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1280 – Stop Chasing Sellers

Hosted by: Joe McCall

Joe:

What's up, Real Estate Investing Mastery Nation? Joe McCall here, got a great little simple podcast. I've talked about this a lot before, but I think it's really, really important that we talk about this again. I just got an email from a student who's got a seller that he sent the offer to the seller. The seller came back with, Well, first of all, let me rewind a little bit more. Normally when we're doing vacant land deals, we send sellers an offer that gives us 90 days to close and we include a it's a cover letter, a one page contract, and then a third page is a limited power of attorney that gives us the right to list the property. Then we also have 90 days to close for due diligence, and we also have a clause in there, the number 11 clause that says we have the right to terminate the agreement for any reason whatsoever. Now, okay, you could say, Joe, that doesn't sound fair. Well, fair to who? Maybe it is, maybe it isn't. I don't know. That's the thing with vacant land, you don't have to think of it like houses. Houses. You probably couldn't get away with something like that. Maybe you could, but with vacant land. The reason why I love it so much is we give ourselves three months to close. We can cancel it for any reason. That's just what we put into our contracts. And I've done tons and tons of deals. And guess what? And every one of the deals that I've done, I've never had a seller object to any of those things. Now, with vacant land, it's different than houses because there are fewer buyers for land than there are for houses. So you have to make sure you give yourself a way out of a bad deal. You just don't know what you don't know, especially since you can't go look at the house. You've got to give yourself three months. You know, one month is plenty of time to sell a house. Three months is plenty of time to sell a vacant lot. You can't. I very rarely. I've only done this once, I think maybe twice closed on a land deal in 30 days because I knew it was such a smoking hot deal. There's so many things that unless you can actually go look at the house and the vacant lot and you just don't know and begin there's because there's not as many buyers, you need more time to do due diligence on a vacant lot. And I'm honest with the sellers and I tell them, listen, I'm an investor. I flip vacant land to people on either for cash or for owner financing. So a lot of times we sell our land to buyers with payments. Over time, we sell it for owner financing. So I need due diligence. I need a time period of due diligence to verify this. The way I say it, to verify things like taxes, title and value to make sure this is a property that I can sell. Is that okay? Is that fair? I asked the seller if they're okay with that. And what do they always say? Usually yes, fine with that. Okay.



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Joe: So my student sent the seller an offer and the seller responded back. Good morning. I received your offer, but I have a few concerns. Number one, I would not be able to sign page three, which is the limited power of attorney that gives us the right to list the property on the MLS. That's all it says. We have the right to list the property on the MLS, but the seller didn't say why they wouldn't be able to agree to that. So I asked the I told the student, you should act and don't just get into an email exchange. You got to get sellers on the phone. So a lot of times, you know, you get a text or an email back, don't get into answering going back and forth by text or email. You've got to pick up the phone and talk to the sellers. So that would be number one reply back. Hey, great questions. I'd love to talk with you on the phone. When can we chat? So get on the phone and talk. In fact, my my, one of my original coaches and mentors on the sales side of the business is quite diamond and he prefers to use Zoom so you can actually look at the sellers in the face. They can see you and it's much, much easier to negotiate or to close a deal when you're talking to a seller on the phone. Okay, So try to get them on Zoom or face time and see them so they can see you. The second thing the seller objected to was 90 days is a long period for proper due diligence. And what will the due diligence be? It number three, this agreement doesn't seem binding with the clause number 11 on page two. That gives the buyer the right to terminate the contract. So that was the email coming back. So the first thing I want I told my student is, you know, the seller doesn't sound too motivated, do they? All right. We can only do deals with motivated sellers and this seller. If the seller is not motivated, we're probably not the right fit. And I tell that to sellers all the time. I'm completely honest with them. This doesn't sound like this might be I might be your right buyer. It sounds to me like you want to close faster than what I'm comfortable with, and you want a higher price. And I'm willing are comfortable to pay, which is totally fine. You should probably list your property with an agent. You should probably just listed with a realtor. Because I'm not a retail buyer, I don't pay retail price. I need longer time to do due diligence and market the property so I can resell it to another buyer with owner financing. So it sounds to me like you need a realtor to list your property. If you like, I can send you three or four realtors that have listed and sold property recently in your area. Would that be okay?

Joe: Here's the thing. You've got to put this first and foremost in your mind, okay? You are not. Not to become the motivated buyer. You can only do deals with motivated sellers said the seller is not motivated. Move on. Motivated sellers will make you rich. Send me motivated. Cold, lukewarm sellers will make you broke. Do not try to turn a non deal into a deal. Don't ever try to turn lemons into lemonade. We don't want to become the motivated buyer where we're trying to squeeze whatever we can out of a deal and hopefully try to make it work. These are valid objections. I'm not saying they aren't valid, Right. They're fine. There's ways I can you out to talk to the seller and talk about it in a second. Like, what do



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you say back to them? But like the seller scale motivation on a 1 to 10 on this deal sounds to me from this email is maybe a two or three. We only do deals with motivated sellers and like the eight, nine and ten level. So sometimes sellers just need time to cook. You'd never, ever, ever want to chase sellers. We're deal finders, not deal creators. And the harder you chase sellers, the faster they'll run. And I was just talking to another student this morning is like, Man, I can't believe how awesome it is. Talking to sellers who respond to my direct mail when I used to do texting and cold calling as like I always was in this position where they were kind of, what's the word I'm looking for? Like they were in charge, right? But with direct mail, I'm returning their call. I'm. I am. They're the ones contacting me first. Does that make sense? So huge difference here. Now you've got to be willing to walk away and turn away from the deals. You want to act like a disinterested buyer and you want the seller to say, no, it's okay to get the seller to say no. So what would you do? And this is one of the things I told my student, You've got to talk to him. Doesn't sound like he's motivated. You probably you just need to walk away. So you got to understand sales psychology and a lot of this I learned I got to give credit where credit is due to a good friend of mine, Claude Diamond. And if you go to his YouTube channel, search him. He's got some great training that you can get for free. Claude Diamond dot com on his website. Go check him out. Good guy. But you got to get on the phone and talk to these sellers and ask them questions. One of the things that, you know, when you're on a five minute conversation with the seller, you should be at least asking at least 20 to 30 questions to the sellers. For example, why don't you want to sign page three? What's going on? You know, there maybe there's something that is there's a maybe he's not the actual owner on title. Like he can't give that kind of permission to you because he doesn't actually own or maybe he's on title with his wife and they both would have to sign it. And she's deceased. I don't know. Whatever. Right. So then the whole thing with the 90 days not being valid or not being watched too long or what it actually is due diligence. So, first of all, you got to understand in your mind yourself like what the seller said. 90 days is too long of a period for property diligence. Well, actually, no, it's not. That's just the way we do business. That's the way we do our land deals. Now, you shouldn't say that to the seller. Don't wanna argue with the seller, but maybe say something on the phone like, you know, Mr. Seller, I understand that. That's a great question. Okay. I understand that you think maybe 90 days is too long for due diligence, but why is that? So when you and you have an objection, call the seller by name, agree with them, and ask them a question. Real simple formula. Call them by name, agree with them, compliment them, and turn around and ask them a question. Why is that? See what they say. And I can because maybe, like, you know, Jim, that's a great question. I'm curious to know why you asked it. You've probably bought lots of vacant land in this county before. What do you think an appropriate time for due diligence is? I'm not arguing with them. 90 days is. Well, you know, it's plenty of time. This isn't a house. Right. But what do you think an appropriate time for due diligence is? Get them what to say. And they may



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say, well, I don't know. 30 days. Okay, Well, 30 days maybe. Okay. I don't know. That's not the way we normally do our deals. But listen, let's just say if I did shorten this due diligence period down to 30 days, what would you want to do then? So he's not even agreed to my price yet. These are objections, other objections that he's coming to. And if my if I have a good price offer, you know, maybe 30 days is okay. But I might say, well, you know, I can tell you, Jim, let's say the seller's name is Jim. Jim, you know, I don't know if I could do if I offered \$5,000 for this vacant lot, I don't know if I could do \$5,000 on a on 30 days due diligence. I could probably do 5000 on 90 days. But if I could give you 30 days of due diligence, what price would you accept then?

Joe:

So it's a give and take. If I could give you resolve your objection there, what price would you take? Or I could say things like, Well, okay, if I did agree to 30 days, what was I just going to say? Shoot, I forgot. Well, yeah, if I could agree to 30 days, is there anything else that would want to stop you from doing this agreement, signing this agreement today? Is there anything else? If I did. So it's the if I did, would you do this right? If I agreed to a shorter duration, then is there anything else? That would stop you. Or if I did. Could we come to an agreement and sign? Sign this contract today. I want to get all their objections out in the open. Makes sense. So the clause number 11 that says we can cancel it for any reason. I said, Well, okay, I understand, Jim. You want to remove that? What would you want to replace it with? Okay. Well, if I did remove it, what would you want to do then? Could we do a deal today? If I did remove it, could you. Would you accept \$3,000 instead of \$5,000? So if I could do this, what would you want to do then? I'm not doing a good enough job explaining this, but I feel like you understand what I'm trying to get here. I'm not arguing with them, but the seller is just really kind of not motivated. So I would ask these questions, you know, because maybe. All right, I will remove clause number 11, which says I can cancel it for any reason and I will move my closing to 30 days if they agree to my price. Why not? I mean, it's a good deal, right? I can put that on a credit card. I can buy it and close on it right away. So maybe these objections are not a big deal, but the seller doesn't really sound like they're motivated. Right. So motivated sellers just aren't going to come back with objections like that. And that's okay. You've got to tell them that. Listen, this doesn't sound like I'm your guy. It doesn't sound like you. It sounds to me like Mr. Sellers, you want full price, you want a higher price or you want to sell it faster. And that's totally cool. That good for you? You know, that's I'm trying to find a way to compliment the seller, but, like, good for you, right? I'm probably not your guy, though. You should list it with a realtor, so I'm willing to walk away from the deal. I'm acting like this disinterested buyer, Right? They need to convince me of why I should want to buy their property instead of you. Because, you know, like, instead of me trying to convince them of why they should agree to this contract and sign it and sell it to me, I need you've got to change your thinking of why would why should I want to buy your property? Mr. Seller,



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This is the way we normally do business, and this doesn't sound like it's going to be a good deal for me anyway, so that's okay. It's totally fine. If you want, I could. You should probably list it with a realtor. I can give you three or four local realtors in the area that can list your property and give you top dollar for it. Would you like their names and phone numbers? I can go get them for you and send them to you. All right.

Joe: So I'm being nice, not being a jerk, but I'm like, you know, I am probably not interested in your in your offer anymore. And I mean, then in this property where that's totally fine because I can find somebody else who is interested, they can help you. So I'm being the nice guy, but I'm not chasing them. This is why I started a lot of my conversations with sellers of like, Hey, great, you know, thanks for returning my call or thanks for calling me. Do you mind if I ask you a few questions about your property to see if it would be something I would be interested in? That puts me in the power position, the control I'm controlling now. The conversation by answering or asking questions. I'm not answering questions. Once you start answering questions like this, now the seller is in control. You are the buyer. You're the one with the money. The seller has a problem, you understand? So you got to think of yourself like a dentist. All right? You're a dentist. You've got this practice, you're busy, and somebody comes to you with a problem, right? They have this terrible toothache. And I'm not. I don't know if I'm doing justice explaining this the right way, but I'll try my best. Right? Like somebody comes to you with a toothache and you're like, Oh, when the pain is serious enough, right? They don't care if it's a Sunday at 2 a.m. in the morning. If they get your number and they call you, they need help. They need help now. And guess what? They do not care about the price always necessarily. You know what I'm saying? Like they have a pain. Urgent. They need help now. So they call you. Let's say you take the call, all right? They're like, what do you say? You say, hey, how are you doing? You know, how can I help you? What's the problem? You're not going to go into well, you're not going to immediately go into with like, oh, I'm this dentist that I've had hundreds of years of experience or hundreds of patients or dozens of years of experience. And my prices are the cheapest and I'm the best. And I'm we're going to treat you the better than any other day. No, it's like, what's the problem? Okay. And then they tell you what the problem is and you say, well, you know, it is Sunday, it's the middle of the night. I don't know if I can help you or not, but I mean, if you if this is really urgent, my fees are, you know, \$1,000 an hour. I'm okay if you say no. Like, I can give you the phone number of a local hospital, go to the emergency room or, you know, my office. You can call tomorrow morning at 9 a.m. and talk to my assistant who can get you in my schedule. But I'm like six months booked out.

Joe: So you understand where I'm going with this, right? Like, you need to play the role of the doctor or the dentist where the seller is has a there's a seller has a big enough problem.



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Then they're going to not negotiate the terms. Right? They're not going to try to say, oh, well, that's not I can't wait. So I can't pay \$1,000 an hour. Well, you know. Okay, that's fine. Great. You should probably call someone else. Then I can give you maybe the names of four or five other dentists that you can try to call and see if they can help you. Right. Like, well, what does that do? What does that put? What position does that put you in? That's in that person's eyes. Elevate your status. You understand where I'm kind of going with this. I feel like I'm not explaining it as good as guys like Claude Diamond do. But you've got. It's all about the positioning and the control. So, yeah, I guess that's all I can say about this. Yeah, that's it. All right, So listen, if you want to, you know, here's the thing for you right now. If you're listening to this podcast, you're like, Joe, this is pretty cool. If you'd like more information about how to flip vacant land, you can get my vacant land tool kit for free at Simple Land Kit dot com, Simple Land kit dot com. And one of the cool things in there I have is my motivated seller script. So when you are talking to sellers, it lists a bunch of questions in there that you can ask sellers when you're talking to them on the phone. It also gives you my contracts, my direct mail swipe file, my software that helps you calculate and analyze deals and things like that. Get it for free as simple land kit dot com. And from there you'll get an invitation to join me in a class where I teach this land stuff and maybe we can work together. Go check it out at Simple Land Kit dot com, Simple land Kit dot com. Now listen. Go out there, make it happen. Talk to five sellers a day. Like, here's these. I feel like I'm not doing this topic justice, but it's just something that, you know, you've got to just get better at with practice. Okay? You get better at this kind of stuff with practice. So here's your thing. Here's your goal. Talk to five people a day. Go out and talk to five sellers a day. And remember, you can only do deals with motivated sellers. Be willing to go for no, like be willing to walk away from sellers if they're not motivated and ready to do a deal today. This will actually help you do more deals. It's like reverse psychology. If I'm not chasing the seller, begging them for their business or whatever like that, it's going to make them want to work with you more. All right. That's all I got. Go to Simple Land Kit dot com. Appreciate you guys will see you. Take care. Bye bye.