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1320 - Buy Land for CHEAP with No Down Payment!?

Hosted by: Joe McCall

Joe:

Hey, would you like to learn how to buy land for super cheap? In fact, how to buy land with nothing down? I'm going to show you how to do that on this video right now. This is so easy. You should be doing this today. All right, so I got my computer open here. And I want to show you actually how I go and find vacant land and buy it. And I usually buy it for cash, not of my own cash or sometimes I buy it with owner financing, not using any of my own money down. So you could be using these strategies if you're using land as an investment or if you're using land for your own personal reasons. I'm just going to show you 2 or 3 of my favorite ways to find these kinds of deals. The first one is with postcards, cheap little 50, 60 cent postcards that you can get from a lot of different resources. And, you know, in my program, I show you how you can do it with my software, but there's other companies that you can hire to do your direct mail for you, okay. And you can also just do handwritten letters. It doesn't have to be postcards, but I'll show you what they look like here in a minute. But we're basically looking for real, simple personal direct mail. And who do I send the direct mail to? I just like to send them to people that have owned their vacant lot for longer than ten years, and they don't live in the county. So it's been a long time that they've owned it, and they haven't probably been there in a long time because they don't even live in the area. So a lot of the people that we buy land from, you know, they haven't been there in 5 or 10 years. The husband bought it. He's deceased and the family has it now. They don't know what to do with it. I bought one piece of land one time out in the middle of nowhere, Florida, from a guy who bought it six years earlier, and he bought it because he just wanted a place where they could go ride their four wheelers and go camping while they played in the river nearby. And I asked him, why do you want to sell? And he says, you know, I bought it six years ago and we've just of used it maybe once or twice in the last six years. I don't care about it anymore. I just want my money back. And my daughter's getting married soon, and I need some extra money to help pay for the wedding. And so I asked her. I said, well, you should probably just because I made him an offer for about \$6,000. He bought it six years ago for \$15,000. So I'm offering him about 9 or 10 grand less than what he paid for it, six years ago. And I said, you know, man, you should probably just list it with a realtor so you can get more money for it. He said, no, my daughter's getting married in about 60 days, and I just want to get done with it. A little bit of extra money that I can get from it would help. So I said, all right, and I bought it. And then we turned around and we sold it with owner financing. And we're still cash flowing about \$230 a month on that particular property.



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Joe:

So what I'm sharing with you now is stuff that we're doing. How did I find that seller? I sent them an ugly postcard and I'll show you what they look like in a minute. So number one, my number one favorite way to find these sellers that own these vacant land is to send them postcards. My second favorite way is to send them what I call an offer letter. So it's like I'm sending them a cover letter and then attached is a contract. But guess what? The contract is blank. See, most investors, when they're sending direct mail, when they're sending offers, they'll just send a one page offer with a with a number on it, and they'll send that to a thousand people. Those are called blind offers. Or sometimes they'll send a letter that says, hey, if you're interested in selling your lot, call me. I want to make you an offer. But this is kind of a mix, a hybrid between the two of them. And this is a we're testing this right now, but I'm really excited so far with the results that we're seeing. We're sending them a cover letter to say, hey, I know this is out of the blue, but we would like to buy your property. We're investors. We buy a lot of land in this area. And but you name your own price and it's giving them a contract. And the price is blank. And it's asking them to fill in the price that they want for the property. And then they sign the contract and send it back to us, okay. Or scan it with their phone and email it back to us. The cool thing about this strategy is that we don't have to buy it at that price. You know, we didn't sign the contract, but it opens the door and it starts the negotiation. So it's a great little new a new little strategy or tactic that we're using in our direct mail. Okay. So we send my favorite is the postcard because it's so cheap okay. Now if you send this cover letter and a blank contract that's going to cost you maybe a dollar, \$1.10 per letter to send like that. And so the companies that we use will do that kind of direct mail for you. That's my second favorite way to find sellers now, my third favorite way to find land deals. And this might be your favorite because you don't have to do any direct mail in. It's real simple. It's going after properties that have been listed for a long time and haven't sold yet. Now, why would I like that? Well, if I'm in a good area and there's a property that I like, it doesn't have any restrictions. If it's five acres, it's got privacy. You know, it's kind of off the beaten path and it has road access. It doesn't have restrictive HOA or homeowners associations, and I want to buy that property. But it's been on the market for six months. Why do you think it hasn't sold yet in six months? Something's probably wrong with the property, right. And it could be. And usually nine times out of ten, it hasn't sold yet because they're asking too much for it. The price is too high. So sometimes I come to those realtors and I say, hey, I'd like to buy your property, but I don't think I can get you what the seller wants. But if I could get you something close to that number, would they consider maybe seller financing? Or would they? Are taking payments over time. And I want to show you right now how to do that. So are you ready? Let's go on here to my laptop and I'll show you what I've got.



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Joe:

Okay. So what I'm going to share with you now you can actually get for free if you go to simple land kit.com, and when you go there you're going to get to a page like this. Sorry for the picture. My wife hates that. But when you opt in you're going to get a lot of cool things. My land watch hack, direct mail swipe file, wholesale contract. The option contract motivated seller land script, the due diligence checklist. The land agent helper. The land profit calculator which I'm going to show you how to do all of that. And you get it all for free. But the postcard I was talking about that I send looks like this. It's just a simple, boring, plain ugly postcard, and it tells sellers to text or call my 24 hour recorded voicemail. And then it goes into my CRM software. And from there we look at the lead, we call the seller back, we make them an offer, etc.. I also have here, you'll see in this all these letters that we use and the postcards that we use. So for direct mail, get the Simple Land kit and check out all of the direct mail that we use here because this works. Now the other thing I was showing you was actually now how do we find properties that have been listed for a long time, and how do we contact the agents, and what do we say and how do we send the offer. So I'm just going to show you real quick, let's say we're in Putnam County. I think that last deal I was just telling you about was in Putnam County, Florida. And if I go here on homes.com and I'm looking at vacant land, I'm going to go to all filters here. So now I'm looking here in Putnam County, and I scroll all the way down, and I want to go to days on market longer than six months. And guess what? There's 539 vacant lots that have been on the market for over six months. Why? They're just overpriced. They're asking way too much money for some of these properties. Now, I don't want the really small 20 600 square foot lot. So I'm going to make this maybe a quarter acre lot and bigger. So I'm going to scroll down to the lot size. We're going to go .25 acres or bigger. There's 308. And I'm going to sort this by newest. So these are properties that have just recently hit the six month mark and they haven't sold yet. So let's look at this first one right here 15,500. It's a great property. And here's the listing agent. And guess what. Here's his phone number and his email address. So I'm going to call Scott and say hey I'm an investor and I'm looking to buy some land in the area. Can you tell me a little bit about this property? I'm interested in it. Now, let's say you're not an investor again, and you're just looking for property that you can buy for yourself, for your own personal use. It's the same thing. I'm going to show you this conversation. When I call Scott, I'm going to say, hey, tell me about this property. Looks like a nice property. Why hasn't it sold yet? Is something wrong with it? And then I'm going to tell you. Yeah. You know, it's just not sold yet because maybe it's in a floodplain. Maybe it's got some neighbors or it's not easy to get to. Or maybe it's in a restrictive HOA. But I'm looking at this property. It looks like there's no HOA out here. It looks like this would be a great property just to own. But let's say you don't have the \$15,000 right now to buy it. What if I told Scott, I said, hey, Scott, you know, I don't know if your client would be interested in this, but and I don't know if I can pay them 15 grand, but what if I could get them something close to that they wouldn't consider? Maybe seller financing, would they?



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Would they consider something where I pay them a little bit now and then? Payments over time, that probably wouldn't work with it. By the way, that script, these kinds of questions that I'm giving you are in the script that you get at simple land kit.com and I teach and I cover all of this in my course, and I show you how to structure these offers, and you know how you can now buy them with owner financing. Or you can buy them with cash and sell them with owner financing using other people's money. But let's walk through now an example on how I would make an owner financing offer on this property right here using my software. I'm calling it the simple land offer software that I created. And I'm gonna show you right here on my screen. Hey, and by the way, how could you get this? Glad you asked. You can get this software for free. It's simple land kit.com. So this software I built just to help you kind of evaluate deals and come up with offers and then create a one page letter that you can send to the seller with an offer in mind.

Joe:

Okay. So you fill out the information right here. You click on the next page. And this is where you gonna put some information on the property. And let's say the reference ID was put 1750 and the APN number is blah blah blah. The seller's name is Susie Smith. And the seller's mailing address let's just say is one, two, three Main Street. And why are we putting this in there? Because it's going to create a letter that you can send to the seller. Now if you're dealing with the realtor, well, you know me, maybe don't need the seller's mailing address, but I'm just going to fill it out of here anyway. Let's say it's in Austin, Texas and the zip is something, and the property address is 4 or 5 six Smith Avenue. City is Dallas and Texas and zip. And the county is in let's say Putnam County. It's, 0.7 acres. And let's say the realtors name was Scott Fader. And the MLS number. If we knew it, we could just put that right there okay. Click next. Now this helps you evaluate deals and it helps you evaluate deals three different ways. It's going to give you what the estimated value is and then what the estimated prices that you should offer. And it uses active comps comparables active comparables and sold comparables. And so what we're going to do here, and I'm not going to walk through all of the steps by steps. How to do this I have videos inside of the simple and kit that show you can I do this. But we're going to look at active comparables and we're going to put the price and the acres that those properties. And so we can see some active similar properties nearby that are 16 grand for one acre, maybe 15 grand for 1.2 acres. And then there's a \$14,000 property with 0.9 acres, etc.. And it's going to give you an average price per acre of 14,685. And so normally when I'm looking at active comps, I discount the active comps by about 15%. And I usually offer, let's just say, 35% of what I feel the property is worth. On average, we offer about 35 to \$0.45 on the dollar for a cash offer. Okay, so this tells me basically that the value based on active comps on this property is about \$8,700. Now, if that's true and they're asking 15 grand, well, no wonder it hasn't sold yet. And it's been six months because they're asking too much properties really probably only worth 8000 or something. So that means I'm also going to offer then \$3,000 just



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looking at active comps. Now we're going to look at sold comps here. And let's just say we see some sold comps. That one acre sold for 12 grand. There was 11,500.9 acre property. And let's say there was a 14,500.95 acres. So you put in from and I get this data from either Redfin or homes.com. And I'm going to put in here the sold comps again the price the acres and the price per acre. And then it tells me here the average price per acre based on soul comps is 13,300. And I'm going to make an offer at 35%. So now it's telling me based on sold comps, the properties may be worth 9300. So I should offer about 3200. So I'm looking now I have two values a value based on active comps and a value based on soul comps. And then I'm going to decide, okay, well if I'm going to flip this property, what would I listed for, what price should I listed for. And I'm going to go to Redfin. I'm gonna go to homes.com. I'm gonna go to Zillow and I'm gonna see what you know, what if I want to sell this quickly, I'm going to I think I can sell it for \$12,000. So I'm going to put \$12,000 right there. And, this isn't, an exact science. This isn't a formula. When you're making offers, it's just more like. And if I had more time, I would show you looking at the property, looking at the comps on Redfin and Zillow. And by the way, subscribe to my YouTube channel, because every week I go live and I teach classes in my YouTube channel, and I look at my students deals. If my students have a deal and they submit it, I'll actually pull it up and we will look at comps, we'll look at the prices that we should offer. And I go through all of this live. So subscribe right now to my YouTube channel and you'll get notified when I come live on these. Be on these classes in the future. All right. So for this property let's say I'm going to list and sell it for 12 grand. I want to make at least a \$5,000 wholesale fee profit. I'm going to pay a realtor 10% commissions. If I use a realtor, I'm gonna have about 1500 and closing costs. I'm going to have about \$500 for photography. If I'm going to hire a drone to come out there and take a picture of it. So here, based on if I listed for 12 grand and I want to wholesale it and flip it, make \$5,000 profit, if I'm going to pay a realtor 1200 bucks. So I'm going to have 1500 and closing costs, I'm going to pay \$500 for a photographer. I need to offer about \$3,800. So now looking at this software here, it's going to give me three different values and three different offer prices, okay. An offer based on sold comps and offer based on active comps, and an offer based on what my list price is and the minimum profit that I want to make. So makes sense. So how I'm looking at this and I see. All right. So I should offer 3058 3270 or 3800. And I'm thinking, well, you know what? I can offer four grand because I'm going to make it a little bit, I want to make it over that \$4,000 threshold. So I'm going to offer 4000 cash. All right. Now I'm going to show you in a minute here how you can offer more and still make a profit. Let me explain this. This is really important to understand, okay. Sometimes like I want to buy with owner financing, but I'll present a cash offer with my owner financing offer to position the owner financing better. So you'll see why this is so important in a minute, because they may not want to sell it. What payments over time, right? But if I give them two choices a lowball cash offer or a higher price closer to their asking price with owner financing, you see how that lowball cash offer makes this



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bigger owner financing offer look better. All right. So that's what I'm trying to do here. And if they take the cash offer that's great. We're averaging about one out of every 20 to 30 cash offers that we make get accepted. So let's say our cash offer is going to be four grand and I'm going to give him an offer expiration date, let's say, of the 23rd. Now. Here we go. This. That's the cash offer up there.

Joe:

Now, my software here is going to help you come up with a seller financing offer. And so now I can just choose what I can multiply like my cash offers for Grant. I'm going to double that for eight grand for my seller financing offer price. And now here's where you can offer 10% down. You can offer interest rate. You can offer terms. The great thing about seller financing this is really important to understand. The great thing about seller financing is you have 4 or 5 different things. You can negotiate with the seller, right? Price or terms. When you're offering cash, you can only negotiate one thing and that's price. When you're offering seller financing, if the seller is open to that, well you can negotiate price. You can negotiate down payment. You can negotiate interest rate. You can negotiate terms like how long, how many years that you have. You can negotiate the amortization schedule and you can even negotiate when payments start. So that's like six different things. You can negotiate with the seller. So I like to when I'm talking to sellers, at least just get my foot in the door and figure out, okay, if you're open or seller financing, what's more important to you, mister seller price or terms? Price would be the price of the property. The terms would be all those other 5 or 6 things I just mentioned down payment, interest rate, the term, the length when payments start and all that good stuff. Right. So you'll see here the power of this. When you make an owner financing offer, they say, well, you know, I want more than that. You can say, all right, well if you want more than that, like what I can give price is more important to you then. Then we'll have to negotiate somewhere on the terms. Maybe you do zero down, maybe you do zero interest. Maybe instead of five years, you do ten years. If they say no, I want an interest rate or I want some down payment money, say, okay, I can give you down payment money, but the price might need to go down. So what's more important to you. So we're just going to make them an offer here to kind of get our foot in the door. I'm going to give them a cash offer for four grand and a seller financing offer for eight grand. Okay. Now let's look at this. We can start with zero down and let's do interest rate 3%. You know, honestly, I usually always offer some kind of interest rate because it doesn't make that much of a difference on the monthly payment that I'm making. Okay. And it makes the seller feel a little better that they're getting interest rate. So I'm not a tax account or an attorney, so don't take legal advice from me. But sometimes, you know, there's IRS code about imputed interest I think is what it's called. Don't quote me on that. But so sometimes the seller will have to count as income interest even if they don't receive any interest. I don't know understand what that means. But let's say here cash offer four grand seller financing offer eight grand zero down 3% interest over five



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years. Now you could change this. Make it ten years if you want. So if it's five years, your payments would be \$143 a month and you'll pay it off in five years. Now, again, if the seller says I want more, then you can lower the interest rate. If they say I want a down payment, well, then you can maybe lower the price increase, lower the interest rate, all that, maybe do ten years instead of five years. So let's click submit here on this software. And then what it's going to do is it's going to give you two option letter of intent a cash offer and a contract and an email to the realtor. So I'm going to show you these two documents here right now. So right here is a cover letter. Now it opens it up. It saves it in Microsoft Word. So you can edit and change any of this text. But you see how it puts your information at the top, the letter reference ID there, the seller's address name and all that. And it says, hey, regarding your point seven acre lot in Putnam County, well, it should be Florida, right? FL etc. and here is where it gives them the two options.

Joe:

So this is something that you could maybe after you talk to the seller and you say, hey, you know what, let me go ahead and send you something. In writing, you could create this kind of letter and send it to them. You can see here it gives them a cash offer of four grand. You close in 1 to 3 months pay, you'll pay all the closing costs, and you'll pay any realtor commissions that are owed or whatever seller financing. This is where again, you can see how I'll pay you cash. Four grand, but I'll pay you seller financing eight grand if you want zero down, 3% interest five years. Principal and interest payments of 143 a month for five years. Cool. Very simple. One page letter that you can send to sellers. And when I send my offers to sellers, I always make the offers on the phone. I email to them, I texted to them and I snail mail it to them. I always send my offers in the physical mail to sellers. Okay, the other thing that this software gives you is a contract. So if they agree to sell it for \$4,000, it gives them a cover letter here and then a one page contract. And then the other thing it gives them is an it gives you is an email that you can send to the realtor. And this is so cool, I did this so that you can just highlight the whole thing, copy it, paste it in an email, send it to the realtor. But it says, Hey Scott, I buy a lot of land in the Putnam County area. I might be interested in making an offer for your 0.7 acre listing at address MLS number. But before wasting your time, I wanted to see how negotiable the seller was on their price. Now, this language may not be you, so just change the language to make it you. But it basically says if I made you a cash offer. I'm sure it would get rejected. I'm giving a seller this time. The realtor permission to tell me no. I'm giving them permission to tell me to bug off. Right. Looking at recent sold comps in the area and what I would need to make a profit, I would have to offer around \$4,000. Now, remember, this property's listed for 15 grand, so the chances of them accepting my \$4,000 offer is pretty slim. It has happened before, by the way. And so this is I still make the offer, but I'm just setting the expectations really low, saying, hey, listen, I know your seller, your client, Mr. Realtor will get really mad with this offer, but if I'm going to make a cash offer, I'm going to need to be down here. What if I can



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offer you more? Would your client accept payments over time with owner financing? They wouldn't be interested in that, would they? So here's what I might be able to offer with owner financing. Eight grand down payment zero interest rate 3% five years. Monthly payment 143. And by the way, Mr. Realtor, I don't have an agent representing me. So if you can make this deal work, I make I'll make sure you get both sides of the commission. Thank you for your time. Boom. And it even says P.S if this deal doesn't work out, do you know of any other off market properties? So you could use this template, copy and paste it and send it to the realtors as is what my point in this is to getting you to think outside the box. And if you want to buy a property either for your own personal use or for an investment purposes, then make a cash offer to the seller and make an owner financing offer. Because if anything, it helps your seller financing offer be more attractive, right?

Joe:

So you know it's a numbers game. So you might have one out of every 20 of these offers accepted. One out of ten, one out of 100, who knows? But the secret to making a lot of money in real estate is to make a lot of offers. So the more offers you make, the more better chances you're going to get or have to get a deal because that make sense. So make offers. It's the number one rule in real estate. Again, whether you're buying these for investment properties or whether you're buying them for yourself. The number one rule in real estate is not location, location, location. It's make offers, make offers, make offers, and make a lot of offers. Maybe make the cash offer. If they say no, then make the owner financing offer. Make them both at the same time. Who knows? But that's how you get in this game. That's how you're going to make a lot of money. That's how you're going to find the best deals. So if you want all that stuff again, go to simple land kit.com. And hey, if you like these videos, do me a favor or subscribe to them. My channel. Give me a thumbs up comment down below if you've got any questions. Literally. I'm in YouTube every day looking at comments and answering questions. So if you have any questions or if you just, you know, if you think this is stupid, comment down below, let me know and I'd love to know what you want to see more videos? So comment down below, give me a thumbs up like this video and subscribe to my channel. I really appreciate you guys. We'll see you.