1372 – 5 Real Estate Negotiation Tactics That WORK

Hosted by: Joe McCall
Guest: Cody Hofhine

Joe: What's going on, guys? Joe McCall, Real Estate Investing Mastery Podcast. Got a great interview today. And this is one of the guys that I think is one of the best in the industry when it comes to sales and negotiating. We're all in the business of getting deals, doing deals, making money, right. But if you don't know how to talk to people, if you don't know how to sell, how to negotiate the right way and in fact, negotiate without selling. Right. It's like my friend Cody Hofhine and he's going to be here in the second. Really, really is good at like breaking it down into simple things where you make the seller come up with the price first. Now this applies to whether you're doing houses or land, and I have a lot of clients we're working with right now in the in my land investing community where they're like the sellers calling me and they're not giving me a price or I don't know what price to give them. They're saying, Hey, you sent me a postcard. You tell me what you want to offer for this thing. And I don't want to say, but Cody's going to lay this out. There's some simple steps of negotiating that is going to help a lot of you so you don't have to stress out and worry about what you're going to say. All you need to learn is how to ask questions, right? We're going to be talking about that with Cody Hofhine. And I want to jump right into this. He's a friend that I've known for years. I met him originally when he was brand new in the Wholesaling Inc community and then did really well and grow. And now he's got a his own franchise. It's called the Joe Homebuyer franchise. Not this Joe. I don't know. We'll ask him how he came up with that name. I think it's a great name. I wish I would have come up with it, but we'll talk about that here. I think we should just bring him on. What do you say? Listen, you're ready to take some notes because Cody brings it whenever I've had him on my show before, he brings it. How you doing Cody?

Cody: My friend. And I came up with Joe because I love you. That's what it is. Yeah. We keep it secret. I want to let it out. I owe you some royalties.

Joe: Okay, cool. So talk real quick. Give us a back history of you. How did you get into real estate game?

Cody: Yeah, kind of a little backstory that leads me to today. I always had the entrepreneurial bug. My dad was a general contractor. He did large commercial. He did a company out here that's called RC Willey. It's the largest furniture store out here. Warren Buffett bought it in 98. And then kind of like we would go all over the Western United States and build these

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RC Willeys. So my dad had him on the job site. I was on the job site ever since I was like eight years old doing work for him. I work for him. Even when I got married the first few years and I worked until nine when the recession hit and it demolished his business. Warren Buffett's really big on making the stores nice when it's nice, but when the when the economy goes down, he retracts, making the stores look nice and invest all in marketing. So it's just levers, right, that he's always doing so marketing doesn't help my dad so well. My dad was willing to pay me, but I ended up jumping into an insurance of all things Joe, and it was selling auto home, all the fun stuff. It presented two challenges instantly. It's going to take a long time to make a lot of money selling insurance. And then the second challenge was I couldn't get passionate about it. Like, there's nothing fun about insurance. But with that comes two gifts. That's how I met investors. I was insuring the largest number of investors in the state of Utah that any other agency out there. But what's funny is I never listen to their stories. I only heard was I have four rentals. I'm like, that's my next guy to go get four policies. And then the other gift was five years into this. From 2010 to 2015. I come home in 2015 and my wife is still stressed out of her mind. I came home early from work and she's crying at the table and I asked her What's up? I thought things were fine, but it was obviously a pinched month. We had some expenses go out that we didn't think we're going to happen, and it was a month. It was slow on insurance. And she says, we put food on the table or do we pay for the mortgage this month? And I'm like, You could do both. It was bad. And so it happened to be not coincidentally, two days later, I met a local real estate investor association. You probably know Andy Macfarlane, right? Yeah. And he was up on the stage and I insured all this stuff and he stood up. He says, I found this deal and I sold it in three days. I made 27 grand. And like, Geez, what is this wholesaling concept like, I'm going to make 27 grand in 365 days. You made it in three. And I talked to him afterwards and then started doing this and trying it and fell my way forward and went out there. And 39th day after hearing him talk, I'm like, this is the way I've got to do it. After 39 days, I did my first bill, paid me 24 grand and that kind of got me going. And then me and Tom did wholesaling together. We grew that blew that up coach grip and people across the nation. It is an amazing, amazing journey. I sold my ownership in 2020 of Wholesaling Inc in 2019. We started Joe home because we wanted to do the other portion. So instead of just leading people to do their first deal, we really wanted to help people that want to turn this into a business, do seven figures a year. And so we started by doing a scale program where they'd come out for three days and learn and it started working. They're saying, Hey, we're doing it. We're getting the results that you guys said we want. And so fast forward, we opened up Joe homebuyer. We knew there was something special there. And Joe Homebuyer is to kind of help the average Joe get into real estate was the kind of the mindset behind that name. But we helped some big names out there. Jerry Norton owns ten of our franchises across the nation, and we helped scale those businesses to seven figures form. Brent Daniels is a franchise owner. We've helped him maintain those multiple

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seven figures in his business so that he can coach wholesaling. In a hyper competitive market. That's Arizona. So that kind of catches up to today. And that was what got me into it, was you connect the dots in hindsight how God kind of played a role and been part of my whole entire life, but I would have never guessed I would be here today. It kind of just happened. And in hindsight, we're like, I see why I need to be in insurance. I see all this and it all added up.

Joe: Nice, nice. Okay, so you get into wholesaling. Wholesaling was where you you negotiate with a seller on a property, get it under contract, can you sell that contractor double closed and you're just the middleman. Yeah, it's very easy business. But you need to understand sales and negotiating. You need to understand how to talk to sellers. It's a very important skill. It's an easy skill to learn. But others, you know, on a scale of 1 to 10, how important is it to know how to talk to sellers and how to negotiate?

Cody: That's a great question. I'm going to give you a two answers on that. I think anyone can do a deal. I really do. You do enough appointments, enough going forward. I think you can't there's some deals out there that you just can't simply mess up. It's just the lead is so ready to make a decision. They're just looking for someone that will help them out. I don't think you can scale a business without learning sales and negotiation. I don't think you can ever turn it into a business, something that's repeatable, replicable, something that can really grow to something special. I think people that struggle in sales, they're always going to have that ceiling on their business where they only do a maybe a quarter million of revenue, 500,000 revenue. That's no bad thing. That's a great business. But those that are looking for that seven figure business, absolutely you need to know scale ourselves. You need to know negotiation. And that's something we dialed in really, really well and something we share with all of our Joe Homebuyer franchisees and some I can't wait to share with you guys today.

Joe: So is it something that can be taught or does it have to be you have to be born with it?

Cody: That's a great question. I think it's a skill. Skills are meant to be taught and learned. And I think there's talents. Talents are God given, right. You've got to count. I've got a talent to connect with people, inspire people to take action. Some of those things maybe, maybe not. Like I was just I was given that gift. You have so many gifts that you have that I don't have. But sells is a skill and skills can be taught. So yes, I believe anyone can learn sales.

Joe: And you can practice it and get better at it. You know you're going to not be good the first time you get into it. Some people might be naturally better at it than others, but anybody

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can learn this. And let me ask you another question, because one of my best coaches was a guy named Claude Diamond. I don't know if you know him or not.

Cody: I remember Claude Diamond. I would jump. What was that app we were on? It was like a weird app. You remember this? He would always get on and do a live. I love Claude Diamond.

Joe: YouTube, Facebook Live, Skype. It was going around a long, long time.

Cody: It had some weird name. There was a weird, you'd jump on and you'd hit like. Like while you're doing it that kind of time.

Joe: Oh, Periscope. Periscope.

Cody: It's Periscope. He would use Periscope. So that's how I watched him on Periscope.

Joe: Yeah, yeah, yeah. Well, anyway, one of the guys originally taught me sales and is very, very good at it. And when I would try to be Claude Diamond, I would fall flat on my face. You know, every time I'd be like, You can't be Cody Hofhine. You can't be Joe McCall, you can't be a Claude Diamond. So it's really important you learn these skills, right? And just be you can. So can you still be as great salesman or woman while still being yourself?

Cody: Absolutely. I think that's what brings the gift of what you're going to bring to the table. I think there's here's what I do believe. I believe there's so many deals out there. There's going to be deals that are Joe McCall's. There's going to be deals that are coming up. And that means there's also deals that are not going to be Joe McCall's. And that means there's going to be deals that are not codified. Philosophically speaking, God loves all his children. He wants all his children to have deals like he can't just bless Cody's business when Joe's his child, too. Like at the end of the day, we're all going to get it. But we have to act. We have to get out there and we have to overcome fears. Yes, that means we're going to get better than what we currently are. Every single day we're trying to get 1% better or become more like him. And so, yes, it's going to require us to get uncomfortable. But no, keep your authenticity, because I think that's what is uniquely going to allow people to say, I didn't go with Cody Hofhine. I went with Joe McCall because Joe McCall had this about him that was different. That's authenticity. So don't be Cody off and be authentic for you and you'll get the cells that are meant to be yours is mine.

Joe: Yeah. Don't be afraid to be you either. Just right. 15 minutes ago I was late to this podcast interview and my son took a call with a realtor. He's done a bunch of land deals, but it's

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been about 3 or 4 years and he just he's getting hungry again. So he wants to learn, get back into the land business. So he's been sending out offers and a realtor called him. And I'm proud of him because he's not trying to be somebody he's not and he's not afraid to pick up the phone and talk to somebody, even though he doesn't know what to say. So he took the call all by himself in the basement. I was real proud of him, you know, And he's talking to the realtor. The realtor starts bringing up some questions and he doesn't know the answer to them. So he comes upstairs and I help him with a little bit. But there is this fear everybody has, but not everybody. Maybe some people don't. But most of us have this fear of like, man, I don't know what to say. They're going to know that I'm new, that I'm not experienced. I've never done a deal before. What if they asked me a question I can't answer? What do you say to somebody who has this fear of. Talking to sellers, they think the phone is a 500 pound cactus, you know, and they don't want to they don't want to talk because they're afraid of that.

Cody: It's a great question. I love how fear is always based on something more than what we think it is. It's not fear of picking up the phone if you think about this. If no one was watching and no one was on the other side of that phone, no one would have a fear of picking up the phone. It's the fear of what people will think of us when they pick up the phone. And that's what's interesting is we tie it to what people will think of me. It's not the fear of riding the bike. It's the fear of riding a bike in front of four people. Because I fall, they're going to make fun of me. It's not the fear of getting on a bike if no one was there. Kids jump on bikes. And so I would say, just like the bicycle method, we conquer fear with our proximity to it. Meaning we can't just think it away. We have to act it away. And so the only way to ride a bike is hop on the bike. And that's what we learned as kids. But somehow the worlds rubbed off on us throughout our generations of living, throughout our, our decades, I guess, of living. And you start to you start to get rubbed off on, on, on what? I don't know. Like, it's not natural for me. So I don't want to do it, but it's like we had to do for the bike. The only way to conquer the fear of bike is get on the bike and start riding. And the only way to conquer the fear of picking up the phone and talking to someone is picking up the phone and talking to someone. But what you realize, I think, during the whole process is ride the bike wasn't as bad as we thought it was. You have someone behind you leading and guidance setting and yet same thing with the phone. You get off the phone, you're like, 90% of the stories that I told myself in here didn't even come true. Like, yes, I 10% came true. I still fumbled. I still didn't sound like I knew what I was talking about. But the other stuff or people to tell me to go pound sand and you're an idiot and I hate you and you guys suck at what you do. Like none of that came true. Like, all these stories that we write is what's really creating the fear. And so how do we just write the story that's better? How do we say someone's excited to hear from me because I want to help them. I may not know everything, but I'm genuinely going to love this person

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regardless and they need my help. And if you can rewrite the story, sometimes that makes it easier to pick for good.

Joe: That's good. I like it. All right. So me, myself, most of my clients, a lot of people listening to this podcast right now, we're doing vacant land right now. We're wholesaling vacant land, so we're not making appointments to go see the property. We're in four different states. The seller lives in New York and we're trying to buy their land in Florida, for example. So we close a lot of these deals over the phone. And just so you know, and everyone listening, most of the unlike other land investors who maybe send blind offers, they say, hey, I'll buy your property. They send 1000 of these at one time and I'll buy your property for $12,556 just to see who calls. We will send a postcard that typically says, Hey, I need to talk to you about this 2.6 acre property you own in Jackson County. Call me. I have I recorded a message for you. Doesn't tell them why we're calling them for why we sent the postcard. Doesn't tell them we're land investors. It just says this is really important. I need to talk to you right away. Yeah. Call this 24 hour recorded voicemail. And so with that postcard, we get a huge response rate. The reason I love it is because we get a lot of phone numbers, right? And these are phone numbers of the people who own these vacant lots. Yeah. They call listen to the voicemail. It's about a 35, 42nd voicemail. It says, hey, thanks for calling. Listen, when you decide to sell your land, you're normally faced with two options. Either list it with a realtor or do for sale by owner. Now you have a third choice. My name is Joe, my company. We buy vacant land for long term investment purposes. And if you would like to avoid that typical hassles of selling your property and dealing with the uncertainty of when it will sell. If you'd like to close quickly in 30 days, leave your name and number and the reference idea on that postcard and we'll call you back and make you an offer. Thanks. Okay, so that's the outgoing voicemail. Well, they get this postcard. We don't even know if they want to sell their property. They don't even know if they want to sell it. They listen to it. And then probably 35% of the time they leave a voicemail that says, yeah, this is John. Give me a call at this number. The reference ID is this. And by the way, that reference idea helps us look the property up because a lot of these vacant lots don't have addresses. Well, anyway, this is where people get frozen sometimes in the way I teach it. When I first was doing deals, I was doing deals with my two teenagers and I didn't you know, they're only and they're busy with school and work and sports. And then I didn't want them to call as a 13 year old kid. I didn't want them to call the sellers back. So we changed it around where we actually sent offers. They left a voicemail, We sent them an offer at maybe 35, $0.40 on the dollar. And then we only talked to them after they got our offer, but now they haven't done deals with me in a few years. Now what I see is a faster way to the deal is they call leave a message, call them back right away, get them on the phone and talk to them and ask them some questions about the property, etc.. So that's where I want to kind of pick up with you on this. Will you give us, you know, just a really high level and then as detailed as

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you want training on, you call that seller back. You know, they have a property that they want to sell. You have no idea if they're motivated or not. And yes, the slides are I'll share them with you when you tell me you're ready for that. Well, let's talk about that from that context. Does that make sense?

Cody: Yeah. Yeah, absolutely. One thing I would love to see if you if you are up for a challenge is split testing live answer Ray versus a voicemail and then maybe during closed hours, maybe your business is based off your lifestyle. I don't want to take a call or I don't have a team to take a call after 5 p.m.. Great. Send to the voicemail. But during work hours I would love to see what would happen if you did like the answer rate because it is game changing our business.

Joe: Yeah, well, that's great idea because I had a friend who's a wholesaler. You know him too, but he's out of Atlanta, Georgia. Yeah. And he used that same postcard for houses. And the postcard says, Call our 24 hour recorded voicemail. Yeah. And it even says in parentheses, no one will answer. Well, he uses that postcard because it gets a high response rate. Yeah. And they actually do answer the phones like and he told me I ask him about that. I said, man, don't they get mad that somebody is answering? Says, I've never heard of anybody complain once about it, which I love that. Because yeah, if you can get somebody to answer live, you can ask the questions.

Cody: Well how many times do we spend in follow up? Right now we're creating a process on follow up and then when they don't pick up, what is our next follow up process? Now, another process you just get out versus take the phone live. So when I when I say I'm big on sales, I'm big on they're calling me. How do I how do I avoid building out 2 or 3 processes if I don't need to? If I can just do it in this first one by just picking up the phone. That's why I would challenge it. And we went from when we started tracking it, we didn't know. We didn't know we were at 43% live answer rate. And there were like, let's see, maybe 50% is good. The next week we bumped up instant. It's like 75%. I'm like, Wait, what? And then we looked into like, look at our contract ratio also bumped up. And then we started we started like saying, Hey, let's see, we can do this if we can get this to 100%. And there's weeks where we get 100% and there's never been a week in the last three and a half years that we haven't been below 95%.

Joe: Explain that percentage again.

Cody: Live answer rate. So we went up to from 43%. You're answering 43 of every hundred calls live. We went to the point where we're doing 95 to 100% every single week, and it's been

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that over three and a half years like we have not varied from that as it's such a strong statistic that when we answer, live, contract rates go up. And so. Right.

Joe: So who answers the phones live for you?

Cody: Is it the acquisitions and it's first come first serve there is no a fair play on acquisitions in our business. There is no round robin. We don't even know what that word means. You can go to Red Robin and eat a burger. But round Robin doesn't exist like it's not here. So we have all three acquisition managers. Their phone rings and it's who's the fastest to the holster to pull out the gun like it's that person get paid.

Joe: Okay so that's I love that because some people will say I'll just hire an answering service. Right. That doesn't help anything, does it?

Cody: It's another process. Right? So now you got to train someone that's not part of the team to do the initial screening versus acquisition. Managers are built to sell so they know how to in the first 10 to 15 minutes of that call, lead and guide, what should happen. Is this the hot lead 90. Stay on it. Is this a cold lead? And I can now transition this over to a cold caller, someone that can just nurture it over time because they don't want to sell for the next six months. They're trained and experienced in doing that. And it's now a touch like we talk about five touch and for some does business with you that's a touch. And so it's a great touch because you're talking to a professional not a virtual assistant.

Joe: Someone not a not a setter or somebody. I love that. And I know very few people listening to this are going to do it, which is frustrating because, I mean, I don't know how bad you want it. Obviously, you know, you're in a place where, like, I'm in I'm working on something. I don't want to answer the phones live. I don't want to be interrupted. I don't want to be tied to my phone. But here's the bottom line again, I think you'd agree with this, Cody. Like this is the fastest way to a deal.

Cody: That's the fastest way to a deal.

Joe: Pick up the phone and talk to them.

Cody: After that there is no process. That's the process. I made one process click.

Joe: Yes. Okay. Now, again, I want to revisit this because I know some people are thinking, well, Joe, you said in the postcard call a 24 hour recorded voicemail. No one will answer. First of all, if you have a problem saying no, no answer, just take that out of the postcard. Right.

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But even though it says call 24 hour recorded voicemail and the reason I like this, I tested it, it gets more calls. Yeah, it gets more calls when they call and they think there's going to be a voice answering machine.

Cody: We have to be calling during office hours to pick up to get to you quicker. Who's going to get mad at that?

Joe: Will say that again. That was good.

Cody: That's what I'd say. I'd say, Hey, we were in the office during office hours. We picked up the phone. We thought we'd get to you quicker. Hope you're fine with this. Who's going to say, I wasn't thought of this? This is. I'm very, very pissed off.

Joe: Yeah no one. I love that. Okay, so now what happens is because with this postcard with land, we're averaging 5 to 8% response rate on this postcard. All right. Those are direct mail numbers that we used to see with houses back in 2010. Yeah. Now you're lucky with a postcard to get half to 1% response rates, right? We're getting 5% response rates, which is huge. Huge. So imagine answering the phones live when somebody calls and just talking to them. So what I want to do now is maybe let's talk about how does that conversation go right when you're talking to a seller on the phone? What are some steps in the. Want to share the PDF or what do you want?

Cody: We can even start first before we go to the pdf. Think of this where you may want to change your acronym. It makes sense for us. Joe Home buyer j h. B j stands for Joined Forces. H stands for Hear Their needs. B stands for Build a Plan. So we want to be on their team. We genuinely are interested in them and helping them get to a better plan B, so we're going to join forces with them. What is it you're hoping to do? Right? What are you trying to accomplish? And you're spending that because we do. If someone's motivated like the four pillars of motivation, if someone's motivated, we're not doing sort of the following. We're going right to the house. We're going to do the appointment. Now in this model, it still works. This will still work. You want to BRT, build a relationship of trust. You want to be the person. At the end of the day, that price doesn't matter. They know they're going with you because they trust you. At the end of the day, people think this is an asset. It's been trained in our for our home and maybe even for land. Like this is an asset. I don't want this go bad. I don't want to just deal with anyone. They're dealing with people that they know with certainty can close on the land. That's our job as salespeople. So that to be the gift of gab or a golden time, like most people would say it's can you instill a certainty in them that you will close on that property? That's who they're looking for, because many times we're less than our competitor by 20 grand and they're going with us because we

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instilled certainty that we're the option that's actually going to close where the other person may have paid them 20 grand higher, but they didn't feel certain that they were going to close. That's all. Buyers want certainty of closing. It's a it's a thing to think about. So we're going to establish a relationship of trust because you have to be a friend. You can't just go right to numbers. You can't because they don't know you. They don't know your morals. They can't feel it through you. They can't hear what kind of values You work off it. They haven't heard any storytelling. So we like to tell stories all the time. Take Joe, the last person we worked with last week. We were able to do this, this, this, this, this. Right? Well, now that's a story that touches home where they're like, okay, they're working with a lot of people and now with your home buyer, we're nationwide and we do this in many states throughout this great country. We're able to help people just like you get move on to Plan B, We share five star reviews. You can text them. We can do whatever you want, right? Just do whatever you can to establish a couple of things. Friendship like that. You are someone you can trust and the authority that you're the person like. I'm convinced, Joe, by the end of this call, you're going to know where the people are. Yeah. Why? Because we're going to figure this out. That's what we do. We're the best at just figuring this out. What's going to work, what's going to make it best, let you move on. That's what I'm doing at the beginning of that call.

Joe: Okay, good. Good. So what does that look like? Talk about like, is there excuse me, is there a formula, the set of questions that you ask, like, how does a conversation start?

Cody: Yeah, I would say when it comes to just build a relationship, there's not because we're not talking about the house, we're not talking about square feet, we're not talking about roof, We're not talking about that script. Everyone should have a basic, simple script. I don't think you can go wrong with any script, so there's not one that's outperforming another. I would just make sure when you're asking questions that you're doing it with intent, that you really are doing it to listen, because that's the H like here there needs I you know, when you're talking to people that they're asking a question and then you wonder if they even heard your answer, right? They're listening to respond versus listening to learn. And we need to listen to learn versus listen to respond. When someone says something like, here we go, We pay for it, we pay cash all the time, we do this. You start like doing all the things that everyone else can do. But what are you doing to also hear it, Joe Do that sounds rough. You lost your job. How's your family doing? How are you handling this? I know back in 2010, when I was uncertain on what I was going to do to my dad in the recession, it made me where I had to jump ship and I jumped into insurance and it was the slowest process. It took forever to make money. Those first few months were so hard. Joe, How are you doing, man? That's different than 99% of your competition. I genuinely care about these people and they feel it. And our team is trained to not seek for money, just seek to

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hear their needs. Because if we know what their needs are, we can then go to plan B, which is that Joe home buyer to be and that's build the plan. So Joe, it sounds like you need to get out of this pretty quick. That I understand that, right? Yeah. Cody I need to get out. I mean, in a perfect world, I need to get out next week. And then you never promise that you can get out by next week. You just hear it. So, Joe, if I were able to help you get out by next week, it sounds like that's something that's pretty, pretty big on your list. Am I correct on that? Yeah. Okay. And you have a problem? Some. You can get them out by next week. You haven't told them? My gosh, I'm the guy. Joe. We do this all time. We call the seven days. That's what your competition's doing. We're saying, what if. What if we're still building the plan and we're writing it down? Sounds like Joe needs to move in seven days or less if I'm able to do that. Sounds like that's pretty big on the list, right, Joe? Yeah, and then they're going to go through it. So. Joe It sounds like you don't have much to move all your stuff out. Like you don't have health in our family now with our family. What's your thoughts around that? Joe Let them come up with a plan. Well, I don't know. Do you guys ever buy homes where crap is just left in it? Yes, it has happened. So is that what you're hoping for? Like, is this something that you don't think there's any way at all possible for you to clear this out now? We can't clear out like I'm actually. Leaving in two days. Okay, So it sounds like if I understood you right, you're hoping that this offer would also just buy it as is. You can leave all the stuff that I did. I hear about correct your in, right? Yeah. Okay. So if I'm able to do something like that and like I said, we'll put this plan together, we'll see if we can come up with and what I'm able to do. And you're just still coming up with a game plan. You're not doing anything because that's the prep work you need to get to where most people are just going through right off the back to the offer. I don't get to the offer. I want to be strong first. I want to make sure that they realize, I'm talking to someone that gets it like this. This guy is the authority. And then I want to start here and their needs before I start building plan. That makes sense.

Joe: I love that I didn't come up with this. I don't remember even who did. But there's I heard a guy kind of give a three step outline to a conversation with the seller. Questions number one, what's your situation? It's not what tell me about the house. It's like, what's your situation? Yeah. Number two, what would you like to see happen? And then number three, how quickly would you like to see that happen? Yeah, I like that because it's a real simple three step thing and it's just it's asking them questions, right? Getting them to tell you what the situation is, what's going on, Why do they need to sell the house? And, you know, and then that point is sometimes I'll say things like, you know what sounds like a nice property. Why? Why would you even want to sell it? You know, Or you should have you thought about just listing it with a realtor You called a realtor. Do you have any friends with family that can help you with this? Or and then it's like, okay, well, what would you like to see happen? Yeah, and shut up, right? Just listen. Talk to them. Ask them more quickly. I like

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what you were doing there, where you kind of and ask, you know, you're asking them more questions to dig and probe deeper. What would you like to see happen? And then how quickly would you like to see that happen? Whatever it is, Yeah. When would you like that to happen? It's very simple. It's not complicated, right?

Cody: It's not complicated. It's an art. Because for whatever reason, when people pick up that phone, they think, we got to go to business. And it's like, let's just find out who this person is. Let's find out how we can just love them and whether we get the deal or not that they knew. Man, I'm a better person for talking coding there, even though I did go with them.

Joe: That's really good. One of the things I like to do with sellers is when I'm talking to you, I say, Listen, I'm an investor and I'm looking to buy some property in the area. But, you know, most of the deals just don't fit my criteria. So I'll we'll talk a little bit about the property. I want to know more about what's going on and what's your situation. But if I can't buy your property, I'm going to give you if it's all right with you, I'll give you the names and numbers of five realtors that can help you list sell it. Would that be all right? Yeah. So it kind of like I'm telling them I'm. I'm a I'm not a retail buyer. I'm an investor buyer. But if it doesn't work out, if I'm not interested in the property or if we can't agree on the numbers, I'm going to I'm going to least give use the names and phone numbers of some realtors that can help you list it. Right.

Cody: And then jot down the promises you're giving and make sure you do it Like that's the five star review. Even if someone doesn't go with us, you should see how many five star reviews we have and they didn't actually do business with us. Really?

Joe: Yeah. That's awesome.

Cody: I like this. The greatest thing ever. Cody. All we do this are Kobe's team now. But yeah, it's. It's. We had a guy that we came to the offering type thing and the price just didn't make sense and so we'll get to negotiate and I don't want to bypass that. This is going to be the best of what we're going to be talking about. But it just didn't work out. The pricing wasn't making sense. And so I sat there. I said, I'll help you still, regardless if we do business or I'll help you figure out the best way to do it, I might have you. He's like, Well, I'm thinking I'm just going to fix it for my perfect. Why don't you get out a piece of paper? I'm going to help you. If I was buying this home and I need to fix and flip it, I'm going to give you a step by step detail plan of what I'm repairing, what I'm taking out, what I'm going to put in, and I'll help you so that you can have a list or you can go to Home Depot, purchase it. So I went through your home. I said, What would you do in here? He says, I purchase resurfaced the cabinets. I'm like, For me, I've got to compete with that new neighborhood right there. I

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know it's not a new home, but I got to compete with that new homeowner or that home builder out there. Insult me personally because of the experience I have. I'm putting in new cabinets. I'm not resurfacing these once. Yeah, my feet down the floor and we just started going that I built this list out. And then he looked at he's like, never mind, I don't want to fix and flip this, maybe make me want to have.

Joe: What did you give him a list of contractors that you've worked with before?

Cody: Yeah you can do that. But we end up getting the deal. Joe, Because most people have said this doesn't work, and so we walk out. No, no, because I continue to show him service and say, Hey, here's what you can do and here's the list. What's he looked at? The list. He's like, I don't want to do all this. It sounds like I have to just make this pricing work. And I got the deal.

Joe: Yeah. Yeah. That's awesome. I love it. What now you want to talk about negotiating? Good. We could add something about you said something about you never, ever give a price. Ever, ever. I don't. That blows my mind. Talk a little bit about that.

Cody: Ever. So price is up to them, right? They know what they want for their home. All we're doing is through those questions. Joe, I was asking and it's coming up to Thanksgiving. So depending when you watch this, we're doing this a couple of weeks before Thanksgiving. I think of it as building a platter for someone to say, hey, I want to put a price tag on this platter. Right. So you're building up hypothetically the mashed potatoes, the gravy, the turkey, the stuffing and all the stuff, the yams and all that stuff. Right. When you say, Hey, if I'm able to buy this in seven days or less, if I'm able to have you leave all your stuff inside and I'll buy it with all the stuff as is. If I'm able to do this cash, if I'm able to, like do these things, what you're doing is you're hypothetically building a platter for them, and then you ask them, so why don't you do this? So it sounds like, Joe, you need me to do this, this, this, this, this. I just presented the platter. Joe If I'm able to do that stuff, what does that look like for you? How much you want for your home? If I'm able to do those things right, and I just ask the question, I'm not going to say, hey, based off that I need to be around here, you failed. So I'll ask them, What do you think that what do you think that's worth to you to be able to fulfill that for you? What is that worth to you, Joe? Well, I need to get at least to 50. Let's say I'm at 200. I'd be okay. Joe, is there any is there any wiggle room at this at all? Can you help me at all in that number? If they can't or if they say, well, probably 240. Okay, we're so 40% off. Right. That's going to lead me. And look, pull up the slide so they can see it. Yeah. So that's going to lead me down this five steps of negotiation. That is awesome. You got their number? Their number was 250. Now it's down to 240. So what I'm going to do is what Chris Voss says and never split. The difference is you're going to set the anchor,

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right, Because the homeowner is what's opposite of an anchor, a kite. They're going to fly the kite. They're going to say, I need to 50. I'm about ready to drop an anchor. The anchor is supposed to do two things. It's supposed to be unrealistic and it's supposed to solicit a no. The other nuance to that is it can't sound like an offer. Here's what it sounds like. So if I said, Hey, I need to be at 150, I just broke B, That's an offer like that sounds like an offer, right? So what if I did this? So, Joe, real quick. You said you had a couple other investors looking at this, right? And you say, Yeah, okay. My gut tells me the other investors were around 150. Notice what I did? I didn't make an offer. It's unrealistic. And get ready. What's going to happen? It's going to solicit No. 150 code. No, I can't do 150. No, no, no. I'm just saying with those other offers, my gut tells me you probably had something around 150. No, no, they're a little bit higher than that. I love asking the question, Joe, if you don't mind me asking, why did you go with that? Those offers that they came in higher than that? Well, I didn't believe they could do it right. You start to learn about your competition. Ask the question for people, dodge the question about competition. I love it. That gives me ammunition. I know how to now work against my competition because they're telling me everything about them. Right? Well, I couldn't we could narrow this down. They couldn't promise me this or they couldn't do this. And now I'm like, drop more notes. Sounds like they want this. They didn't tell me that in the discovery process either. Right. You're going through and I say, Hey, in a perfect world, I need to be maybe in the mid one hundreds or the market would have me say, I need to be in the middle hundreds. Notice that I made the blame. Not on me. The blame is the market or the blame is other investors. The market would have me be in the mid 100 mid 100th code. I can't do that. Guess what? I just did something unrealistic and I just solicited. No, no is the beginning of all negotiation. So then I go there and I just ask the next question. Number three, Joe, how close can you get to that number? And I just sit there.

Joe: I love that. And let me interject some things here, because land is a little different than houses, because a lot of times sellers do really honestly don't know what their land is worth. They're going to for 20 years. You can't just get a Zestimate on land. It's different. Yeah, they may really not know. So if they won't give you a price and you need to anchor it, one of the things that I do and tell me what you think of this. Sure. They say I don't know. Or they might say you called me or you use send me the postcard. I don't know what I want for Just make me an offer. And maybe they've not gotten any other offers from other investors yet. So sometimes what I'll do is I'll pull up Zillow and look at soles that have sold recently, either at a price per acre or some similar sized. And I might say, well, I don't know, I'm looking here at some sold comps on Zillow in the area. And in a perfect world, looking at these sold, my offer would be somewhere around and I list the 3 or 4 lowest sold in there. Yeah. 10,000, 15, $20,000. And then I'll say something like that. Probably wouldn't work for you, though, would it? I don't know what you think of that.

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Cody: So for me again, yeah, the data is saying you're good and you're tracking it and like people love it. What sometimes can happen is if someone knows they're not going to go down to that price, it can build up a resilience in the seller where they're like where it's almost like you just shut them off for like, we're not even close, so I'm not going to do it. Why? Because he said, my offer be around. So you're actually stating that it is an offer by saying my offer would be okay. So I would say I don't base off based off where the market would tell me to be. You're blaming the market or have you had if they said they'd had other people want to buy their land, say, I'm assuming the other people were probably around 100,000.

Joe: Well, okay, I'm trying to anchor though, the price, making that initial anchor on the activity that I'm actually seeing on Zillow. Yeah, right. So I'll add, I look at activity.

Cody: Like Zillow would suggest that's around this. That's how I would say it. I wouldn't say when we stop a Zillow would be this, because now you're saying it's too specific to you saying it's it sounds too definite versus you also have room to budge by me saying Zillow suggest I'm not making an offer. I'm just saying Zillow, Zillow.

Joe: I love that.

Cody: Need to be around 100,000 and they're like 100,000. I can't do that. Beautiful. I just established a beautiful anchor that was unrealistic. And a solicitor to know better.

Joe: Yeah, it would be better to say something like Zillow is telling me here looking at these sold. Yeah. That it would be around 10 to $15,000.

Cody: Yeah Zillow would suggest based off what I'm looking at Zillow would suggest around 10 to $15,000. But notice what you did. You allowed yourself to not thrown out. You did not say anything that says, this is my offer now there's room for two. They're going to say, No, I can't do that. Joe, Will Joe tell me this. How close can you get to that number? And now they're negotiating against themselves. They're establishing the number. Why? Because you beforehand establish the platter, and they're saying, Man, I actually really like this. I don't know if I'll ever use this land. I do love that I have a little bit of cash. I do love that he's able to do this, this, this, this, this, this, this. And they put a price tag on it. That's where sales gets really good when you don't have to suggest your price, when you get them to suggest a price and when their price is too high, you go to number four, right? So let's say vague was around the ten. Zillow would suggest any be around ten and let's say your max is 20. Okay, Joe, I appreciate you saying you because you could get this 30,000.

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And is there is there any other is there any wiggle room at all on this at all? And then you just do a vague price range. If if I is able to bring in a few more thousand than that being the 12 to $14,000 range, I mean, is that does that help at all? Does that get any closer? And they're going to say, no, I just can't do 14,000, Cody. And I appreciate that, Joe. I really do. I go back to step number three. How close can you get to that number? And I just sit there and I let them negotiate to get themselves without any And if you like it, take it. But then there's a point where you again, here's the beauty is if this never turns into anything great where you can't solidify your number, you're never leave it on my offer and you're never leaving them a price. I have not set a price yet. Still to this time. So if they're like, I need some time to think about it, and let's say you've done everything, so I'm going to try and keep month long and by the way, as long as I can till I get that contract. But let's say I've done everything, I've exhausted every effort and they're like, I need time to think about it. I'm going to dangle a carrot to make them realize they need to come back to me. So I'm not going to leave them a price because my competition's going to get that price. And they're saying, Hey, I already got a guy that offered me 15,000. Well, I'll give you 16. Okay, We'll go with you. We've had this happen to every one of us because of that negotiation tactic. It doesn't work. It never serves you. So we don't leave a number. We don't leave a contract. We just say, Hey, Joe, sounds like you're going to get a couple more prices out there. And let's say they just they're just one of those personalities. Like, I need three estimates, period. The end. I'm going with the best validated that. Here's what I had asked Joe. You give me the last shot. Why? Because I want to do everything I can. This to me is just like how you're like, I don't know, the prices. I just don't know yet either. Zillow's kind of all over the place on this one, but here's what I'm going to do moving forward. First and foremost, that's why your phone. When do you when is your next person coming out? Thursday at seven. Cool. Thursday at 730. I'm going to reach back out to you. But here's what's going to happen between now and 730 on Thursday. I'm going to go back to the team. We're going to sharpen our pencil and we're going to come up with something favorable. Notice I didn't say I'm going to come up with our highest price. I'm going to find something that's going to beat your competition because if you come back, you better beat your competition and they may be at a price that you can beat them. So it's I'm going to put some work together that we can put together a favorable offer. I'm just certain we can do something. Joe Yeah, you're just giving them that Care to say why if they have to? Other than that, we're not getting off the phone. Like, if you're just home and around, I'll go down to if you see some of these things, you can ask like the how would it sound? And then sometimes you do can get to the specific number if you have to, right? Like what if I did 15,000 for 95? Because now there sounds like there's some kind of math equation behind that. And they're like, that's as high as I got them. Sounds like I need to take this offer. Okay, let's do the 14,009 for 95.

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Joe: Yeah, I like that a lot. Again, sometimes the land is a little trickier because they honestly just don't get it.

Cody: It is and they I would ask them what you want to do with that.

Joe: What intrigued me about the postcard is there's something you're trying to accomplish with it.

Cody: Are you trying to go on vacation? Are you trying to go buy something else? I know Christmas is coming up. Are you trying to spoil the grandkids? What does it sound like for you, Joe, and help them dream like try to get out of it what they're trying to accomplish? Yeah, I'd love to take my kids on a cruise. What does that cost nowadays?

Joe: Very good. All right, so what goes after that? Then you get a number from them or you don't. What do you do?

Cody: Yeah, if they're just tight lipped, they're not giving me numbers. It is if we have to leave that appointment, we also leave that appointment with no offer and no number, just a date to come back and get the contract and establish.

Joe: So you're talking about meeting in person, right?

Cody: Yeah. Yeah. So you're doing this on the phone? Same thing. It's not giving them a number. I'm not telling them I'm submitting the contract so you can see that I'm a serious buyer. That is just nine times out of ten, I'm going to be used against you on your competition.

Joe: Well, okay, that's different than what I do. And with land and I do this because it's land. I didn't do this with houses. Yeah, but if I can't get a number out of them, sometimes I just send the conversation with, well, you know what? I'm going to sharpen my pencil, look at my numbers, and let me come up with a number. And sometimes I'll say this. I'll go ahead and email you something and I'll. Put something in the mail and listen, if it doesn't work for you, just throw it away. But let's keep in touch. And I'll also send you the names and numbers of the realtors, because I just know like their motivations are 1 or 2 where I need to need to be at a 9 or 10. Yeah. So I still like to send the seller an offer and it I'll send that same.

Cody: Because land is a little bit different right, than single family. It's like Joe Homebuyers going to spank everyone that does that. But land, it's a little bit different. It's probably a numbers game. How many contracts I send out to get X amount of accepted and that could be that.

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But it doesn't mean that there may not be a better way to at least improve those numbers marginally, where you're just figuring a way to get 1% better every single day until you get a law of diminishing returns. Right?

Joe: Yeah, I like that a lot. I know my numbers. If I send 30 offers, I get one deal. Yeah. What if you could increase that, too?

Cody: What if you went up to ten by just saying, Hey, when's the next. Is there something I'm missing? Joe? I know, I know. You said you can sign for this. I mean, listen to this. How many times I know I can sign for this? That in everyone's head in sales thinks, you're the decision maker. The signer in a decision maker can be two separate people. Like, that's been a truth that I've seen my whole entire real estate career is just because Mom's able to sign doesn't mean she's not can't daughter to make a decision. And you need both of them. Hey, Joe, I'm going to follow up with you. I'm going to tie my cancel up. I'm going to do everything I can. I want to make sure that we come up with something favorable that allows you to feel good about this. In doing so, is there anyone else you would like on this call next time we talk? Well, really, my son's involved in this. Awesome. What's something? That's fantastic. I would love to meet him just so that we can get everyone on. What's a great time that we can get you and your son and myself back on a phone call. And I'm I call Bam fam, book a meeting from a meeting meaning I never have my acquisition managers ever get off the phone without Bam fam they have to book their next meeting. From this meeting that's happened. Book a meeting from the meeting. Bam, bam. Why? Because they need to attach a task to everything. That's how I'm able to hold them accountable. Saying Do you one of the Johnson's family? There's no task. What did you do? How do I know you? Did you even do anything? When are you fall up? Well, it's next Friday. What's not in there? How do we. How do I hold you accountable if it's not even in there? So it's bam fam. It's when they. They're never getting off the phone or they're never leave an appointment without the next appointment. Right there. Before we leave, pull out your phone. When are we meeting again? Bam fam. And we use that all the time as well to make sure that we always have follow up. We always have a task attached to every single actually take turn.

Joe: Yeah, I love that. All right. We got to wrap this up. Let's talk about Joe homebuyer franchising.com. What is that, Cody?

Cody: Yes. So Joe home buyer is for those that are like on a six figure business and they're trying to turn into a business, that's who we're here to help and guide is to get to those seven figure earning years. That's something that we're passionate about, and most times it's a lack of a skill set. And most times there's two things. In fact, when they hit that ceiling of a

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quarter million, 500,000. Usually it's two things skill set, problem. What's the next skill they need to learn so they can get past that silly? The other one is actually a limiting belief and it's stuff that we've caught our whole life. Maybe mom and dad said, You know what? The Johnson family just wasn't made to have money. And so we're really big at the skill set training. We're really big at the processes that you can just tap into. And it's like you follow this process. You don't have to deviate like it's what you just saw today, the five steps in negotiation, it's like boom, boom, boom, boom, boom. And it just keeps spinning out. Everything has a process within Joe homebuyer. And then lastly is leadership development. Our mission statement has nothing to do with real estate. It's creating leaders because we know that when we build leaders, the leaders will go out and build successful businesses. And leadership is so needed in this nation right now. We need that so bad. And going to Jim Row and he says, rarely does a man's income exceed their level of personal development, meaning we try to chase money all our whole lives. Jim Rowan would say, Go chase personal development and watch money chase you. And that is something we've seen to be true, is you can't have a team of eight players. When you're a C leader. You've got to become an A leader that simply attracts a players and then watch those eight players build a great business for you. So we're beginning building this to turn into an actual business that serves you versus you always have to serve it.

Joe: Nice. So a good person is a good fit for our Joe Homebuyer franchise would be somebody that's already doing some deals, already doing six figures a year?

Cody: Yeah, or even a handful of deals. We just had a guy from Arizona that had done this third deal this year. He's going to do over $1 million. His first year switched over to Joe Homebuyer because he just tapped into the process.

Joe: Yeah.

Cody: But yeah, beginners I'd say you got incredible coach right here. Like that's going to teach you how to do consistent deal flow and you might even do some high end stuff Joe, too. But yeah for those that are ready to say, Hey, I'm ready to turn this into a business so I don't have to work from nine to nine, that's what we're looking for.

Joe: And you can apply the homebuyer's concepts trainings to land as well.

Cody: All day long, all day long. We have people using it for commercial and I'm not I would not tell anyone. I'm an expert on commercial. I'm not. I'm far from it. Yeah, the process is the process, and it does work.

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Joe: Awesome. All right, Cody. Anyway. How can people reach you on Instagram? Are you there?

Cody: Yeah and I do reply. So when you DM me it is not my team. Joe homebuyer different. It is going to be Joe homebuyer team. Like nurturing that and having conversations. Cody Hofhine, it is me. I love talking to people and making an impact in their lives. So go to Cody Hofhine, see the blue checkmark. That's me. There's other fakeys out there. Go to the blue checkmark, DM me and we'll have some awesome conversations.

Joe: Good, Hofhine is H O F H I N E.

Cody: That is correct.

Joe: Awesome. And then also guys again go to Joe homebuyer franchising.com. All right thank you Cody. Appreciate you man.

Cody: Thanks Joe.

Joe: See you guys.

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