



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

Mark and Scott talk with: Erik Peterson - LandOpia.com, Tate Litchfield - FrontierPropertiesUSA.com, Mike Zaino – TheLandGuru.com, Aaron Williams – BearLandProperty.com, and Mimi Schmidt on the Land Geek Round Table

Transcript

Mark: Hey, it's Mark Podolsky - The Land Geek with your favorite nichey real estate website www.TheLandGeek.com and today's Round Table we've got the usual suspects. We've got the big poppa - Tate Litchfield. Tate, how are you?

Tate: I'm great, happy to be on.

Mark: Awesome. We also have got the; breath in the mailing, breath out the marketing - Mike Zaino. What's up Mike?

Mike: Not much. How are you doing?

Mark: I'm so glad you're safe after all the gas explosions in your area.

Mike: That was crazy.

Mark: Yeah, yeah, we've got the Technician - Erik Peterson. Erik how are you?

Erik: I'm doing good.

Mark: Good and we've got Mimi - The Terrorist Hunter - Schmidt. Hello Mimi?

Mimi: Hi. How are you?

Mark: Good, good. We've got Bear Land - Aaron. He is back after a little hiatus. Good to see you Aaron.

Aaron: Good to see you and everybody too.

Mark: And of course: you know him, you love him, the Professor, the Brain, Six Sigma; Scott Todd from ScottTodd.net, LandModo.com and most importantly if you're not automating your Craigslist and your Facebook postings PostingDomination.com/TheLandGeek. Scott Todd how are you?

Scott: Mark, I'm great. How are you?

Mark: Pulse is still normal, respiration is fine. I can't complain. We have a new nickname for Mimi.

Scott: Yeah.

Mark: What is it?

Scott: It was Mimi - Jack Ryan.

[00:01:48] [indiscernible]

Mimi: I watched that for the first time last night it was really good. I watched the first two episodes and it was fun.

Scott: It was good.

Mark: So it is Mimi - Jack Ryan - Schmidt.

Mimi: Oh.

Scott: There you go.

Mark: Mimi, which do you prefer?

Mimi: The Terrorist Hunter.

Mark: All right we're going to go with the Terrorist Hunter.

Erik: She shot down Scott's nickname.

Scott: All good. Well listen, it does seem a little weird that we would say Mimi and then give it like a guy's name Jack Ryan. You know I guess that's...

Mark: Yeah.

Erik: Jacklyn Ryan?

Tate: Yeah, or maybe Mimi Ryan but that will confuse everyone.

Scott: People will start calling her Ryan.

Mark: Yeah, I don't know. But you know what? The official Land Geek Motivation Group has been generous this week and they have teed up some excellent questions for us. So let's go to the Round Table and ask this question. The first question is from Laura is regarding pricing when selling a parcel. She says she checked comps online and she found a range but there's a big range. So when do you know to lower your price without giving the parcel away? Let's start with the Zen master.

Mike: So when to lower the price without giving it away?

Mark: Yeah.

Mike: Well, you know I don't know. I think that you've got to competitively price your parcel but the advantage that we have over everybody else is we're buying them so cheap. So you know we can basically sell retail but we sell on a small monthly payment. People spend more money on coffee I always say it. They literally will spend more money at Duncan Donuts than they will for a parcel of land.

So I don't think that initially like trying to market down or worry about it no, I don't think that really applies and I'm thinking that we have the ability to sell these parcels at retail or even more than retail because people are focusing on the monthly payment that's where our real selling point is. It's that we can allow them to buy something so cheap. So it's definitely not

going to happen right away. I'm not going try to come... If I wanted to get a cash sale yeah, then I'd want it to come in really competitively; below everybody else if I was trying to force that cash sale, but I don't know. Am I answering all the question? I'm not even sure I am.

Mark: I don't know. Erik, is he answering the question or he is kind of ducking it?

Erik: No. I think he answered part of the question anyways in terms of when to lower the price, or if to lower the price. Yeah, I think you got it.

Mark: Okay great. So I just went on Facebook. Are you sure we're going live or streaming live right now?

Tate: It says it is.

Mark: I don't see it. I mean it says in our end but I don't know if I set it right on Facebook but...

Tate: I'm not seeing it on Facebook but it says it is.

Mark: Yeah, so I'm going to [00:04:50] [indiscernible].

Mike: Did the last button go live?

Mark: What's that?

Mike: There is like one more button right at the end.

Mark: Oh, see I didn't hit that. Yeah, so that's what it is. So I'm not just putting the link here to see the... wait. It says, "Copy Streaming Link." I screwed it up unless it is not working.

Mike: [00:05:19] [indiscernible] it is.

Mark: All right. I'm going to go right now but I did something wrong. All right, so we go to 'More', 'Stop Live Stream' and then do it again because I don't see it on Facebook.

Mimi: [00:05:35] [indiscernible] I see your question, "Any question for the Round Table panel? [00:05:39] [indiscernible].

Mark: All right, so let's try it again - see Mike. I'm blaming Mike because I can't take responsibility for any technical issues at all, it's a problem. But

let's go to Mimi and while we're setting this up. Mimi, how would you answer the question as far as when do you lower the price, and how did you even get an idea when the comps are all over the place?

Mimi: The comps are all over the place. I use the Financial Calculator the Ten bii. So, I want my IRR to be over 100%. So if I've looked at the sales data and I've looked at the LandModo and Craigslist and LandAndFarm and got some of the type of property I have and what it should be selling for I don't always just have one price for a piece of property and I vary it to see what people will bite on and then [00:06:44] [indiscernible] what sells more frequently and it's usually a cheaper and more easy to pay monthly payment, right?

Mark: Right.

Mimi: But I usually don't price below 100% on the IRR and then if there is downward pressure on the market and [00:07:01] [indiscernible] I won't go below 80%. When it gets to lower than 80% then I start considering whether I should be in that [00:07:09] [indiscernible].

Mark: I see, I see. Erik Peterson do you do anything differently?

Erik: I don't that I do anything specifically different. I wonder if the nature of the question comes down to, you know, I think when a lot of people start off buying and selling land they want to sell the property and that's always kind of the biggest hurdle to overcome once you own the property is now you've got to sell it and people freak out. They put their ads out, they advertise it on Facebook, Craigslist or wherever, LandModo and they're not selling the property. People are asking questions about it, maybe they are inquiring to some degree, but no one is pulling the trigger to buy it and I think it's really easy to start feel like okay well maybe I didn't price it right. I've got to lower the price a couple of hundred dollars today or next week or whatever, but ultimately it's just about bringing enough buyers - potential buyers to see your ads. Because I think what we find often times is it takes somewhere around 50 leads to sell the property. So if you've achieved that but yet you don't have a sale then maybe it's all right to start considering lowering the price. I mean you should have plenty of room to be able to do that if you bought the property right. So, I don't know, that's my thought on it.

Mark: Yeah, that makes sense to me. Bear Land - Aaron what are your thoughts?

Aaron: Often I will first raise the price just to see if it is something like if I missed it because sometimes when there too cheap people steer away; they're not sure why it's so cheap you know. So sometimes I'll go ahead and just raise that cash price or the monthly payment you know maybe \$10 or something like that just to see what happens.

If I don't get any traction with that then I consider lowering it and oftentimes what I'll do first before I actually lower the price across all my ads you know like maybe change LandModo listing to have a different price, that sort of thing is I'll kind of shoot it out on the buyers list or even a special Facebook ad to the buy-sell groups where I listed at the price that I have it listed at but I worked some sort of extra deal. Some of, you know, got to sell now, Facebook special, this weekend only if you... I'll give it you for this price or same thing on the mail list and that sort of thing.

And then if I still don't do anything then I have to consider well maybe I overpriced this property and you know we did buy it cheap so you know there's a lot of room there. So, I can start working it down and I've done that a couple times and like hit a point where all over sudden people are just all over it, but I don't go a lot of it at a time. You know just small increments over time and you will see where it kind of clicks in and then you know when you're buying the next property out there hey this is where now I need to be. So you can change your offers and that sort of thing to be where you want to be margin wise.

Mark: Yeah, I love that because then once you get that sale at that price you really got the right data and then you can do that next batch of offer letters. You take that sale price and you divide by four and that's your comp right there.

Mike: That next batch of offer letters [00:11:17] [indiscernible].

Mark: For sure. So Tate what about you what's your thoughts?

Tate: Honestly, I don't change my pricing that much. Once I have determined what a property is worth I mean that's kind of what I go with. I don't ever really feel the need to fire sale properties because I'm in it for the long run. I think you know like Erik said we get that anxiety that we need to sell, sell, sell super quickly but the more property you have and the more property you have on the market the less likely you are to feel this way.

So I mean if you have 10 or so properties in your inventory and you are getting leads on a few of them or the ones that might be "price too high" it doesn't really matter because you're always moving other properties. So I

think on my pricing I tend to be on the high-end. I look at a lot of the comps and mine are almost always more expensive than everyone else is yet I'm still selling property as fast as I can get it. So I don't really change my pricing that much, I'm competitive. It all comes down to the way we do our due diligence, our County research and our pricing of the individual lots, but once we've decided what we're going to get for it we factor that in ahead of time and it kind of determines what we pay for it.

Mark: I love it, I love it. Scott Todd?

Scott: Well, you know Mark what we see a lot of times is we see people that they want to go to the higher end because they have put a price on it. You know like, they looked at it and said, "Well, okay this property is worth \$10,000," or they really want \$10,000. Like they saw a comp out there it was like \$10,000 and they're like, "Man, I really want to sell this property for \$10,000." Until then they go on the higher side and then what we see sometimes is they hang-up the high side and it's cool when you're like Tate and I would say I'm like at that point too. You get to the point where you're just like whatever if it sells, it doesn't sell, it will sell it actually.

However, when you're new, when you're trying to get going and your account like needing to sell one, to go buy one and it's that mindset. Well then if you try to hover on the high side and hang out there well then it's going to take the sales process a lot longer. So why not begin to move back down? Give it two weeks. The market's talking to you, the market is always talking to you. It is talking to you with your response rate, it's talking to you when you place Craigslist ads or Landmodo ads and you do or don't get responses to those ads the market is talking to you. What you need to do is you need to listen to the market because it's not what you want it's what the market wants.

So you kind of have to look at it and go man I've ran this ad for this property for two weeks, I've put it on everywhere I can think of I'm not getting any response and I got it for \$10,000. Great, no problem, the market's talking to you begin to lower, lower to the next tier. Whatever you've determined that next tier is. I mean every property is going to be a little bit different, lower to the next tier. But essentially what you want to do is you want to find that midpoint to where like you'll find the person that says I want the property and then the terms price and all the other stuff doesn't really matter because you've found the market. But the market's always talking to you a lot of times it's people who don't listen to it.

Mark: Right, right. For you Erik, the metric is once I get 50 leads on this one ad and it doesn't sell is that the point in time where you say okay,

something needs to change with the pricing? Either I'm going to go higher like Bear Land - Aaron because maybe the market thinks it's too good to be true or you go lower. What's your sort of litmus tests to change the pricing?

Erik: So I mean for me it's pretty much that. So those 50 leads if I'm tracking those closely and I'm seeing that and I'm ready to move that property then I'm going to relook at the market and decide if I want to go up, down or whatever and then make the decision at that point. However, often times just like Tate was saying, I mean I've got enough inventory that sometimes I'm okay just letting them be and waiting it out. But early on when you only got a couple of properties I think that's kind a good metric to look at. If you're getting 50 leads but you are not able to convert a sale consider you know, checking your comps and then make an educated decision about how to revise your pricing.

Mark: Right, right. Just I'm going to quickly go around and just ask everybody but I know that we like to do it where we will take a comp and like screenshot the comp and then put a line through it so we are anchoring it. Let's say for example the comp that we like is \$10,000 then we will put a line through that comp and say ours is 9200 and essentially anchoring the price at \$10,000. Signifying the market look you're getting a deal on this and this is how we're showing you that you're getting essentially this is 8% discount on this property or whatever it is. I don't know if I'm doing my Math right but I think I'm not, but anyways I digress. Tate are you using anchoring?

Tate: Yeah, I absolutely.

Mark: Zen master?

Mike: Actually in wholesale yes.

Mark: The Technician?

Erik: Yes.

Mark: Terrorist Hunter?

Mimi: Yes.

Mark: Bear Land?

Aaron: Yes.

Mark: Yes.

Aaron: But we need to do it more.

Mark: You need to do it more?

Aaron: Yeah.

Mark: The professor? You're not anchoring? You are on mute.

Scott: Sorry, don't do it no.

Mark: You don't do it? I mean the fact that Scott doesn't do it and is still as successful as he is kind of says hey I can be more successful there is still room to improve. This is Behavior Economics 101 Scott Todd.

Scott: You know I get it. I know it's...

Tate: He's just thumbing his nose at technique.

Scott: Look, I'm just...

Tate: He's so good.

Scott: I'm going to like write my own book one day saying you've got it all wrong.

Mark: SIRI send Scott Todd the book *Thinking First Thinking Slow*, Daniel Kahneman. Okay, so speaking of books this is a perfect segue to our tip of the week. So for those of you that are watching on Facebook thank you so much for spending time with us. I'm going to stop the streaming so that you're all encouraged to actually subscribe to the podcast and download the podcast because it actually helps us and listen for the tip of the week. So I'm going to stop now.

All right, Erik Peterson, what is your tip of the week? A website, a resource or a book something actionable for the Art of Passive Income listeners to go right now improve their businesses, improve their lives. What have you got?

Erik: You're going to just hand it off to me? All right I'll take it. So TheLandGeek.com/ReadingList there you're going to find recommendations from I think just about all of us here on the podcast, all the coaches anyways. Just you know some books we would recommend and maybe why

we might recommend them. So take a few minutes to take a look and get an audible book or get a paper book.

Mark: Yeah. Let's pick on the Zen master and his three books. He's got *The E-Myth Revisited*, *The Science of Getting Rich* and *The Obstacle Is The Way*. Of those three books and you're on a desert island for 90 days and you can only bring one of those books which would you bring and why?

Mike: Well, *Think And Grow Rich*. The one's that Scott [00:20:07] [indiscernible]. I got this from one of these Round Tables. Right, Scott you brought this up this book?

Scott: Right.

Mike: I think it's such a mindset shift that's right. Mindset shift, say that three times fast. It just really alters your perception and reality. So I think that's the way to go. It's like a mantra that book. It's like a long mantra and it really works so I'd go with that. I think we're going to get a new nickname for Scott though. Can I say this now because every time you say Professor I see it Professor Ryan Maryann [00:20:42] [indiscernible]. It's just like I can't get... I'm glad you didn't go with Jack Ryan for Mimi because it's like John and Jacob jingle Ryan Schmidt. It's all I hear every time you say Jack Ryan. So I think we've got to stick with Terrorist Hunter.

Mark: Yeah, absolutely.

Mike: A rather quick segue but *Think and Grow Rich*, that one.

Mark: *Think And Grow Rich*, okay.

Scott: It's the *Science of Getting...*

[00:21:06] [indiscernible]

Mark: Now, *Think And Grow Rich* is a great book by Napoleon Hill, that's like a classic book but this is different.

Mike: [00:21:14] [indiscernible]. When was this written 1910?

Scott: It's a long time ago man, it's a long time ago yeah.

Mike: And there's a companion book *How To Live On 24 Hours a Day* that's very similar.

Mark: Arnold Bennett. I've read that book.

Mike: Yeah, that's cool. I mean let's see [00:21:33] [indiscernible].

Tate: On Audible there is the trilogy of *The Science of Getting Rich*, *The Science of Being Well*, and *The Science of Being Great* by that author.

Mike: They are probably free, right? I think like Audible I think they call them classics, they don't even really charge much a penny maybe, I don't even know.

Erik: It's like \$1.95 or \$4.86 depending on... yeah they are cheap.

Mark: Yeah. You know what's not on the reading list by the way? Because we are still not self-promotional here is *Dirt Rich*. So there's a lot of bonuses with *Dirt Rich* including two free due diligence reports, \$500 coupon and some other goodies. Just go to TheLandGeek.com/DirtRich and you won't see it on the reading list because Danielle hates it when I self-promote. So I have to do it on the Round Table.

Erik: And because everyone has already got it, right?

Mark: And everyone has probably already got it because it is the most relevant of the books if you are interested in land investing. That being said I do want to mention that today's podcast is sponsored by Nitecap. Nitecap is epic: they sing, they dance, and they drink obsessively. It is the most fun you're going to have on a Wednesday or Thursday night. So you go to The Land Geek official motivational group and see when Nitecap is streaming live with the Zen master - Mike Zaino and Dude Buddy - Scott Bossman. If you're shy, you just want to talk to them directly go to TheLandGeek.com/Training and schedule a call.

So it was really important that we had especially for the big Poppa a 30 minute Round Table podcast because he does have the pretentious hard stop with the baby and I think we made it. Scott Todd are we good?

Scott: We're good Mark.

Mark: Mike?

Mike: We're great.

Mark: We're great. Erik?

Erik: Yep, it's another one for the books.

Mark: Mimi?

Mimi: Great.

Mark: Bear Land?

Aaron: I love you guys. It's great.

Mark: We love you too.

Mike: How many weeks to boot camp, is it four?

Mark: Four more weeks wow.

Mike: Is there any opening? So we're booked.

Mark: I'm pretty sure we're booked up. I spoke to Danielle today she's trying to get a bigger room but at this point I think we are at standing room only capacity. So we might get two more or three more in, but it's you know we might be at fire code violation at that point. Which I know for you Mike would not be good.

Scott: He can't be part of a fire code violation.

Mark: He can't be part of a fire code... yeah.

Scott: That would not go well for Mike.

Mark: Right, right. So I just wanted just to check in with the big Poppa to make sure that he's happy with the pace and length of the Round Table podcast today.

Tate: Yeah, I was happy, it was good. I feel like we touched on some really good topics today. So the pace was good, the timing is perfect. I'm good. I've got nothing to complain about here.

Mark: All right great. I just want to remind all of the listeners please support the podcast you've got to subscribe, you've got to rate and you've got to review the podcast. Send us a screenshot of that review to support@TheLandGeek.com we are going to send you for free our \$97 *Passive Income Launch Kit*. Thank you so much.

Are we ready? Are we doing this?

Scott: We are.

Mark: One, two, three.

All: Let Freedom Ring.

Erik: That was good.

Mimi: That was a good one.

Mark: That's pretty good. I think you know it's just kind of sad to see Bear Land not saying it though. Bear Land do you want to just say it?

Aaron: Let freedom ring.

Mark: I think that's the way to end the podcast. Thanks everybody.

[End of Transcript]