



# THE LANDGEEK

## The Art of Passive Income Podcast With Mark Podolsky, AKA The Land Geek

**Mark and Tate talk with: Erik Peterson - LandOpia.com and  
Mimi Schmidt on the Land Geek Round Table**

### Transcript

**Mark:** Hey it's Mark Podolsky the Land Geek for this week's Round Table podcast. By the way, I'm doing this completely wrong because I'm completely flustered for our opening and I'm jumping off in four minutes and Tate is hosting this because I've got to jump off in four minutes. So, in case you don't know who I am this is Mark Podolsky the Land Geek, The LandGeek.com, your favorite nichey real estate website. On today's Round Table which I'm jumping off, we've got Mimi Schmidt. Mimi, how are you?

**Mimi:** I'm doing great today. How are you, Mark?

**Mark:** I'm great. I'm great. We've got the irascible Erik Peterson. Erik, how are you?

**Erik:** I'm doing great.

**Mark:** Great. Then, I love it when you call me Big Poppa, Tate Litchfield. How is it going, Tate?

**Tate:** I can't complain. Everything you know dog days of summer. It's hot. That's the only thing I can complain about.

**Mark:** It's hot. It's so dog days that Bear Land Aaron, Scott Todd, Jeannie Murrain, Zaino, cannot make the Round Table and I got to jump off to go on a podcast with Matt Terrio. So I'm going to leave it to the three of you to delight and entertain and inform our Round Table listeners. So without further ado have a great Round Table you three and actually we will see everybody next week, happy July Fourth.

**Tate:** All right, thanks Mark you will be missed but who knows it might be one of our most listened episodes ever. I don't know. Who knows? What do you think? So we've got some interesting topics that we are going to do today. We were discussing the podcast Mimi and Erik and I decided we are going to take a little bit of different approach. We wanted to go over some recent deals that we've all had recently. But before we all jump into the good stuff Mimi brought up kind of a concern that a lot of people are having in this business. Go ahead, Mimi. What was that concern that people are feeling?

**Mimi:** We talk fairly frequently about summer about sales getting slow and how we deal with that but I've heard people mention slow buy side and so what can we do if we have a slow buy side inventory?

**Tate:** This is a good question. I mean Erik what about you? Have you seen a slowdown in the amount of property you are able to acquire on a monthly basis?

**Erik:** I mean yes there has been a slow down definitely in the response to the letters that go out. I'm seeing a smaller percentage of those come back either signed or as a counter offer what have you. So I'm definitely seeing a slow down there. However, I'm still buying pretty steadily. I'm not really feeling it in terms of what I'm actually buying. So even though I think the response rate is lower I'm still sending lots and lots of offers. I have raised prices in some areas to try and acquire more property and yeah that's kind of where I'm at.

**Tate:** So. Okay. So let me ask you this, Mimi, why do you think there's a slowdown in properties that are being purchased right now? I mean are you seeing a slowdown?

**Mimi:** In one of my markets I actually have been considering getting out of it. I've got a report from Zillow this past week too that said its market strength is 9.4 out of 10 and it is a self-market. That kind of surprised me but it's just a superhot market. I had lots of competition. The prices are going up. What I found is that while my prices are going up the people who

are buying from me previously don't want me to charge them more, right? So my margin is getting squeezed a little bit but I should find new buyers, right? That will be willing to pay the higher price. But for my particular county, I think that's part of that but I'm not sure that that's it for everyone's county.

**Tate:** So why does it happen? I mean I have my theory here on this and you know I think it goes back to the fact that maybe \$1000 or \$2000 depending on what your offer is doesn't mean as much nowadays as it did two years ago. The economy is booming. People are employed. They don't care about paying those annoying property taxes. What else could it be Erik? What are your thoughts? Why would there be a slowdown in the number of people selling property?

**Erik:** Well I think it could be a couple of things. Of course, I mean this is just assumption. But I think during the summertime people get busy. Vacation time is upon them. If they've got children you know their home they're just more busy. So I think there's a lot more distractions in the summertime so it's easier to ignore those things that come in the mail. I also think that in general the economy seems to be doing better and therefore maybe people just aren't as concerned about getting some extra money right now. You know they're doing all right otherwise

**Tate:** Okay. That makes sense. Mimi, what are your thoughts on that, anything different?

**Mimi:** No, I think it's a strong economy, that and competition.

**Tate:** Okay. So what do we do to combat this issue? Because let's face it if you don't have inventory you're not making money, right? So this is a problem that I recently experienced. You know every land investor is going to have a carrying capacity of how many properties they want to have in inventory. Once you dip below that number if you're me you start to get a little panicked. You start to look around you go, "I've got to own landitis again. I'm falling into the trap of paying whatever I have to you to get more property." So the question is what do we do when we run into a situation where we don't have enough inventory? How can you get that phone ringing again and accepted offers happening? Erik I mean you mentioned it earlier you said you raise prices a little bit.

**Erik:** Uh-huh.

**Tate:** How much did you raise them? I mean was it a 40 percent price increase or?

**Erik:** About 10 percent.

**Tate:** 10 percent?

**Erik:** Yeah.

**Tate:** Mimi, you said one of your areas you're getting squeezed out basically how much have you increased?

**Mimi:** My cost doubled.

**Tate:** Wow.

**Mimi:** Right. So I was selling them for 2200 and they want me to pay like \$4000, \$6000 now. So you know if I can even get them for my 3500 if I have to pay some taxes. So I do have to raise my sale prices instead of like 6500, 7500 I may just be selling them for ten grand, 12 grand, on terms.

**Tate:** Higher downs higher monthly.

**Mimi:** So that I can get my payback sooner.

**Tate:** Yeah.

**Mimi:** You know what? I'm prospecting in other counties more so than I was before. It's forcing me to have more counties which is what I need to be doing anyway. I just hadn't. So now it's kind of giving me the kick I needed.

**Tate:** Fair enough. Yeah. I mean another thing that I'm doing is we're increasing the total number of offers that we're making and I figured, hey if I can get this adjusted acceptance rate due to the current state of the economy well if I need to get back to around a three to five percent I need to increase the amount of offers I'm mailing by 30 percent or something. So that's one thing that we're doing. We're increasing offer amounts. We are trying new areas. I mean we're always trying to stay ahead of it but sometimes these markets they come in waves, right? At one point it might not be the right time to buy in. One of my areas that I work in regularly I've been completely priced out. I'm not buying land there at all because like you said the return is just not there anymore. So I'm not going to overpay for property that's a problem once you start getting there.

**Mimi:** I'm really glad that you said that happen to you because sometimes feel these things as an investor you think it's just you. So if I see this

happening to someone who's experienced as you that makes me feel, "Okay, it's not that I'm doing something wrong. That does actually happen."

**Tate:** Here's the thing, Mimi. You and I were in this for the long run. So if you don't buy any property in this county for a year, 18 months who cares, right? You can come back and mail in two years and pick up right where you left off after a correction have been made. So that's my philosophy. I mean the people that get into issues are the ones that overpay for properties and they start getting desperate. I don't know. Then you lose control of the deal in my opinion.

**Mimi:** Yes. I agree.

**Tate:** I don't know if any of our listeners are out there. Go ahead, Erik.

**Erik:** I just wanted to add I mean the other source for property that we haven't mentioned is of course wholesale, right? So many of us offer wholesale properties and you know getting on those wholesale buyers lists, watching Facebook for those wholesale deals can be a good source of property. Now, obviously you're going to pay more but if you're running out of inventory because your offers aren't getting accepted you know it might be a good opportunity to bring your inventory back to comfortable levels.

**Tate:** Which is kind of confusing because how come I can't get an accepted offer but Mike can get like 30 of them, right? Is he just that much more charismatic than me? What's the deal? I mean I'm a nice guy but Mike Zaino that guy he's always got inventory. I call him up and it's like, "Hey Tate. What's going on buddy?" I'm like, "Mike I need some land." He's like, "How much you want? Where do you want it? I will get you anything you want my bud." It's like, "What? I have mailed 5000 offers there and within 30 days he's got inventory for me." I don't know.

**Mimi:** Wow.

**Tate:** Yeah, that's Mike.

**Mimi:** I wish Mike came on for an answer on that.

**Tate:** Yeah. I don't know. I mean he might make you buy him a couple of drinks first but that guy ... I think that goes into, number one his personality is contagious, right? You get Mike on the phone and he wants to know about your kids, the sports there are in and at end of all of that ... I was listening to him one time at a Bootcamp and he was talking this guy and he spent 15 minutes with and at the end of it he said, "Oh I'm sorry so are you

interested in selling your property or not? He talked to the guy for 15 minutes without even bringing up the property. The guy was like, "Oh yeah. I will sell it to you."

**Mimi:** Wow.

**Tate:** Mike Zaino for you.

**Mimi:** That speaks to relationships. How important the relationships are. That's for sure.

**Tate:** Yeah. No kidding. Well if any of our listeners are out there and they're experiencing the same heartaches that we are, let us know what you're doing to adjust this to boost your inventory. Because we're curious and if it's working for you, share the wealth. But the next thing that we kind of want to discuss is something I enjoy doing I think it's it can be very motivating and I'm still seeing a ton of sales happen despite it being the dog days of summer, despite it being hot. So I always kind of like the pick everybody's brains especially on the Round Table on a recent deal. So Erik in the last week or 10 days what's been the best deal that you've had. What were the numbers? Where did it come from? Walk us through it because nothing will get you more motivated to sell land than listening to Erik Peterson do it. I mean if that guy can do it.

**Erik:** So I'm going to go back a little bit further just because it's a little bit more of a unique sale.

**Tate:** All right.

**Erik:** So back probably a couple of years ago now I bought a property in a given county. I sold it for cash for about 260 percent return. Shortly thereafter maybe I don't know six to 12 months later the guy that I sold it to came back to me and said, "I don't want this property anymore. I just got something else from my family another property and I don't need this one." So I said, "Okay, well I'll buy it back but I'm only going to pay you half of what you paid me." He sold it to me. So then I guess it was about three weeks ago now I resold that property on terms this time for about 330 percent profit. So I mean...

**Tate:** Give it up for Erik. I wish I had a soundboard ear because that's the one thing we need to take this podcast to the next level. I need to have buttons like, audience and maybe like a car crash noise and like a cat or something like that. Like a meow every once in a while.

**Mimi:** Wonk.

**Tate:** Yeah, wonk, wonk. But if I had a button I'd be pushing the audience approval clapping, cheering button because that's amazing.

**Erik:** Yeah I mean that's a fun one.

**Mimi:** Even if you held it, sounds like you held it a little bit between the time he came back and the time you sold it again maybe?

**Erik:** I did. I had it for a couple of months and weeks.

**Mimi:** Wow. Congrats.

**Tate:** I'll take that deal all day long. But it's kind of fun because that means you've sold the same property for cash twice. I guess cash wants in terms and other time.

**Erik:** Right, right. But nonetheless, I have no money in it. I mean really because...

**Tate:** Yeah. So you made money both times.

**Erik:** Yes.

**Tate:** Love it. All right, Mimi, top that. Good luck.

**Mimi:** Well, I can go with a more recent one but it won't top that.

**Tate:** All right.

**Mimi:** So I'm getting out of this, the county I was talking about. The very first property I bought, I had landitis, land ownership itis whatever you call it so I little overpaid for it. Then I had a property in that area that was defaulted upon came back to me and I had a woman called, "Hey I'm going down this weekend. Do you have any property?" I sent her those two and she called me up she's like, "Okay I'm going to buy them." So I probably paying seven and I'm selling them for 12. But getting them out of the inventory, the one that had been defaulted on I already have some money on that and this first one that I have been hanging onto forever. Its area the location wasn't as good as I've refined my subdivisions too. So I'm really happy to be done with them and she gave me \$1500 down payment which is the biggest down payment I've ever gotten so I was happy about that.

She's doing this but then I have got a bunch of people right now that all want to start paying their loans off. So I was looking at my balance in my account this morning and I was showing my husband. I don't know what it is this time of year. I've a lot of people that are saying, "I want to get this thing paid off," and they are making double and large payment. She has like a 32-month note. She is paying it off. So this week she'll make her first monthly payment on the 1st it will be the second, pay me \$2000. So I already sent her the invoice.

**Tate:** It's bittersweet isn't it though? Like when somebody goes and they say you get that dreaded email, "I want to pay my note off," and you're happy but at the same point, it's bittersweet, right?

**Mimi:** Yeah. Oh yeah completely.

**Tate:** There goes the passive income potentially. But you know it's hard to turn away from that or be upset when somebody wants to pay cash or they offer a note

**Mimi:** Yeah. Another one deposited \$600 check today on \$282 note right? He wants to pay so I don't know what it is.

**Tate:** Love it. All right, well I don't think I can top Erik's either. But a recent deal I had this last week was we bought this property, it was a beautiful property in a new county actually. We paid \$3500 for the property. I threw it up on Land Modo and I generated probably six or seven leads in the first 24 hours of it going out. It was insane. From that one listing on Land Modo I probably got 15 to 20 responses and it I had all these people telling me, "Yes we want it. We want it. I'm going to make the payment. Give me till the next day."

So I kind of created a little bit of a bidding war for it I said, "All right, well, first person to make a down payment wins basically." I sent everybody a mass email and on that, I included the terms, all the information. And I sent it out and within maybe five minutes of blasting that email out with a link via Geek Pay paid to make a down payment I had \$650 down payment plus \$250 doc fee. So it ended up being a pretty sweet deal. Plus it's going to be \$325 a month for, get this, the next hundred months so pretty awesome. It was a good deal. I mean the best part about it is obviously it sold fast but I did own the property for like maybe 45 or 50 days. So a little bit longer than I like typically but I've got 19 backup buyers in case this guy defaults.

**Mimi:** Got to go get more of those properties.



**Tate:** I know. So I'm on the hunt. Geez, thank you, Scott, man. I don't know if I should be giving him a cut or something or what because I got 19 people begging me for money. It was funny because after the guy made the down payment I had four people email me saying, "Hey the link is not working." It's like, "You missed it, man. It was single use." I responded to him. The guy who made the down payment probably within 15 minutes but I checked my email. I gave him a call and I explained the process after he made the down payment and I checked my email afterward and he sent me from four or five emails saying, "Hey did I get it? What's the deal? I made the payment did I get it? Did somebody else buy it?" So he seems like he's going to be a good buyer. But that was kind of my most recent win on the sale side so kind of fun.

**Mimi:** Keep at it.

**Tate:** Thank you. Well, I feel like you know it's been a short and sweet podcast but I feel like we've covered a lot of info. Hopefully, our audience will like it. It wouldn't be a good podcast without some sort of plug, right? I think that's what Mark typically does at this point. What better plug than Boot Camp? I mean Boot Camp is coming up Scottsdale, August 3rd through the 5th. If you're interested in taking this to the next level you better be there. This is Mimi's what? This is Number eight for you?

**Mimi:** This is going to be number eight. I'm so excited. I love the Scottsdale Boot Camp that resort is so beautiful. I remember sitting out at the bar we were all networking, hanging out, and you could see the little hummingbirds coming in and out in the sun. It was beautiful.

**Tate:** Yeah. It's a nice area. I mean last year when I got in it's right up in the foothills there and there's some pretty famous hikes that you can do in the area. I remember there was a helicopter as I drove in and I guess some hiker thought it would be a good idea to go climb one of the peaks at midday and had to get helicoptered off the mountain. So wouldn't recommend that. I'd recommend you stay at the hotel, sit by the pool, network, and enjoy it.

**Mimi:** Didn't Mike Zaino go hiking? He went hiking and talked about being bitten by a javelina? I remember that. I'm sorry. He wasn't. It was a joke. He wasn't.

**Tate:** I was going to say we need to just do like a podcast solely on Mike's Zaino, like the life of Mike. Like just have him talk because when he gets on this it's hilarious when he gets on what is it called? The Nite Cap, he's hilarious. That guy's got more stories than anyone I know.

**Mimi:** Yeah.

**Erik:** He does.

**Tate:** So get to Bootcamp if you're thinking about you know whether or not you should go, the resort is beautiful. Mimi is going to be there. Erik's there. I'm there, obviously Mark and Scott. Zaino is there. You can probably get some good jokes and stories out of them. So it's fun. We have a blast. You're going to learn a lot. You're going to make some great friends. I think that's one of the best things about Bootcamp is I've made some really long, long lasting relationships and I'm really grateful for those people because they've really motivated me during times when I've struggled. So come to Bootcamp, our community is amazing and hopefully, we'll see you there. Are you guys ready for this?

**Mimi:** Ready.

**Erik:** Let's do it.

**Tate:** One, two three

All: Let freedom ring.

**Erik:** Oh geez.

**Mimi:** Yay.

**Tate:** It was alright. I feel like we should do a redo just because this is coming out on the Fourth of July. But you know?

**Mimi:** Oh man.

**Tate:** Maybe we'll have Erik add like some like firework noises. Again this is the soundboard thing.

**Mimi:** Right, right.

**Tate:** I'm talking to Mark.

**Mimi:** Happy Fourth of July Independence Day everyone.

**Tate:** Yeah. Well, that's was fun. Great podcast, guys.

**Mimi:** Yeah thanks. That was fun.

**Tate:** Excellent.

**Tate:** So what's the plans for lunch? Erik, are you sticking around today?

**Erik:** I already ate.

**Mimi:** 3:30 here.

**Tate:** Oh yeah you guys are all at the other side of the country.

**Erik:** You've got to be talking about dinner out here.

**Mimi:** Yeah.

**Tate:** Well for me it's lunchtime and it's Tuesday so we'll probably go for some tacos. We've got a great taco spot right up the street from me and they do 99 cent tacos on Tuesday. They are ridiculous. They're so good.

**Erik:** Excellent.

**Tate:** I love that place.

**Erik:** Just beef tacos or just plenty of stuff?

**Tate:** They do like Carnitas, chicken, steak.

**Mimi:** I had Carnitas tacos for lunch.

**Tate:** I love Carnitas man. That's my weakness, Carnitas, anything pork like pork products, pork accessories. Bring it on. I love it.

**Mimi:** We're all kind of meat minimalist. My daughter is a vegetarian except for bacon and pulled pork.

**Tate:** I guess she's cutting out. She's leaving like the good stuff, so good for her. All right guys. Well, thanks for joining me today. Thanks to our audience. Please, what is it? Review, rate and subscribe? Is that the right order there our podcast?

**Erik:** I think so.

**Tate:** All right, well, do that. Do those three things in whatever order it is because it really helps us.

**Erik:** Rate and review and subscribe, maybe.

**Tate:** It's okay. Well, do those things for us because it helps us. If you're enjoying the podcast let us know. We really appreciate those positive comments that we get and the feedback helps us keep going and hopefully we're bringing you some value and thanks for listening. Talk to you guys later.

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