zone into the escrow period and go through a long list of questions so they know I know what they need and that I'll go and find what they need. And then I give them some examples of deals with other we've done and I have a PDF that I normally put together form and send everything over was I do zero fluff and my numbers actually make the numbers look a little worse than they are compared to selling something.

Joe: All right. So are you doing any kind of rezoning yourself or are you doing any kind of development yourself or entitlements or whatever they're called?

Anthony: Yeah, I did a partial rezoning, I call it last year. The end of the year, I took a lot. That was zone R 43, which means one residential home per acre. And then I took it one to the city and got preliminary plat approval for a 64 unit property. And then we assigned that off. \$50,000 payday, which was pretty cool. And that was a total of 90 days all end with a 40 K investment of all the due diligence period and site plans and everything like that. So I was.

Joe: So made of quarter and \$50,000 assignment.

Anthony: Yeah. We didn't even double close it because the buyer he was. I brought him in and had good rapport with him and said, Hey, this is what I've got. How, how far do you need me to take this before you want to take it over? He says if you get preliminary approval from the city, then I'll take it. And he was on the calls with me with the city. I worked with a great entitlement journey to get everything put in place, great architect who sat on the board with the city. So it was a perfect storm to get the deal done, especially in 90 days. Normally those take you gradually.

Joe: So how long ago was that?

Anthony: I want to say it was about four months ago.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: After things have been slowing down.

Anthony: Yeah, things had already been slowing down. And they're still he still calls me and says, what other land you for me to buy? Anything else that we can resolve.

Joe: Now, somebody knew listening to this is going to be completely overwhelmed when they're talking, when they're hearing you talk about what you just did. Right. But you guys sounds like you got some help. You didn't have to know how to do it all. You who did you get to help you?

Anthony: So I started with so as soon as I got the property, I started going through the due diligence period. So I paid an engineering company to come out and do the geotech. In the phase one. I paid a survey to come out under the all to survey, and then I paid a entitlement attorney just to get with the city. Amazing to see if this was feasible, if the city would entertain it. Then I also paid an architect who sat on the board, the city of Mesa, to do the site plans and use his backchannels to make sure this is something they would approve up. So I built a great team of people that specialize in that field and in that city. So as the perfect storm normally does for the Pre-Application meeting, you're 38, 45 days out, and we got ten and 15 days just with their back channels and connections.

Joe: Who would be somebody new? Who would be the first person that you would tell them to go reach out to and find?

Anthony: So I would I would say get super educated first on reasons and look at the city master plan. So you can normally go on the city website and pull a master plan of what the city wants, an area to look like, and try to find lots that don't match with the master plan. So if you can find the master plan that says, I want high density multifamily here and you go look at what it's currently zoned at all, all single family residential. I would start going after those lots because, you know, there's a high likelihood the city's going to rise on that. And get familiar with that process first. And then the first person is a good entitlement attorney. That's who you want to even go to first and say, hey, what's the likelihood of this getting resolved? And they'll say, Yeah, that's going to work. That's not going to work. I have a pretty good confidence in that. Next, as the architect and say, hey, what's it going to cost to get the site plan drawn up? As soon as you say, yeah, that this looks pretty good, then start working due diligence because that all costs money. The site plan, the phase one, the Geotech or Soil Report's also known also survey. All those are around, you know, 1500 to 2 grand a pop so they can get pricey quick.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** So I was going to ask that what is some of the due diligence that you do or you hire somebody to do for you?
- Anthony:** Right. So obviously the site plan is after the due diligence or with due diligence, I'm always doing an alta survey. So I would.
- Joe:** Talk about what is a site plan.
- Anthony:** Okay, site plan is just an overview of what your plans are for the area. So to show the buildings, the parking lots, the retention basin for water, storm runoff, all your ingress and egress points, you know, driveways coming in and out where the utilities are going to run, all that stuff necessary for the city. Get an idea of what you want, because I haven't found a city yet that'll just freeze on a property without knowing what you want to do now.
- Joe:** Are you getting feedback from the guy who wants to buy the property of where those types of things are?
- Anthony:** Depends on the lot in the relationship. I have some people. Yes, others I just kind of know at this point what people are going to want because yeah, you don't want to go get a site plan approved for something someone doesn't want to build. Right, but is having a good understanding of what people are wanting to build and what design.
- Joe:** Okay.
- Anthony:** And the nice thing with a site plan approval, as normally they can change the look and facade of a building as long as the footprints of the buildings stay the same. So yeah, it is it is good for the multifamily ones to find someone that you can bring it to and say, Hey, is this what you would want to build here? And they could say, Oh, no, I'd want the buildings like this, this and this. And then you can kind of work that out, but make sure you have a good contract with a memorandum in place. If you're in a state that allows for memorandums, protect your interests so someone doesn't go around you.
- Joe:** So you're what you're talking about for a memorandum is you get a property under contract. You have how many months for due diligence.
- Anthony:** So that when we had 90 days or three months for due diligence, which is super short, normally we try to few for the entitlement ones where anywhere from six months to a year in some cases.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** So you want to record some kind of instrument with the county records to tie up the properties so that nobody can go to that cellar behind that you to get it under contract and buy it, right?
- Anthony:** Absolutely. And that actually happened. So I had shopped it to about four or five buyers and one of them that I didn't have as good a relationship. So I still got my finger on who tried to go around and the seller tried to back out of the deal saying, Hey, I got somebody else is offering me more, I'm canceling this contract. Unfortunately, that's not how this works.
- Joe:** Yeah. So were you able to keep that deal in?
- Anthony:** Yeah, that's a \$450,000 deal. Yeah. So. And I at that point, already had close to 40 grand because I had the alto, which was 1800. The phase one was, I believe, 1600. The geotech was 2500. The site plan was roughly 25 grand with the rush for the architect to get it done in time. And then I also had the out the entitlement attorney fees. So I was already close to 40 grand in the hall and I said, there's no way I'm walking away from this deal this deep. And thankfully I had the memorandum and in my contract it allows for specific performance, which means you can basically force the sale if the seller were to try to back out.
- Joe:** Nice. Yeah. Erin is commenting here. It's called clouding the title, correct?
- Anthony:** Right. That is correct.
- Joe:** All right. So you put a lot of money and time and due diligence to make sure that you can put a multi-family apartment building, one or two buildings there with enough room for parking, underground utilities, entrance into parking lots and exits out into the streets. There may have to be some at least preliminary design on like stoplights or traffic, things like that. There's a lot that goes into that.
- Anthony:** There really is, crazy. Every time I do one, I learn something new and it's I don't know.
- Joe:** Do you get a little nervous like me? I'm putting a lot of money into this thing. I don't even know if it's going to be approved by the city or not. What if this buyer backs out? What do you how do you do that?
- Anthony:** So the nice thing is I was so confident because this is a hard corner, meaning it's on the corner intersection of two major roads in a city that's rapidly growing like Mesa. Worst case



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

scenario, I had it so deep at 400,000 that it even if they cut the density down, it still made sense. I even went and got financing lined up should a buyer back out. I was going to personally close on it, take it fully through the entitlement process, and then the exit would have been by double of what I assigned it for.

Joe: Somebody may be wondering, why don't you just sell the lot as is to that builder? Why do you have to go through all that work of getting it approved with the city?

Anthony: Right, because the builder was offering, you know, 450 to 500,000 with as it is because they were going to have to, you know, inherit that risk. We're like, yeah, everything looks good and the city should be on board until they're not because there's been a lot of deals out here that have to go through like a city council result in the city council, shut it down last minute and then there's they're out of pocket, 40 to 100 grand in rezoning entitlement. And now they have a lot they can't use for their desire to use.

Joe: Yeah. So you're taking on some of that risk, right? Hence why you can make 450 grand as an assignment fee. Yeah. On a vacant lot. Wow. Okay, so somebody's listening to this. I'm always thinking about somebody listening to this is kind of a new investor. They they've done a few vacant land deals, five acre lots out in the country. And they're thinking they're seeing the bigger numbers on these infill lots and they find a deal like this. There's always a question like, dang, what do I offer? You know, even sometimes when we're targeting rural markets, we'll get a we'll get somebody that will call on a letter that owns a 2.6 acre lot at an intersection across the street from a Home Depot in a small town. Right. What would you tell them? Like, how do you do they find somebody like you to bring the deal to and say, hey, can we partner on this? Do they call some local realtors? What do you suggest?

Anthony: So I can't speak too much to the rural lots. I don't want to overstep my area of expertise because I normally focus on stuff in the major city in the way I look at it is what can be built on the lot, and then I'll start reverse engineering numbers from there. But you, if you did find a two acre lot across from a Home Depot or something, that would be something. Definitely there should be some potential there and then I'll get with the city. So that city's planning and zoning departments are planning and develop their your they're going to be your best friend and say, hey, what can be built here? Because the way I look at lots is the value of the lots based on what can be built. So then I start to figure out from there. But yeah, with the planning and zoning, can we resolve this? What kind of density could I get? Could I changes to commercial? Because anytime you can go from residential commercial, you're increasing value because that will just make it way more appealing to a broader range of people. So anything that you can do like that and then also reaching out to builders in the area and say, hey, what are you guys looking for and how can I be an asset?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** Wow. Okay, very cool. Now you've got a buyer in place. You know what he or she wants or what the company wants. And how do you go about finding the deals? What are you doing to contact the owners of the property, etc.?
- Anthony:** So I'm pretty old school. I still do virtual driving for the entire team. Has I taught the team how to virtually drive for dollars? Which means we pull up a map of the city, we zoom in and we go vacant lots of vacant lot and then cold call them. We use a batch leads for it will go onto batch.
- Joe:** So you're not doing this is really important. I've never liked virtual driving for dollars when you're using Google Street View, right? Yes. Some of those maps are one or two years old and you may find they just haven't mowed the grass in a few months. Right. You know, so that's but you're looking at satellite and you're looking for vacant lots next to lots with homes in them.
- Anthony:** Right. Yeah, lots with homes on it or within an area that we know we can do some like multifamily stuff. We go lot by lot and. Call the list, send it to batch to skip, trace it. They kick it back. Then we call culture the list and it's that's very simple. It seems almost too simple, but that's been our path to success. And I'm sure there's some scalability getting.
- Joe:** What tool are you using this is your going lot to lot down the street.
- Anthony:** So that's leads they have an aerial view that you can zoom in on the map and then I couple that with the GIS data, which is a county provided a geo graphic informational system, I believe it is, and that's provided by the city to go look at parcels. Pretty much every city or county should have a GIS map, and they normally have the most updated satellite views.
- Joe:** All right. So you're looking at batch they're software satellite view. You see a lot this batch. In that satellite view. Are they showing you lot lines?
- Anthony:** Yes. Yes, I will. So you can turn off satellite in, turn on plot lines if you want. If you just want to look at, you know, neighborhoods without the satellite or you can turn satellite on in, I believe overlay the lot line. Same with the gist. So you can normally overlay lot lines as well.
- Joe:** So when you click on a vacant lot in batch like pop up the owners information.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** Yeah. And then the beautiful thing is batch now has MLS access too. So you can kind of see some of your comps in the area for houses. So if you are doing infill lots, what I recommend, if you are looking to do in town, start with infill lots, cut your teeth, learn, you know, city zoning and stuff like that, get that kind of experience, build up and then go after the bigger stuff where you can make those large assignment fees.
- Joe:** So just let me clarify this. If you're getting that information from batch, what do you need the county or the city's GIS mapping.
- Anthony:** So some. So for whatever reason, the county seem to have the most updated mapping. Sometimes I found back on occasion we'll have like this one section where whatever, wherever they're getting their data is more updated. But normally on average, the county is. And I also cross-reference just to confirm that this lot hasn't transfer data in batch just as an updated yet or to make sure that everything's like matching up, if that makes sense.
- Joe:** Yeah. Somebody already answering my question right here. City or county gives map to find the vacant lots use batch leads to skip trace. Interesting. Okay cool. So you're are you doing direct mail or anything like that or you just it's old school driving for dollars.
- Anthony:** Old school driving for dollars. I spent a ton of money on direct mail and actually lost a little bit of money. When I looked at the numbers over the six month period, we had some deals come in that, you know, ebb and flow of it. But because we focus mainly in town, these people are all getting harassed with so much direct mail they don't know what to do with it, even amped up the game. And it's about a dollar per postcard on this big old fancy thing with a Starbucks gift card.
- Joe:** Hang on. Let me go. I'm going to remove my screen here. I'll let me move this down because I want people on YouTube and Facebook to see it and let them remove myself.
- Anthony:** So it's I think it's mirrored, but it's this big old thing. And this isn't a real Starbucks gift card. It's just something to incentivize people to call. This was created by a company called Dynamic Card and they make it's this helped us stand out in the Phoenix market because everybody is sending cheaper postcards. So when people got this and it says in fine print on that, you know, the tear away gift card that you have to call and have a property that you'd want to discuss to sell for us to honor the gift card, it's kind of like we'll take you out to coffee to discuss your property.
- Joe:** I wonder if Starbucks would approve of that. They better not to ask.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** Yeah, yeah. Ask for better or for sure.
- Joe:** Ask for forgiveness. You set permission. I know.
- Anthony:** But so many people are calling just to try to get the gift card. And I'm like, So what property do you want discuss? Oh, well, you know, my vacant lot. Which one? Oh, click. But yeah, for whatever reason, direct mail just didn't really work for us. So we stuck with what's been doing the interest and that's been direct our sorry virtual driving for dollars and cold calls.
- Joe:** So are you with you and you marketing who on your team is doing that marketing for you right now.
- Anthony:** So I am and then I have one other W-2 and then an independent contractor that works with us and doesn't call calling as well. So remote.
- Joe:** Do you have VAs that do the manual work of looking through a map or you're doing it yourself?
- Anthony:** We do it all ourselves. So yeah, everybody on the team I've tried to replicate my knowledge with and then they know areas to go head, they know how to underwrite the deals and then it's nice because there's no disconnect. So if we contact them first, a VA hasn't touched them first and then they say, Have you even looked at my lot? Yeah, it's right here on the corner of ninth now. Oh. And then they start asking the right questions compared to getting a VA trained up properly is not something I've been successful at yet I'm going to try to revisit again. But you know, trying to just have that good conversation from the get go and then carry through has been very good for us.
- Joe:** I wonder since it sounds like you're doing these cold calling one offs, right, and you doing real cold calling, you're going to have better connect what's it called, you know, a better success rate connecting with somebody because you're not calling them from a triple dialer or ten, ten line dialer. You can even do it from a cell phone and you're then more likely to get through and it's not show up as spam, right?
- Anthony:** That's correct. So I even went and got everybody on the team we were up to. I tried all five people last year. Some people want their own ways, which is natural when you're. Building a wholesale team and I went and got everybody a new iPhone. So they even got the blue bubbles when they're texting people, which really helped with the response rates because so many people in Phoenix have iPhones like are you even a real person when they see that blue bubble pop up like.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: Oh, green. Well, yeah, yeah. People that don't know and I think everybody knows this if somebody gets a text from a green bubble, it means usually you're using an Android. Most people have iPhones and it actually kind of is a whether you like it or not, kind of a status thing. Yeah. So a blue bubble means more likely to be real.

Anthony: Yeah, because it's really hard. You can't spoof iPhone numbers or that blue bubble, you can't fake that. And so that's been really helpful because then they know that we are legit because I've had people.

Joe: That, you know, there's somebody who has who knows how to spoof. And I mean, if somebody listening to this has a way to do that, we send blood pressure.

Anthony: They would crush it.

Joe: That is funny. All right. So you're buying you're signing up for you're buying iPhones, you're signing up for a Verizon AT&T phone plan for each of your sales guys. People are afraid to invest that kind of money. But you look at the ROI on that and I bet you it's doing really, really well.

Anthony: Oh yeah. We went from like a 30% answer to, you know, a 65, 70 in best case, just because people if they popped up the caller ID if they texted it showed the blue bubble and if they left a voicemail, all the voicemails were done by each member of the team saying who they are and who they're with. You know, like I really tried to treat it like a real company. And then we also had a website up that people could go look to Mavro Properties dot com. If they needed credibility, they could read our reviews. And I really focused a lot on trying to build this as a correct company instead of like a fly by night wholesale operation. Like so many of my friends run or they don't want to give out their names and stuff like that. So I tried to make it as legitimate as possible so that.

Joe: That's so cool. So what do you put on the caller I.D.? But the name of the salesperson on the caller I.D.?

Anthony: Yes, on the phone. Yeah. So it said so ID normally say their first name and then Mavro under it, try to do Mavro Properties. But it wouldn't all fit and I might say Dillon Mavro. And they like who? Dillon Mavro answer like, hey this is Dillon with Mavro Properties giving you a call about like a lot. You want to hang up on me or continue the call.

Joe: That is so cool. So is that your cold calling script?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** That that was our old this was pretty much our older one. We changed a little, but it was I love.
- Joe:** That you want to hang up on me or can I ask you some questions?
- Anthony:** Yeah, that's I think that was a Jim Camp or maybe even a Chris Voss entry might have been Sandler. I forget now, but one of those.
- Joe:** And you still do that one?
- Anthony:** Yeah. Yeah, it works great because it shows people that you lot of people laugh at it, especially like D type personalities, like real grumpy people. Do you want to hang up on me now or continue the call.
- Joe:** That's funny.
- Anthony:** But see how that works? Great. Because you show people they actually care about their time and you're not trying to fluff them like a house. How's the weather? And who are you?
- Joe:** Yeah, you know, that reminds me to I did an episode and you might want to look into this on how to leave voicemails, but I did it with a guy named Claude Diamond. Claude Diamond is one of my sales coaches. Coaches that got me started in the business long, long time ago. And he teaches and coaches and sales training and he has some really unique methods on how to leave voicemails. And I'm going I know I'm going to butcher this and I've not I've never had the cajones to do it like he does it. But it's like you when you're calling somebody, you pretend like you have a contract for their property right in front of you and you're getting ready to sign it, but you have a question for them. And so it's basically there's two things he does with his voicemails. He says, Hey, John, Claude here again. I know we were talking a little bit ago, but I've got the contract right here in front of me. I'm getting ready to sign it for your property. They're at one, two, three Main Street. Now, give me a call. I got a question for you real quick. I need to talk to you. It's really, really important. Thanks. Something. Something like that. Right. And the other thing he does, like, he will do something similar, but he'll pretend the phone gets disconnected. So he'll hang up or he'll do a long pause and he'll say something like, Hey, Jim, real important. I'm looking at your house right here. Got a contract, and I this something just came up. This is really confusing. I think it's a problem. Long pause, right? And then every time and I've never done that. I thought about it. I thought like, I'm too scared to do it anyway. Something to think about when you like voicemails or other times.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** We have an RJ Bates approach with texting that I stole, which where you call, call somebody. They don't answer and you text them, Hey, did you get my message? Well, and they will text back. What message? Or they'll call you right away. Hey, what message? The voicemail left about the property I've been trying to get a hold of. You didn't get my voicemail? No, I didn't get your voicemail. Okay, well, it doesn't make sense for us to keep stay on this conversation. Do you wanna hang up on me? That's my that's got my go to line now because we've said it so many times.
- Joe:** But yeah, we just gave you all listening to this really big, huge gold nuggets. I know somebody is going to take that. What we just tell Jan, you're going to make \$1,000,000 with it.
- Anthony:** You will. You literally will.
- Joe:** Now so awesome I love the fact too that you're not using some automated system or robo outbound dialer. You're probably being more compliant. By doing that.
- Anthony:** I stay very compliant I do where we have a smartphone account linked to Podio, but they only do individual deals going out. And the reason why we do that on the lead follow ups is so we can review the recordings afterwards just for sales, training, check tonality and see where we did right, where we went wrong. But other than that, everybody has a cell phone that they can text and they all have company emails to Dylan Anthony at Mavro Properties. So everything looks super transparent, super clean cut in like with the smartphone dialer. It's registered by my company name. We're not trying to hide or play in the gray area.
- Joe:** I just see this so many times. The guys I know, least locally here in Saint Louis that are doing a lot of deals now, they're not in the big masterminds. They're not going to the big sales training conferences, and they don't listen to podcasts, but, you know, and watch YouTube videos or buy courses, you know what they do all the they answer their phones, they've got their phones and they're like, if this simple, Joe, if you want to make money, if you're not on your phone, you're not making money. So when somebody calls on a letter postcard bandit sign, you know, answer the phone, don't send it to voicemail. Answer the phone and give them your cell phone number. Put your cell phone number on the bandit signs. Put your cell phone number on the postcards, on the letters, because who answers phones any more these days? And then it goes to voicemail and you call them back. Who answers those calls? Never. Right. So this is really important. This is my favorite here.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** I have a fun story about that. Answering your phone. A lady called me. She was a mobile home that burned down. She called me at midnight and I answered, like, I can't believe you just answered. I said, Yeah, all of our company lines are for directly to my cell in case of an emergency. Is there an emergency? What's going on? It's like, I don't know. I just got your post card and it's been sitting there and I figured I was going to call, leave a voicemail, but here you are. I'm like, So tell me what's going on. When I met her the next day.
- Joe:** I know another guy who does direct mail and he says on there, call or text our 24 hour recorded voicemail. But they still have people answer that line. Nobody's ever complained about it. He says he does tons and tons of deals, but the point of it is you're going to get more calls if they think that it's going to go to voicemail. Right. Because they answer the phones. All right. So, so, so interesting. This is very cool. So just kind of wrapping this up now. You you're targeting infill lots in major cities, right? Finding where the demand is. Right. You're talking to the builders or the buyers finding out what do they want? What would it what do I need to do to bring you a deal that you're going to be interested in?
- Anthony:** It's in Arizona, major Texas cities, San Antonio, Dallas, Fort Worth, Houston, and also trying to get my feet wet in Florida anywhere that has good population growth year over year with good influx of just jobs, companies and people, then I'll definitely look at it and I'm trying to even move into the development field now building a ten unit here in Phoenix that's going through finalizing up some of the plans with the city and then we're to go vertical. So my goal is to start building a lot more and but I'd love to help anybody in any of those markets we can look at underwrite deals even by just help underwrite and say, this is my opinion on it. I'm more than happy to do that as well.
- Joe:** Yeah. And I'll give you everybody your contact info here affect. I mean, you just do it right now if you're still watching and listening, but you should be. Why are you not? And I know you're listening. I have my ways and I have my have my ways. I know that you're listening, but on Instagram it's at AD underscore Pappas. A d is and what does the D stand for.
- Anthony:** Dog Daniel David.
- Joe:** David Anthony David underscore that's that little underscore line Pappas cool. And in fact, if you send me Anthony in an email address or whatever, I'll make sure I put it in the YouTube video description down below or a website. You have a website you want to do?
- Anthony:** They can check out Mavro Properties if they want, or they can go to my YouTube channel. AD Pappas. And that's I do a lot of like info, a lot due diligence breakdowns. I'm going to start doing that for people that are trying to get into I'm trying to put out the add content



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

that I couldn't find when I got into it. So it's all it's all going to be there. Did a breakdown of how I scaled from my first land deal up to 1.2 last year, 1.5 this year. So I'm trying to give out as much free content to people to help them get on the path to success as well.

Joe: So I have to really there's a trying to do a banner for YouTube ads. I used to you on YouTube use the at symbol like you do Instagram.

Anthony: I think you might be able to I'm not sure you have A period D period Pappas on YouTube.

Joe: Let me fix this. But if you just Google AD Pappas on, if you search on YouTube.

Anthony: Yeah, it should be. Yeah. Or go to my Instagram that we put up in. I should have a link in my bio for the YouTube page and then if anybody has any questions on land that they'd like to see put into a long form video, send it to me on YouTube, but I'll, I'll put it out.

Joe: How cool. Yeah. And your website is your company website is Mavro Properties dot com. Yeah, man, I hope. We'll reach out to you and contact you about this. Let me ask you a few more questions real quick to wrap up. What do you see the market doing over the next year?

Anthony: I think so. I'm a big proponent of studying people that are experts in the field. And one of my favorite virtual mentors is Ray Dalio. And his company thinks that we're going to go into a period of stagflation for people who don't know. He owns Bridgewater, which is one of the biggest hedge funds in the world and multibillionaire. And so they think we're going to turn to a period of stagflation just based on the current economics that we're seeing. So I do think we're going to see a pullback on prices, little stagflation in the you know, in the total economy as things kind of level out, because the Fed said they're bringing interest rates as high as they have to bring us back to 2% inflation, which I think we're going to land about five and a half percent on the Fed the Fed rate.

Joe: And what's it now?

Anthony: I believe we're at three and a quarter.

Joe: So it's still got a ways to go.

Anthony: Still got a ways to go.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** Ray Dalio. I just Googled it here right now. How do you. Does he have a newsletter or a blog that he does? How do you.
- Anthony:** So his company, you can go to Bridgewater on YouTube and they break down their macro economic views on things and where they think it's going to go. And then also he does do a newsletter through Bridgewater Associates dot com I believe his website which is great.
- Joe:** Bridgewater dot com. Yeah I'm signing up for his newsletter right now.
- Anthony:** He's also written some amazing books on, you know, so principles, which is a book that just kind of shows how he structured his life to build that kind of company. And then a few books on the economics and the cycles of economics that we're kind of experiencing.
- Joe:** Yeah if you go to principles dot com is his book your guide to journal create your own principles to get the work in life you want.
- Anthony:** And then big debt crisis and his newest one. Yeah, it's a great book.
- Joe:** That's his newest one.
- Anthony:** Yeah. Yeah. I wish I would have got that book like two years ago, but we all would have predicted things differently.
- Joe:** Have you read it yet?
- Anthony:** I have. Yeah, it's a great book.
- Joe:** Just can you give a quick synopsis of what I'm looking at here? And it looks fascinating.
- Anthony:** So I got it on preorder, which I got it, I think two months early. And it talked about all the different big market collapses throughout history and how it relates to today. So we talked about, you know, what's happened in Europe, what's happened in, I believe was it Norway, where they did have the tulip mania, the talk about the tulip mania, and then he brought it over here. And what we're experiencing and how every time there's a rising country, there's one that's falling. And based on the current economics of the U.S., we're a falling power while China is a rising power where they're pulling money into their country. Obviously, China's also has some bigger issues that they're currently dealing with, kind of preventing them from competing with us. But they are rising as we are slowly pulling back.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** There's a book, if I'm looking at Amazon, there's a version from 2018 and he's updated it December six, 2022, which is less than a month ago. So make sure you guys get the newer 122. Fascinating. All right, cool. So you're a little bearish on the coming market for the next year.
- Anthony:** I am, but I'm also bullish in the sense that I believe it's going to be a great time for real estate multifamily development, because we're going to see labor and material prices come down because as inflation is still pretty high and as they keep raising the Fed rate and job start slowing down and people start getting laid off, and these big developers are slowing down on going crazy with the new development that's going to free up a labor pool in materials that have been just sucked up by all this new development. So we are seeing that slow down where single family guys are pumping the brakes and that's bringing prices down already. And guys that were too busy to answer calls are now calling back like, Hey, do you still need a bid on that ten unit? And so we're going to start seeing aggressive bidding again and finally get back to hopefully, you know, 140 K door when we go to go vertical.
- Joe:** Okay. So you're talking about construction, cost of construction coming back down to earth, right? Material price is coming down. Labor base is coming down. I remember about six months into so the middle of 2020, I think it was towards the end of 2020, thinking about building a pool. We're talking to pool contractors. They were three years out conception of building pools. And I haven't talked to any of them in about a year and a half. Some swimming is getting better.
- Anthony:** Oh yeah. You probably like nine phone calls right back. If you left a voicemail, it is deleted.
- Joe:** Well, I couldn't even get them to return my call. I told that some guys like, Listen, I'll pay you to come and give me some advice and design something for me. But yeah, so hopefully that's not good for contractors, but I'm saying for consumers like builders. All right. So then things are slowing down. Does that concern you at all? I kind of started this podcast with that question. Does that concern you at all of the demand for the vacant land that you're finding for your investors?
- Anthony:** So it does. And that's why I'm focused pretty heavily on the multifamily land as those guys will keep building. And then some of the we also have started looking at some of the bigger stuff for the bigger developers because I had a sit down with some of the guys that own these larger companies doing, you know, 500 houses at a time. And they say they don't care about cycles because the length of. Their project will be built. They'll go right through multiple cycles. Like by the time I'm done will be into another cycle and potentially almost



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

into another crash. So I don't care why their numbers make sense and they're just such a big company, they can weather the storm, but the smaller infill guys have gotten priced out and it's getting back to sellers and saying, Hey, I know your neighbor's lot sold for 100 last year. We're back to 34 years and this is why.

Joe: Wow. Very cool. All right. Any final words, Anthony?

Anthony: I do have a question for you. So you were teaching the power of wholesale lease options for like over a decade, right? Do you think we're going to see another surge of that coming in to what we're experiencing now?

Joe: Yeah, 100%. And you know, when I started doing these options, it was 28 and nine. I quit my job. I was making a killing, doing lease options. And then until about 2012, the market kind of turned around. A lot of cash was coming back into the market. And it's not that lease options kind of stopped working because they always work. But it was just easier to wholesale deals to cash buyer investors. So I could make, you know, I just it was so I started doing more cash buyer wholesaling starting in 2012 and then, you know, for the next 8 to 10 years still do lease options now and then, but it was just easier to do cash wholesaling. So we started doing a lot of traditional wholesaling. And now the last three years I've been doing more vacant land. So I love the business though, because what used to work is going to work again. And what works now may not work tomorrow, but it's important to be kind of diversified, to be a, you know, as some people call, like from the ground calls, a transaction engineer where you're looking at different where's the market going, there will always be a demand. So if the housing market continues to slow down, we're already seeing this. More and more sellers are saying yes to the creative financing offers. And I'm hearing this from students as well, like, hey, man, I got realtors now calling me saying, Hey, remember that lease option offer you made six months ago? Seller My client is would consider that again now or we would consider that now. So there will always be motivated sellers. Creative financing deals work better whether it's lease options are owner financing or subject whose owner was created. Financing deals always work better in a buyer's market. Right. Right. So I do see that coming back and I think wholesaling lease options are really good strategy on a down market because you don't want to be caught holding a property for two or three years. Right? I would rather be in and out. Last thing I want to do is is own a bunch of properties that are declining in value that have very little equity, even though a cash flows, you've got to have equity in cash. So if the deal doesn't have really good equity, just wholesaling, get it under contract to lease option it and then sell that to a tenant buyer. I think you I think you're going to find it easier as the year 2023 progresses, right, to do lease options. I certainly think we're at a place where it's going to be as easy to



www.RealEstateInvestingMastery.com

do wholesaling these options as it was in 2029, 1011. Right. So, yeah, that's my prognostic prognosis. Cool. Well, any final words then, or another question?

Anthony: That was my major one because I was looking through, you know, old variables and like where we headed. And I like to look to the past to see where we're going. And you've got some amazing videos touching on that subject over a decade ago. So I would say people haven't gone back to those videos. They need to because I feel like it's a very powerful tool.

Joe: I need to I mean, I was having students back then that were making a killing. I mean, not making a killing, making decent money, doing lease assignments instead of lease options as they were doing lease. So they would give the seller or landlord an option to lease their property, the option to lease it, and then selling that lease or a signing that leads to a tenant for a one month's fee, you're only going to make 1000 \$2,000 in each of those, but you could do them really quickly. And we had students that at the time, and I see this maybe coming even back and we'll see where they were making 5 to 10 grand a month just assigning doing leases like that. That makes sense.

Anthony: And that's why I was ten grand while other people are struggling. That's huge.

Joe: Yeah. Yeah, exactly. I remember so clearly those days back in oh nine and oh ten, realtors were hemorrhaging cash. Whatever cash they had left, they were desperate, desperate for make it money, because what used to work didn't work anymore. And I coached a lot of realtors on doing these options back in 2009, ten and 11. Right. And some of these guys, they were top producing agents doing a lease option deal. It's crazy, you know. So we'll see where it goes. You know, I, I always like I think it's important everybody understand listening to this. We don't create the market. We don't create demand. You need to go find where the demand is, where the cheese moved to, who knows? Maybe short sales are going to come back. Maybe not. Maybe. I like what you're doing with multifamily and land. You should look at what? Did you build some capital. Now I've got a track record. Find some investors private. Money. And start building duplex. Like that's. And if you could find the areas in the country where Airbnbs are more accepted and allowed, maybe Florida, maybe parts of like what's that area in Tennessee where there's like. Mhm. Yeah. Well Nashville's a hot market but there's an area in Tennessee where there's a lot of vacation homes. Okay. Like in the mountains, I forget. But anyway, somebody knows what I'm talking about. Like where Airbnbs are more allowed. And you can go there and build duplexes and advertise for buyers for free.

Anthony: That's a beautiful strategy.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: I guess, because then you can find the land for super cheap build cheaper. Gatlinburg thank you, content house. There you go. Gatlinburg. Right. So something to think about. Somebody out there listening to this, you can make a lot of money. You find that the demand and there's a lot of people who are like they need to move into a new place. They're worried about the market. They're worried about interest rates. Maybe they want to buy investment properties and they're like, What am I going to do? Because interest rates are so high where you can still cash flow. Sometimes when you do this, these kinds of strategies. Right. All right. Well, this has been very good interview. Thanks.

Anthony: I really appreciate having me, thank you.

Joe: Again, just so people know and real quick, I'm going to. There were there were a lot of people typing in comments which was awesome. On Instagram AD underscore Pappas your company website is Mavro Properties M A V R O properties dot com and you're YouTube just do a search on YouTube for AD Pappas and we'll put a link to these in the comments or in the description of the YouTube video. And just looking at the the podcast, the comments here. Rick Powell, thanks for this podcast. You're welcome. Thanks. All nighter Hyder, love that name. I'll send two text per number spaced out a few days. The longer my list the less time I spend chasing. Okay cool content house is asking when doing a texting campaign, you text every number or only the first few, maybe only one number for each person. Does that make sense?

Anthony: It does, though. Yeah. I think if you're doing like a skip trace from batch or something, they'll give you, you know, sometimes five numbers or so if we're doing a text campaign, which we've gotten away from because once again, I tried to cold call the numbers first and if we had a good voicemail, that's normally when we text the number about when we were doing text campaigns. Yeah, we were just getting the first three numbers when we're going to check Splash. But I've got.

Joe: All nighter Hyder is recommending George Gammon and The Rebel Capitalist for macro.

Anthony: I'll add them to the watchlist.

Joe: Yeah. Aaron thanks guys. Content house is also is recommending Dan Borrero. He's a good person to ask about market analysis. Principles dot com is that book. Bridgewater dot com is that other book Ray Dalio book Principles let me go through this answer the phone old school righteous.

Anthony: In the pump.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** Somebody asking what CRM do you use to keep your leads organized?
- Anthony:** It's a built out Podio.
- Joe:** So you, okay. Did you build it yourself, or you bought somebody else's.
- Anthony:** I bought a built out one from Rafael Cortez. But last year with the 1.2 million, we did that on a free Podio.
- Joe:** Good old Rafael, you brought him up, didn't you. Traffic engineering firms tend to get info early in the process too. It's interesting. Yeah. Somebody ask if there will be a replay of this podcast. Yes, it's on YouTube, so go to my YouTube channel and subscribe. What's the best place to learn about zoning codes in your particular city?
- Anthony:** The city is going to be your number one. Go to that especially you'll find some pretty nice people at the cities too. And the nicer you are, the nicer they're going to be. But even just Googling, you know, whatever zone you're looking at, Google your city name. Zoning code, zoning spreadsheet, zoning chart. And it'll pull up. Then you can start researching that. The city tries to put out as much information as possible. They want to incentivize development. They want you to build in their city because they make a ton of money with all the fees and stuff like that. So all of it's available normally on city sites.
- Joe:** I had a student who would do this a lot with property management companies and the county records departments and court records bring in donuts. You bring in donuts and you say, hey, I got some questions if he can help me here.
- Anthony:** Yeah, they're great people to work with and there are people doing a job. So that's yeah, it's a, it's a great place to start.
- Joe:** Yeah really content guys fire from Joey Legends. Josh Brown I know you, what's going on and you know this guy, Brandon Simmons.
- Anthony:** I do, I do.
- Joe:** Good dude, Pappas is a stud. I saw a couple of you will answer this question. Oh, it's Sheila from LinkedIn. I actually somebody from LinkedIn is watching this video. How about that? It's actually working. I didn't know anybody knew me in LinkedIn. So, hey, LinkedIn, people like Sheila. Hey, Sheila, this is a beautiful thing about the way Anthony does is how does he



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

sell his properties with the phone call? You don't advertise these things. You don't need to write.

Anthony: Every now and again, one will be a little tough to move and I'll end up on a blast list. But majority of the deals go to in Phoenix. I had about seven builders that were my go to builders. So just picking up the phone, getting on Google first, finding builders in that area. And even better, if you can go drive the area and you see a couple new builds going up, they're going to put a sign out front. They advertise who they are. And call him, say, hey, would you be interested in another property right here?

Joe: I wonder if you could call realtors who list those new builds.

Anthony: Oh, I'm sure.

Joe: Ask them. Hey, you know, can you maybe I can send some new listings to you if you can help me with this. Right. Or send new listings to your client so they can use you again to list their other properties.

Anthony: Another strategy that works pretty well is it? It's got to be in your contract. Make sure you're following all local laws and regulations. Is advertising on the MLS. So if you have it in your contract, like in Phoenix, it says, I have the ability to advertise on the MLS, all in blah, blah, blah, all the legal mumbo jumbo, and we're allowed to put properties on market and we've sold some in like the nicer luxury areas by doing that. So you get with a good agent that understands how to market wholesale properties on the MLS and then make sure your contract allows you to do it first and foremost, and then you can do that and sell some properties that way as well.

Joe: Nice question here. I apologize for getting to these questions late, guys, and thanks for your time, Anthony. You're being gracious here going long. How do you do wholesale and owner financing for any of your deals or are you selling them all for cash?

Anthony: I have only owner financed one and that was for a development play. And so I assigned it to his company. I made my profit off the front end but left 50. Okay, trapped in the deal as owner finance, which is a pretty cool deal, but that's the only one I've ever owned or financed.

Joe: Okay. Joe asks the question, what percent to market value are you offering after running comps in this market? So I guess you can answer that and I'll give my answer for how I'm doing it to get a little different talk about that.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** Yeah. So for infill lots, which will be the easiest and shortest one to answer for infill lots. I'm taking a call in that neighborhood moving, removing 10% of the value right away. And then I'm normally trying to lock it up for 10 to 15% of that and it should sell for 17 to 20%. And that's kind of how we're running numbers now and that's if all utilities are in place.
- Joe:** So you're back the track a little bit. So you're finding what the price of the house sold for. Right. And so you're figuring then the land is worth about 10% of that.
- Anthony:** But that's after. So if the house currently today for easy math is worth 100,000, we're taking 10% right off the top of that number. So 90,000 then I'd try to go lock that property out for 9000 and are running numbers right now. But if there's no utilities and stuff like that, then you have to kind of factor in those costs as well. Or if it's up a fell lot or a lot where they have to bring on dirt or take dirt away. You got to remove trees. All that has to be factored in. But yeah, on average, 10% to 15%.
- Joe:** Yeah. And this goes back to our LinkedIn Sheila question of selling your properties is finding following the demand and I talked about this in my program and I've also interviewed people who do this like it's so easy these days to go in and find in the last 30, 60, 90 days, where are all the people buying vacant land and go into those subdivisions, into those zip codes and market to those landowners in those areas? And then you can go see who those people were from public records. Right. And just you can sell it to them. Well, then the other question, back to what percent offering? The cool thing about going to see where the demand is, right? You can see what they're paying for their properties. And as the market slows down, guess what? That number goes down as well. So I'm always at 25% what I think I could sell the property for. So I think I can sell the property for ten grand because I've seen in the last 30 days, 60 days, that's what people are buying them for. I'm going to offer 25% of that. Okay, cool. Got to do. Thank you, gents. I'll come back and listen to the replay when I'm less busy. Is this being recorded? Yes, it's Donna. It is on is on my YouTube channel. Go to YouTube do a search for Joe McCall. Find it to Facebook user. Great info back to you. Very helpful. Ramon do you JV on land deals if I find it interesting seller yeah, we talked about that. Go look up Anthony's contact info on Instagram and YouTube.
- Anthony:** Yep, love to JV on deals.
- Joe:** Cool, learn your money. Thanks, guys. You're welcome. Hey, great podcast. Appreciate it, Anthony. And again, YouTube. Just do a search for AD Pappas. Company website is Mavro Properties on the Instagram. Are you active on Instagram?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Anthony:** Yeah. Yeah. It's normally you get a hold of me on Instagram. I try to get through all messages within a day or two. I try to be as active as possible on Instagram.
- Joe:** Do not message me on Instagram, anybody ever, because you'll never see a response from me on that. All right, AD underscore Pappas. All right, man. Hey, thank you so much, appreciate it.
- Anthony:** I really appreciate you bringing me on the platform. Thank you for the conversation.
- Joe:** Alright, we'll see you guys all later.