



# THE LAND GEEK

## **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, Aaron Williams – BearLandProperty.com, Mike Zaino – TheLandGuru.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](http://www.TheLandGeek.com) and on this week's Round Table podcast; the first round table of 2019 grrr we've got 'Bear Land' Aaron with us. What's up Bear Land?

**Aaron:** Hey, happy New Year everybody.

**Mark:** Happy New Year my friend. Good times in Indiana?

**Aaron:** Yep, good times. Partying with the Amish.

**Mark:** I love it, I love it. And then, of course, we've got the most feared woman in the country Mimi Schmidt 'the Terrorist Hunter'. Mimi how are you?

**Mimi:** Great, happy New Year. How are you?

**Mark:** I'm good. I'm good and then of course 'the Technician' you know him, you love him Erik 'the Technician' Peterson. Erik how are you?

**Erik:** I'm good. Happy to be here.

**Mark:** Happy New Year. It's going to be a kinder, gentler 2019 for the Technician here.

**Erik:** Sounds good.

**Mark:** Because we're definitely going to be going all in on picking on the 'Zen master'... Mike Zaino breath in the mailing, breathe out the marketing.

**Mike:** I'm the new target? I will take it willingly. Love being here, love seeing you guys. Rumor has it it's still 2018 for Aaron though.

**Aaron:** It's the latency.

**Mark:** Yeah, it's still, right, exactly. He'll be catching up. And then, of course, the big Poppa. I love it when you call me 'big Poppa' Tate Litchfield how are you?

**Tate:** Doing great. Happy to be here everybody.

**Mark:** Happy new year and then of course 'the Brain', 'the Professor. What's another nickname for 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 is in a surly mood. Scott how are you?

**Scott:** I'm good man. How are you?

**Mark:** I'm good, I'm good. Why so surly?

**Scott:** I don't know. I don't know that I am, nothing is standing out right now.

**Mark:** Well, we had to mention that he made a surly comment about the long trip to Bootcamp seeing it's only...

**Scott:** I will tell you it's only because the other night I wasn't necessary... over the weekend I wasn't like sleeping that well. You know like all kinds of noise around the house, you know teenagers all that stuff and so I tell my wife, I am so thankful that like Bootcamp is around the corner because I am

going to sleep well. Like, I will be exhausted, I want to be laid out flat in the hotel, no teenagers waking me up in the middle of the night. It's going to be great.

**Tate:** I was thinking the same thing.

**Scott:** Yeah, see Tate you being with a baby.

**Mark:** You know it's true. It's like Bootcamp is special and for those of you who are listening and you haven't been to Bootcamp by the time you will be listening to this Bootcamp will have already been done in San Antonio. But the next one is going to be in actually Scottsdale April 26th to 28th and even the Zen master is pumping his fists excited.

**Mike:** Yeah. I'm going to go there in April that's amazing, that's awesome.

**Aaron:** It will be snowing.

**Mike:** It will be snowing here but not there.

**Mark:** It's going to be so nice and...

**Mimi:** That's [00:04:05] [indiscernible] it's always been super-hot Mike when we've been to Scottsdale.

**Mike:** That's August usually this is April.

**Mimi:** Yeah.

**Mike:** This is amazing.

**Mimi:** 2016 was the last April.

**Tate:** It will still be hot.

**Mimi:** [00:04:16] [indiscernible] Scottsdale.

**Mark:** Yeah, if you have unused Bootcamp tickets email support@TheLandGeek.com and take your spot because that room is going to feel up very, very fast. So let's get to our first topic; poor response rates. Tate tell us what's going on?

**Tate:** So I'm mailing to a new area, sent out around 200 offers, it's been about 5 1/2 weeks and I have received exactly zero accepted offers, zero hate

mail, zero nasty phone calls, nothing and it's leading me to believe that I have totally botched this mailer. The reason I'm bringing this up it's because I feel like we get a lot of people who enter into coaching or Flight School and they find themselves in similar situations and they say, "Well my mailer was a waste. I didn't get any accepted offers. I wasted \$200 on stamps and mail. Now what am I left with?" And I had written this off until early this week and then all over sudden the flood came in and it wasn't accepted offers but it was a lot of angry voicemails, it was a lot of rejection letters. You know your crazy kind of situation but I learned some valuable information from this mailing.

Number one I learned that my pricing might be a little low but I also learned that hey this time of the year when I mail at the beginning of December I'm probably not to going to hear a response back until January. So I'm sharing this example just so that people recognize that even in your "failures or shortcomings" there's still something very valuable to learn from it and if you haven't had a bad mailing I mean you're probably not mailing enough, right?

**Mark:** Yeah. It's like the old saying in skiing if you're not falling while you're skiing you're probably not skiing hard enough. 'Bear Land' Aaron have you had a similar issue with the mailing and response rates and if so how did you pivot?

**Aaron:** I had a county that we'd mailed consistently for a long time and had a pretty consistent response rate and then a few months back it just kind of stopped, I mean I was getting nothing. I tried raising the offers I went up 10% still nothing. So at that time I made decision I replaced that County for the time being with another County. So obviously not stopping mailing we're just shifting somewhere else because I think sometimes there are cycles and I'm going to re-mail to that County again I'm just kind of giving it a little bit of time we'll go back through it and reassess everything and try to hit it again.

But sometimes these things just like sales they go in cycles so some parts of the year you might have a really high response rate, some parts you might have a low. I don't know exactly why but... and unfortunately sometimes you could also be hitting your first mailing to that area when people just aren't responding for some reason too. So sometimes you've got to keep pushing forward and see what happens but at the same time know when to stop or fully readjust when the time comes too because you don't want to invest too heavily or you don't want... What is that? Sunk costs in a county that's not working because there are so many counties too. So if it's not working try another one.

**Mark:** Yeah. Mimi Schmidt what's your take on the poor response rates?

**Mimi:** Well, I love what I hear when people I look up to or my mentors when they struggle too because that makes feel like okay it's not just me. I think it's important when you do find a good spot where you are mailing well to still continue to test the market and send out low offers periodically too to see what you can get. Because I've always found you can get some good treasures.

But I'm kind of struggling with something similar where I'm having a hard time pricing my mailers right now. I'm sending in a new County and none of the land platforms have these counties land and the county itself doesn't offer sales data. So I'm just kind of going of the assessors value and I figure I'll mail and if I get a poor response rate I know I will redirect, raise it up. So I'm starting to get some responses and I just always learn something from mailing. I just have to keep doing it and I'll learn over my mailings where I need to be with that county so it's what it is.

**Mark:** Yeah, and being as analytical as you are Mimi are you still shooting for 3% to 5% response rate or has that...?

**Mimi:** I want to buy one per hundred, yeah.

**Mark:** One per hundred okay great. Erik how about you?

**Erik:** So I think it's definitely I've run into those types of situations where the response is nothing or very small. What I've learned over time is that when I go to a new area I like to kind of test my pricing by taking say 200 - 250 offers and varying that price by maybe a hundred dollars or so for like four different tiers. So we might go offers at 900, 1000, 1100 and 1200 just as an example and sometimes that can really help me kind of see where the sweet spot. You know offers might come back at 900 but they might also come back at 1200 it allows me to kind of look at that and assess where the next set of offers should be in terms of pricing. So that's one way that I try and I guess get some extra data with a small mailer.

**Mark:** I love that strategy. Zen master how about you?

**Mike:** Well, I think there are a lot of great lessons to be learned here and I think that one of them being Tate, Mimi seasoned land investors so this is not to rock their boat they are going to adjust accordingly. When people are new that's why they should probably go to areas where there is an overabundance of land investors or people with known comps because if you

are working this in the beginning it might be disheartening to you and you may think well this doesn't work. Well it does work sometimes you just have to know how to read the signs.

So I think that's a good lesson like for people listening that are new. This is why you choose an area that is full of comps, full of other investors that we know there is no saturation. We know, as you always say Mark, we'll run out of money before we run out of land so go with those people are. But when you get seasoned then you go somewhere else because you want to explore like we've done that recently and we got the opposite. We got flooded with accepted offers so we know we're offering too much so we adjusted accordingly. I think that you definitely have those things that happen and you learn from them but probably in the beginning you'd want to really stick to something like what Scott Todd shows like the model in Flight School of going to where the people are and using those people as your source for comps and so on and so forth. So this is a really great topic.

**Mark:** Yeah. I mean wouldn't it be great Mike if there's a way to have like a seasoned land investor, maybe someone who has done like over 700 land deals take you by the hand and walk you up that land investing mountain like a Sherpa?

**Mike:** Yeah, that's why we were talking the other day with Scott Bossman and I were on the Facebook Live we said that's how you start halfway finished. You start like you're already halfway done when you start with Flight School because you skip over all these beginning stuff that gets people muddled up and confused you have Sherpa that can lead you. So absolutely it is awesome.

**Mark:** Yeah. So that leads me to the Segway today's podcast is sponsored by Flight School. If you want to learn more about how to get into Flight School and actually come out of the gate with a great response rate on your first mailing, [00:13:02] [indiscernible] your research correctly, get everything step-by-step and have the best in the business teaching you how to do it step-by-step as a class. Go to [TheLandGeek.com/training](http://TheLandGeek.com/training) and learn more about Flight School. So that leads me to you the Professor, the Brain.

**Scott:** Well, there's so much great advice on here. Like how do you compete against like what everybody else is saying? I mean you can't really compete but you can I mean like... I guess I would just say that listening to what everybody has said try all these different things but at the end of the day one you have faith and little bit of patience. It's a lot like fishing you just kind of throw the fishing pole out there, the bait out there and you see what comes back to you and if you didn't get anything well you reel up the pole

and then you look and you're like I got clap the bait been gone. How long has it been gone? I guess someone stole the bait or in this case it's like, "Well, I guess I didn't have the right bait." Because that happens sometimes too; the right bait offer price.

I would just also question because I see this a lot of times is that people who make decisions from a very, and I know Tate didn't do this, but people do make decisions based on a very economical approach. What I mean by that is they try to choose like the most affordable thing a great example is standard mail Mark. Like today I see people all the time they're like, "I just want to mail standard mail because standard mail is like \$0.50 cents a piece verses \$0.83 or whatever it is but the reality this is not the same thing.

So you've got to go back to the basics, you've got to question everything when you are not getting these response rates you've got to question everything it's not just the offer. I mean did you use standard mail or not? I mean, somebody will say standard mail works. I think standard mail works but you've got to mail out a boatload more. One it's not always delivered, it's not forwarded if someone moves, and it takes three weeks just to get the standard mail there. That's the delivery time versus first-class mail which is a week. There's a difference there economically speaking that it just doesn't make any sense to me from a business standpoint to save a few pennies when in fact I'm going to make thousands when I sell this property.

Second continue in that line of questioning everything. You've got to question like your offer letter. I mean is your offer letter unique? Does it need to be unique? I mean it doesn't necessarily have to be unique but maybe you should try something different. So it's that whole AB testing, you should try everything, tweak things and see what works for your business.

**Mark:** You know absolutely I love it and I couldn't agree more. I think what everybody said was really outstanding about the response rates. I know Tate love the fishing analogy since he's like a professional fly fisherman. So Tate do you think that fishing gives you an advantage in land investing?

**Tate:** I don't know. I mean yes I should tell my wife that I need to fish more because it will make me better at work. So yes I would a hundred percent agree with that so yeah fishing. If you're in England you're going to be a better land investor it's proven.

**Mark:** There you go. So I think it's interesting, let's go back to Mimi on her case study. So Mimi you're working a new county. Is that right?

**Mimi:** Yep, and I started just with general ads to the area, just to see what kinds of responses I would get and I was overwhelmed with... literally I offered up just three general ads. Hey, I have land you know give me a call and I'm getting like five leads for every three ads I'm shocked and so that's okay.

So I'm going to check this county out. Looked at it on Land And Farm, Land Century, Land Watch, Lands of America. I can't find any comps. I'm looking on Xero there aren't many comps and I called the county and they don't have any sales data. I get the whole tax roll, the delinquent tax roll, but I can't get sales data. So I went and talked to an appraiser yesterday and she said she has a hard time...

So I'm just winging it, right? I'm just going to go with the appraised value and my first mailing went out in December I'm starting to get some response back. So maybe I'll give it a couple of more weeks: maybe two or three more weeks and then I'll... I'm still trickling mail in here but I'll probably raise it a little bit and see what I will get. So I'm really excited because I'm even getting some calls in. I have one today I'm excited about but it's always trial and error. I'll just do another mailing next month and see how it goes. So I'm excited about the area, I can tell people want to buy and sell I just have to determine what the dollar amount should be and what the offer should be.

**Mark:** Yeah, I know. 'Bear Land' Aaron what's your take away about that?

**Aaron:** A couple of things. One is the assessor's value it's usually a percentage of what they deem to be a fair market value and obviously it's assessed for taxation purposes. You may be able to find out through the assessor's office like what their percentages that they of retail value that they assess a property at. You know it might be 20% or 30% or whatever then they tax on that value. So maybe you might be able to figure it out with some math based on that. They may not give you that information, I don't know.

**Mimi:** No, she was saying that they try to get within 5% and state expects them to get within 5% but it's one of those states where you don't have to report back what you sold the property for, that's not public information. She says she has a hard time getting, so yeah.

**Aaron:** Well, my other thought on it too was that if whatever value you're using to buy the properties if you're buying them for pennies on the dollar and you're selling them for a percentage that you're comfortable with then I guess you're making the market. You know what I mean?



**Mimi:** Yeah.

**Aaron:** Like if you're selling them for four times what you're buying them for even if it's not what a realtor would be able to get you're still working your model and it works and I guess you can adjust over time. But it sounds like that County to continue the fishing analogy is almost like one of these little ponds that's so full of bluegill that you can throw a hook in without bait on it and you could pull out a fish. So it might be a pretty good find.

**Mimi:** I hope so, we'll see.

**Mark:** Yeah. 'Zen master' Mike what's your take on that?

**Mike:** Well, first and foremost it's what we always talk about the inefficiency of the land... like it's whatever you want it to be number one. If you're happy you're selling it and you're buying it for whatever you're buying it for you're making 400%, 500%, 600% then that doesn't matter to me what the current market. It's the inefficiency of the market that we work it so it can be whatever you want.

If I have ever had a similar situation like that I have employed the use of our realtors where I call them up. I'll be like hey I've got this property over here I'm thinking about either buying or selling. I just wondered if you would be interested in listing it. Because a lot of times they'll get out and do a free analysis. It depends where it is and if it's in the middle of nowhere tick land as we say or whatever the...

**Mark:** Bibb.

**Mike:** They may not go but you can call as a potential buyer or seller and the real estate agents will definitely help you out.

**Mimi:** Yeah, it's a good idea thanks.

**Mark:** Yeah. Erik what's your take on that being the Technician?

**Erik:** Mimi says something really important that I want to make sure our listeners didn't miss and that was she mentioned she put test ads out for the county before she even mailed there. That's what helped her determine that she wanted to mail there. So that's a key piece a county research as you're trying to decide where you want to mail think about getting some ads out there on Craigslist or wherever advertising that kind of land and see what

kind of response you get because that's going to tell you a lot about can you sell this property if you acquire it.

**Mark:** Yeah, that's really a great point absolutely and even taking that a step further when Mimi does acquire the land before she even closes it she could presell it because she's getting so many leads. So her ROI theoretically could be infinite so that's always exciting. The 'big Poppa'?

**Tate:** I love it when this happens. I love it when find an area where there's not a lot of details, there is not a lot of comps because basically I can come in like Mike said and price it however I see fit. So Mimi whatever you can get people to buy it at or whatever you can get it people to sell you to at then find out what the market is willing to pay for it and run with it. I mean you can be the boss that's the best part about this land businesses is.

It's not like traditional real estate investing where you can pull out the MLS and find all these details and these comps. You learned or you learn what you are able to glean from the data that's available and a lot of it's trial by error. So I love this situation, run with it and if you're a new listener out there this probably isn't the ideal place to start like we said at the beginning but there's definitely money to be made in these types of situations.

**Mimi:** What it shows is that we are given a list of rules that a little more safe when we start. Find a place two hours from a city where there is a recreational da, da, da. But it kind of shows that once you are familiar with the process you can start to break rules and still find success too, right?

**Mark:** Yeah, yeah absolutely. Kind of like Mimi is kind of like Neo in the matrix you know. I thought that was a very geeky obscure reference I'm breaking the rules. Anyways Scott Todd do you want the last word on this?

**Scott:** I mean I think you just got to keep doing. Like keep doing it, learn from the mistakes. I was watching that video... Mark have you seen these master class videos that MasterClass.com has got like Gordon Ramsey and all these people?

**Mark:** Yeah.

**Scott:** Well, I was watching a preview of one today actually from Usher and the thing about Usher is and like he said this and I was like makes sense but I think that people forget this. What he said was, "I've made more mistakes than I've had successes." Think about that for a minute. Here's Usher, you know world-renowned performer and he's out there saying I've made a lot of mistakes and those mistakes have out... Like I've made more mistakes than

I have had successes and I think what happens is people are afraid to make mistakes.

You learn from making a mistakes and if you're not making mistakes then you're not making that offer prices or you're not messing up your mailings because you're looking for perfection then you're not growing, you're not doing it because you're not going to make mistakes along the way and ultimately that's how we all learned it's from the mistakes not from the successes. We achieved the successes because we gained experiences from our mistakes. Think about when we... not that we can probably remember learning how to walk but you've seen babies learn how to walk. Like they are like they are making mistakes, they're doing missteps, they are falling down and as much as you want catch we all learn how to walk really and do everything else from falling down. So fall down, make a mistake but take action and you'll learn.

**Mark:** Yeah, that's a really, really good point and it's true. This is really what's magical about our market is that it is so inefficient and that we can go out to these Counties and like Mike said make our own market. When I first started wow that's kind of what I did in this area in Nevada because I didn't know I just thought well I'll just make it up. Here's a margin and it's kind of ridiculous and it sold and then I just kind of kept trial and error from there.

But there are a lot of times on deals where I left a lot of money on the table and there's a lot of times on deals where the pricing seemed embarrassingly high and I was just making the market as I was going on. Mimi is going to do the same thing in this county it sounds like which is really kind of cool.

So that leads us to our tip of the week: a website, a resource, a book where the Art of Passive Income listeners can go right now improve their businesses, improve their lives. We're not going to pick on Erik in 2019 which means... I'm just kidding Mike, Mimi said she would take the tip of the week.

**Mimi:** Fine okay, tip of the week. So I noticed and in my Facebook ads I would put how far it is to get a beer or the grocery store or bookstore and even on long ads on Land Modo or Xero.com I'll put the cool things to go see in the area. So there's this website it's called WalkScore.com and I listened to a lot of his podcasts so I don't if you guys have or haven't heard it yet.

So you get to WalkScore.com and enter the address of your property and it will bring it up on the map. So I'm doing [00:27:47] [indiscernible] I'm putting one in as we speak, [00:27:53] [indiscernible]. If I say press the

map button it will bring it up on the map but then it will show all the closest restaurants, coffee bars, bars, groceries, parks, schools, shopping, entertainment areas. So I can go see if I zoom out a little bit it will show me all the locations. So what I've actually done is had my copywriter come out to WalkScore to learn a little bit about the area. Because I can press on like parks and I can get the 10 closest parks that are mapped closest to my property and then she can get an idea. So if she's writing an avatar around hiking, fishing or something like that she can see what is close. So just something for ad content.

**Mark:** Okay. So this is WalkScore.com live where you love.

**Mimi:** Yes.

**Mark:** Very, very cool.

**Mimi:** Yeah. Just enter the address, press Map and then on the left side it will list for you all the closest restaurants, coffee bars, groceries, parks and all kinds of stuff.

**Mark:** Wow and you can put this on your website they've got a widget.

**Mimi:** Yes you can. I just was looking at a real estate agent's website last week that she had integrated this into her website.

**Mark:** Very cool, very cool.

**Tate:** This is really cool actually.

**Mark:** Yeah.

**Mimi:** Well, it helps you learn about the area where your property is and then yeah [00:29:26] [indiscernible] a resource to use. Because even if like you press on parks in the area, then I click on the part then it goes to that park and it tells me some information about it even. So I'm learning a little bit more about counties that I've been in for a year and a half that have parks that I didn't even know existed there. So I'm always looking for things to help make ads more unique to help our stick rates and different in general. So here's some content.

**Mark:** That's a great tip.

**Tate:** I like this. We should send this over to Land Geek VAs and have them incorporate it to due diligence when they're looking at properties.

**Mimi:** Well, they can definitely put closest bar, closest grocery store, big box store.

**Tate:** Yeah, just more details, right?

**Mimi:** Right.

**Tate:** I like it a lot.

**Mark:** I like it. 'Bear Land' Aaron are you going to use this?

**Aaron:** I'm going to use this. I like it.

**Mimi:** [sighs]

**Erik:** You passed Mimi, you passed.

**Mark:** It's a lot of pressure but...

**Mimi:** It's a lot of pressure.

**Mark:** ...no this is great. I want to thank all the listeners. Hopefully everyone is getting a lot of value out of this Round Table podcasts and we're going to will start off 2019 just hitting the ground running and providing lots of more content every single week. So please subscribe, please rate and please review the podcast it really helps. Send us a screenshot of that review to Support@TheLandGeek.com and we'll send you the *Passive Income Launch Kit* for free. [phone ringing] Is my phone is ringing? Cut. We'll send you the \$97 *Passive Income Launch Kit* for free so please do that. And you guys ready to do this? One, two, three.

**All:** Let freedom ring.

**Mark:** All right, thanks everybody.

*[End of Transcript]*