



THE LANDGEEK

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

Mark and Scott Todd talk with: Erik Peterson - LandOpia.com,
Tate Litchfield - FrontierPropertiesUSA.com, Aaron Williams -
BearLandProperty.com, Scott Bossman - LandBosses.com,
Mike Zaino - ThreeLandGuys.com, and Mimi Schmidt -
PartNParcelProperties.com on The Land Geek Round Table

Transcript

Mark: Hey, it's Mark Podolsky, the Land Geek with your favorite niche-y real estate website TheLandGeek.com and today is going to be a special podcast. We're actually going to mix it up a bit and provide all of you Land Geekers a taste of the best of the best segments of our Round Table podcast, which has been immensely popular. So, sit back with a latte, or espresso, or americano or some kind of caffeinated drink, maybe pour good coffee like me and enjoy the best of the best of our Round Table segments.

[Scratch]

Mark: We were talking before the podcast call and Erik Peterson brought up a good point. So, I'm going to give it to Erik. Erik, what were we talking about?

Erik: All right. So, we were talking about the ethics of wholesaling. The situation was basically I had a wholesaler contact me about available properties for wholesale. I actually just gave him one property that I was willing to wholesale and a price and at that time he said he'd take a look at it. He was interested in the property and said he'd follow up with me in a couple of days. When he didn't, I followed up with him again and his response was basically, "Yeah, I like the property but we'll see if my buyer wants it. If so, then I'll purchase it." So that was actually the first I've run into that and it didn't seem quite on the up and up to me and was just curious as to kind of what the proper etiquette is in wholesaling.

Mark: Tate, what are your thoughts on this?

Tate: This is something that I've seen it happen time and time again. It's kind of why I'm selective with who I choose to wholesale with because the idea with wholesaling is not for you to go and test your buyer's list with my property. The idea with it is I'm helping you out as a friend or as an associate and if you want the property, fantastic. Do your due diligence in my opinion; determine if it's right for you and for your buyer's list and if you want it, great. That's why it's for sale at wholesaling pricing. If I find out you're testing the market or sending it out to your buyer's list, that's going to be kind of offensive to me and you'll probably burn that bridge with me.

Mark: Well, Sean Rickman, to play devil's advocate, right?

Sean: Sure. I can do that.

Mark: If you're wholesaling, what do you get?

Sean: If I'm willing to wholesale it to you anyway, then I guess I don't care if it's today or next week and you sent it out to some people you know. But you don't get the option of a holding payment for a wholesale property. If you want it then you can have it. If not, you can try and find a buyer, but there is a good chance I will in the meantime anyway. And if you find a buyer, and I've already found one then you're out of luck.

Tate: Totally agree.

Mark: Yes. Scott Todd, what are your thoughts?

Scott: Well, man, I do agree but at the same time, there is...

Mark: Well, what do you agree with? Do you agree to Sean or you agree to Tate?

Scott: I agree with what Sean's saying. What does it really matter? But at the same, I'm going to walk the line. At the same time, you are either in this business or you are not. Make a decision and take a chance. Well, like you've done it, I've done it. That's the only way to grow your business is to put your heart and soul into a property, invest in it, and then see what the market says. You're either right or you're wrong, but either way you're going to be able to sell the property.

Mark: Right, right. Erik Peterson, do you feel like the person in a way is sort of it's like taking advantage of you unfairly?

Erik: In a sense, yeah. I think so. I look back at it and I'm glad that I didn't share any of my marketing materials and things like that that I had on this property because then I really would have felt like taking advantage of it. Because I'm currently advertising the property at a certain price and I told the guy, "Well, I think you can get this for it." So, yeah, I guess I would feel less frustrated or offended by it if he was upfront at the beginning and said, "Look, I'm going to go out and market this property to my buyer's list or whatever it is. Just so you know that's my intention." Then at that point I could say, "Hey, that's cool or not."

Tate: I think that's the key, sorry to interrupt, is like if you're upfront about it like, "Hey, I think I've got a buyer lined up for something similar in this area. Do you mind if I pitched this property to him ahead of time?" If he had said that, I'm sure you would have said, "Yeah, no problem. Go right ahead." Then you're happy because if that guy buys it and you make some money and he's a happy camper as well because he just got another sale. So I don't see any problem with that. It's just when people try to do it kind of in the shadows that kind of irritates me. Because I've given people my wholesale list before and then I've found my property for sale on their website. It's like, "Whoa, whoa, whoa. You don't even know me."

Mark: Oh Sean Rickman's got a reaction there. Sean, what are you thinking there?

Sean: Yeah, that's a step too far. If you've got a buyer in an area and you want to run it by them like Tate said, even if you didn't tell me about it, all right, I kind of get it, but don't advertise my property on your website unless if you've already put down some good faith money or something and you're in the process of buying it at least.

Mark: Scott Todd, how is this any different than us before we close with a seller, putting out test ads, and pre-selling? Why as our standard...

Scott: I think that the difference is that I may not have bought the property, but I have the right to sell the property. I have it on a contract or like I have an agreed offer on it. That gives me an equitable interest in the property, versus me just taking a property of yours, put it on my website. To me, that's no different than a photographer taking pictures and making it as their own on their own photography website, it's not yours. Like if you want to shop it to your buyer's list privately that's good, but putting it on your website, I'd say that's a no deal because you don't have an interest in it.

Mark: Erik Peterson?

Erik: Well, there is one small detail I left out and that was that on the initial conversation, I gave him a price for the property and he actually tried to negotiate that down, which led me to believe more so that his intention was just to buy the property, not to go out and market it, so yeah.

Scott: If we're going to negotiate, we're getting married, right? Don't waste my time negotiating if we're not going to do the deal or at least have the best of intent. If you don't have let me shop it but I want the best price today. No, I'm coming over on Erik's side now.

Scott: Sean [00:08:04] [crosstalk].

Mark: All right. Tate, you're not going to deal with that guy.

Tate: No. I mean, the way I view is like when I do a wholesale deal, it's kind of a friendly transaction between somebody who has similar interests as me. I'm okay with them making their money as long as they are okay with me making my money and then we both a mutual interest and that's move property. The minute you start doing things like this, it rubs me the wrong way and it makes me think that life is too short I don't want to have to deal with you.

Mark: Sean Rickman, what's a clean deal look like for you in a wholesale deal?

Sean: If I'm buying then I do the research. I expect that if you're giving me such a good price on it, I'm going to cause as little hassle as possible. That doesn't mean I'm not going to come back and say, "Hey, I'd feel more comfortable if this cost a little less." But I'm doing my due diligence and it should be a faster sale. If I'm wholesaling it, that's what I expect because why am I giving you a deep discount? I've got to negotiate with you. I've got

to call you back. I've got to put in just as much effort as I would with a buyer at full price.

Mark: I agree with that. Scott Todd, you look quizzical.

Scott: No, I think the same thing. I think that we all ... No one likes tire kickers, right? I think that if I'm selling a property for full retail price and I get a tire kicker, I'll deal with it. I've got someone beating me down on the wholesale price and they are a tire kicker, stop wasting my time. It's too precious.

Mark: Tate is unethical due land arbitration. So you sell it for 250 down, 250 a month and they immediately flip it for 500 down, 500 a month. They don't own it, right? It's in a land contract, but they are collecting the difference.

Tate: No, as long as they are upfront with their buyer.

Mark: Not unethical.

Tate: Yeah, in my opinion, no.

Mark: Erik Peterson, unethical?

Erik: I don't think so, as long as they've disclosed it with me and obviously with the buyer. I don't have an issue with that.

Mark: Sean Rickman?

Sean: Yeah, that's fine with me. Once again, if I was willing to sell it for that price to begin with then I don't care that much what you do with it. You're the one putting yourself at risk if for some reason you stop paying me and I foreclose. You've got an angry buyer on the other hand.

Mark: Well, you don't even have to foreclose because it's a land contractor, you own the property.

Sean: That's right.

Mark: Scott Todd, any problems with it.

Scott: No, not at all.

Mark: Not at all.

Tate: Hey Mark. Can I walk through a wholesale example that I had this week?

Mark: Yeah.

Tate: Just to show you how it should work, right? Mike Zaino called me up, said, "Hey, I've got these properties." I said, "Let me give you call back. Let me think about it." He sent me over some APNs. I looked at them. You know what, for the price it was worth the risk, "I said yes." Check's in the mail, he recorded the deed and we were done. That was the whole process. It seriously took five minutes to close the deal with him. I said yes, sent the money, he recorded the deed, I own it.

Mark: That's a clean deal.

Tate: That's the way it should be in my opinion because that's why I'm not paying full retail for these things. That's why you're putting some faith in this person too. I don't want to do wholesale deals with somebody that I don't necessarily trust because I don't know if they're due diligence is up to the same standards as mine. So I'm very selective with who I work with, but then again people in our community have been trained by the best. So I'm pretty comfortable working with people in our community.

[Scratch]

Mark: Scott Todd, how are you?

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

Mark: I'm good. I'm a little concerned about Tate and some [00:01:29] [indiscernible].

Scott: I think he had a big revelation to make. What do you think?

Mark: Yeah. Tate, talk about something.

Tate: It's more of a confession. Yeah, it's more of a confession and I need to just come straight out and get it off my chest and...

Scott: Wait, before you do. Before you do Tate like does your wife know about this confession?

Tate: Not only does she know about it she supports me in it, Scott.

Scott: Oh wow. Oh, oh.

Tate: The confession I have to make is I have been cheating.

Scott: Cheating!

Tate: Yep.

Mark: Cheating in what way?

Tate: I've been cheating in this business. I been cheating Scott and the way that I've been cheating is I have bought so much wholesale land over the last month with our enterprise value in three days went up like \$110,000 all because I mailed zero offers. How amazing is that?

Scott: Yeah, that's cheating all right.

Tate: Should I feel about this? It's like I just tapped into this method for acquiring great property at a fantastic price that I can sell and still make my numbers on. I mean I just bought seven properties from Erik yesterday. Poor Erik gave them to me at a sum and I'm going to make I don't know 400% on the deal, it's amazing. It's the greatest, the greatest revelation I have ever had in this business. It's amazing.

Mark: Yeah, but Scott Todd why is he sort of positioning this as cheating?

Scott: Yeah, yeah. So look Mark last weekend in Flight School we had a conversation about the fact that some people are getting offer letters back at a different rate and that's the way it happens. People have offer letters coming at different times and I basically said hey look... because then one person said, "Hey, I'm not getting the offer letters back at the same pace that I want to." Another person said, "Man I've got this land but I don't have the money." And I'm like let me introduce you guys. Like you both have a problem and boom you go.

So then I got an email or a message from a Flight School student who basically said, "Hey I cheated and just bought some land wholesale," and I was really shocked by the words cheated. I know he's just goofing around and playing around but that said I do see people that are like really hesitant to like buy land wholesale because there is something fun about...

Tate: No, no, no.

Scott: They're doing something sexy about like mailing an offer letter and then someone bringing it back to you and you're like I've got it. It's like hunting, right? But in fact it's terribly painful I think, you know like [00:04:33] [indiscernible] everything wholesale.

Mark: Let's talk to the hunter in the group. Bear Land - Aaron is it considered cheating in a way the model if you sort of take the simpler approach and buy wholesale whereas someone else went out and did sort of the mailing piece of it?

Aaron: Well no, I don't think it's so much cheating. I mean it is a shortcut but shortcuts are you know sometimes the life of business. I think it was like maybe the second or third property we owned I bought from Tate wholesale and this is early on. When things sometimes aren't moving along in the mailing section the way you need them to you know you still have a responsibility of a business to run. You have to look first and foremost at that business and its viability and if that means hey I'm going to go out on the open market to the wholesale market and pick up some lands so I can sell it and I can keep my business running and I can feed my family and do the things I want to do no that's not cheating. Who says that's cheating? I don't.

Mark: Maybe Erik Peterson says it's cheating. Erik when you first started would you consider taking a shortcut in the business especially when you're going through something like Flight School. Is this cheating?

Erik: No, it's not. It's actually I would consider it to be a great strategy especially for those people just getting started and in particular those in Flight School. So if they've got a property from day one as they're moving through the modules with Scott and learning all about the processes yeah, they can start mailing and doing their county researches as Scott teaches that but if they already have a property at the same time they could be marketing that property and trying to sell it.

Now they're not going to get to the marketing module until a couple of modules later but when they do get there they're going to be well prepared. They have a property market and they're going to be able to just take off and start using those methods right away. So actually, I mean in my opinion every student that starts Flight School should have a property in hand, ready to go because we all know it. It takes three to four weeks at least once you start mailing until you start getting those offers back, then you've got to do

your due diligence and then you can purchase some but it's a slow process especially just getting started. Which is also why we say don't stop mailing.

Mark: Right, right and speaking of Flight School today's podcast is sponsored by Flight School. If you want to learn more about the Flight School the ins and outs and what you can achieve in there just go to TheLandGeek.com/Training. Schedule a call with Mike Zaino or Scott Bossman, Land Geek certified coaches and talk to them about May - Flight School which is filling in fast. So, Scott Todd what are your thoughts with your Flight School students should they be sticking to the mailing, is it okay to do a wholesale deal?

Scott: I think that there's A-Okay to do the wholesale deal. The problem I have is when they do it like week one because they're not ready. They need to I think learn the fundamentals of hunting but then once they have that and then there's time to go. In between I think that they're good to go to get some wholesale land and then they can start executing on the market and then the sales piece.

Mark: Yeah. You know what's interesting at Bootcamp Mark Livingston had a mailing that he was going through LG Pass and something went horribly wrong. I'm not sure exactly what happened but the mailings sort of just failed on him. So his deal flow just basically dries up and what Mark does he pivots. He's like, "Well I'm not stopping. I'm not going to be a chicken company with no chicken, right?" And he buys property from people in the community wholesale and I thought that was a really savvy way of solving that problem and then you know of course, I personally think that the more deal flow channels you have from the mailing, to wholesaling, you can do automation with Craigslist at IFTTT.com. The video that I have just go do TheLandGeek.com or YouTube.com/TheLandGeek and look up [Craigslist automation](#). Is it Craigslist? Yeah like to look for FSBO like why not, right? Tate what are your thoughts?

Tate: Yeah, I couldn't agree more with you. I mean I'm buying as much land as I can wholesale just because at first it is sexy to mail and get the land go through the entire process, but once you've done it a number of times you realize if hey if I could eliminate this entire part of my business I can focus on just one thing and that's selling land something that I'm really good at. So it helps you reach your goals. Now I do think it's important to be well versed on how to do it because sometimes you're not going to be able to find the land you want in the areas you're look for. So that's when the mailing needs to come in you've got to know how to price property, but I don't know. I think that you're a smart investor and smart business owner if you looked at all resources that you have available to you. So when I say

cheating I don't mean it's cheating by any means. I think it's fair play but you know it's turned out to be a really good investment for me.

Mark: Right, right. I mean let's put on, you know let's have Bear Land - Aaron put on like the Sigmund Freud hat and look at it psychologically. I can imagine that someone would have a psychological barrier of, "Hey look you are making about 100 percent return on me and as a result why should I pay the premium for a wholesale piece of property when I can just mail and get it. Save myself that 100 percent markup most likely?" Bear Land Aaron, you think that's a psychological barrier?

Aaron: Oh it definitely is. I mean I struggled with that myself because of you think of kind of some of the principles of this kind of business is you're trying to buy things a product and you are trying to get it as cheaply as possible with the quality that you want and you're trying to sell it for as much money as possible. So in that mindset, the mailing is the way to go because that is where you are going to get as inexpensive as possible. But the thing that a lot of people don't consider I think is that you have a couple of advantages to the wholesale is, the property has already been vetted, you don't have the due diligence expense and time. You can still check a couple of things out just to double check for your own piece of mind but that's being done if you're buying from a reputable wholesaler you know somebody who's being through the program and has some experience you should feel pretty confident in knowing that you're buying a good property. That saves you a lot of time. Time is money you know and you are not having to go through the time of the whole mailing piece and all that. So you're saving a lot that can offset some of that extra cost because you're not going to spend it on the next step.

For a Flight School student the other advantage to having wholesale property even if you are mailing and that you are starting to market will be you are in Flight School is when you do get to that marketing piece. Just think of instead of learning everything from a blank slate if you've already been trying to market a property maybe you've had some trial and error experience just think of the questions you are going to have when that module does come along. You might be at a further place and you might get more out of that Flight school module because you have had some marketing experience. So there is a lot of advantages to it and that psychological barrier is something you just have to contend with because it is there but you need to think of it in two ways and see which of those two ways is more beneficial to your business at the moment.

Mark: Right. Scott Todd, I think it's really important for the people listening that they are not kind of taken in by the funny math of a wholesale deal

where you and I will talk about it like, "Oh look at this person trying to "wholesale" this deal." So let's kind of walk back what does a wholesale deal really comprise of?

Scott: For me what I'm looking for when I'm buying land wholesale is I'm looking to be able double my money on a cash sale. So if the land is going for \$2000 well then I need to be able to buy that land for a maximum of 1000. Forget what the terms price is for me I need to be able to at least double my money on the cash deal and that's kind of what I look for when I'm looking at wholesale properties.

Mark: Yeah. I mean Erik Peterson what we see are often times is a wholesaler saying, "Hey look this is what you can sell at for on terms," and that's not the wholesale price. It's exactly what Scott said, right? It's going to be the liquidation value on a cash sale can I make at least 100% on that. So how would you go about it if you are a newbie? How would you go about protecting yourself to make sure that you are not overpaying on a wholesale deal and you are not sort of again being taken advantage of by more experienced maybe a predatory seller sort of luring you in with this, "Look this is what you're going to sell it for on terms?"

Erik: Yeah. So I think that it requires obviously doing your own comps. I mean you can't go by what the wholesaler is selling you exclusively. Yes, those are points of data to consider but you need to go out and check those comps yourself and look at past sales and see if you can find some cash sales to match it up against to make sure you are comfortable with those numbers.

Mark: Absolutely, absolutely. So, Tate how do you find the best wholesale deals?

Tate: Well I contact my friends within the business. I mean I will reach out to people I like working with or trust. I even have one guy that I work with where I can call him up and place an order and say, "Hey I want land in this area, this is the max I will pay for it, go nuts." I think it comes down to working within our community that's so amazing and I'd feel comfortable buying from anybody that has gone through Flight School with Scott because I trust Scott and I know that Scott teaches everybody the correct way of doing things. So when I know that and I have that confidence in someone's education and the way that they do business now so I know that they are going to stand behind their product.

If the property I buy from Erik turns out to have a bunch of issues with it that Erik maybe missed I know Erik is going to make it right. Erik is not

going to miss anything because he is one of the most through guys I know. But that's the kind of trust and confidence I have and that's what makes buying a wholesale property that much easier for me and ultimately the person selling the property has to understand that I need to make money on this deal too. If both parties are in agreement on that then the deal can go by super smoothly.

[Scratch]

Mark: Let's just keep moving forward. So I've got a new course, it's complete but I think this Round Table podcast is really going to be the cherry on top the proper way to wholesale a deal if you're a buyer and a seller. Now my course which is a free course that's coming out is *How To Double Your Money 21 Days or Less* and wholesaling has a lot of advantages because you don't have to get a list, you don't have to scrub a list, you don't have the price list that's already eliminated. You just go to the wholesaler who's already done all this hard work and you buy it from the wholesaler whom we'll learn today better leave enough meat on the bone for you as the whole retailer to make money and then as you're the seller selling it the quickest way to sell it as well. So the course goes through all these pieces: buying it right, doing your due diligence, trust but verify your wholesaler and then how to quickly sell it, 21 days or less double your money. Erik Peterson let's just start with you as far as buying wholesale goes what would be your advice to somebody who is just getting started and they want to double their money?

Erik: Okay so this is for the buyer side. So I'm the wholesaler, I'm selling the property to them on what they should expect is number one I did my due diligence but you need to go out and do your own due diligence okay; you need to trust but verify. So if you're using Land Geek VAs give them that property, have them do the due diligence on it. They need to verify the taxes on the property and inquire with the wholesaler to ensure that they're going to deed that property to them with the taxes paid up to current. That's kind of the expected practice that the wholesaler would take care of any back taxes unless they're telling you that upfront you know, hey there's \$500 of back taxes on this property, they're going to transfer with the property. Otherwise the wholesaler should take care of that.

The paperwork the wholesaler is going to do the paperwork. They're going to ask you how you want that property deeded and they'll fill out the new deed and if there is a supporting state specific form they should fill that out as well. As the wholesaler they should then reach out to the buyer and have them confirm the information on the deed. When you get that deed to look

at and that TD 1000 or state specific form whatever it might be as the buyer you should be checking your information, making sure your name is correct, your business name, your address things like that, the parcel numbers is the one that you're buying all those kinds of things you should be verifying before that wholesaler goes and signs and notarizes that deed and records it for you. That's the last step in the process.

The wholesaler is going to record that signed and notarized deed for you and then provide a copy of that finished deed. That's kind of the standard practice that I would expect to have; you know that's pretty much how I work. I guess the only other thing I would add you know if you're buying wholesale it's okay to try to get to negotiate. However, you need to do that before you put money down on the property. So if the wholesaler is accepting a down payment to lock up that property don't pay that down payment and then you know come the next day and say well I know you're asking 2000 but would you take 1800 you know if you want to do that do it beforehand. Maybe the wholesaler will agree, maybe they won't, but it's important to do that before you lock up the deal.

Mark: Mike Zaino what do you want to add to that?

Mike: That was pretty inclusive Mark. I mean he covered everything and sounds like there might have been a personal experience there at the end, where someone tried to pay and then ask him for a better deal. But yeah I always tell people you've got treat it as an accepted offer. When you're the one buying the property treat it like an accepted offer. Do your due diligence as clearly stated and yeah I mean it's an accruing process, the more you do the better you get just like our whole business is meant to repeat so is it wholesale same thing rinse and repeat.

I think that he basically covered everything really it's just there are some intricacies in there because you know people it's in terms of how you're going to... I guess if were looking at how to price it because you're the one that's going to sell it well you've got to know your market, you've got to know your comps and you'll learn very quickly if you're priced too high because nobody will buy it and then you know that [00:07:51] [indiscernible]. You've got to leave meat on the bone now we always say that. You've got to have it sold so that the person can almost double their money cash or they could definitely make 300-400% in terms, maybe more and then you've got to be comfortable with it. I remember in the beginning now you know the hardest part is to kind of divorce yourself from the fact that these people are going to make a lot of money. You can't look back and say well geez why did I... you'd want them to make money and you want them to get excited. I remember someone brought from me and they were

like, "Well geez I didn't want to tell you how much I made." I'm like that's great. You want to buy a couple of more? It's like you want them to make money. Because they're going to come back and there was no use in really being a wholesaler who wholesales one property. You know what's the point? If you really gouge somebody and then they never come back that's not good. So there are a lot of intricacies Mark but I think that the basic Erik definitely covered them all.

Mark: Tate Litchfield thoughts?

Tate: I mean I buy a lot of land wholesale, a lot of it and I can tell you what my main pet peeves are you know it's when somebody will say like hey I've got wholesale land for sale and I'd say great send me over, let me take a look at it and I'll ask what the price is and they'll say well make me an offer. It's like you don't want me to make an offer because I'm going to make an offer of what I would pay for this, you know, if I were buying it direct from the seller. So I think it's important to have a price listed.

Provide all of the information that I need in order to make my decision quickly: so GPS coordinates, you know APN, a correct legal description, if you have some comps or any other basic information that all help speed up the process. If you're trying to wholesale some property your goal needs to be to sell these quickly and do whatever you can do to make moving that inventory easy. So you know don't try to change the price. I tried to buy some property from a guy the other day and I told them which ones I wanted but I told him I wasn't going to buy it until I had The Land Geek VAs do due diligence on it because I've never worked with him before and he said, "Yeah, no problem." The next day he emailed me back and said, "Oh I sold those." It's like all right well that's kind of not cool because I said I wanted him and not sure I want those other five either now because you sold those out from under me. I mean you can't give me a day or two or the problem could have been resolved if he had done or had been willing to share his due diligence which he wasn't. So that was kind of fishy. So those are some of my big pet peeves but hey you know there are plenty of wholesalers out there and I love to buy wholesale land. I absolutely love it. I think it cuts out a lot of the work and a lot of the middlemen and you just get straight to marketing which is fun.

Mark: Yeah absolutely. I mean one of the craziest deals I ever did was with a wholesaler and basically he was like, "Look if you don't buy this I'm going to go to this guy that I know would ruin the market. So I quickly did due diligence, I missed a bunch of stuff and so you don't want to ever feel pressured even though the price is right necessarily to close too quickly and you know take your time. Deals are like the bus there's always another one

down the road. Scott Todd what's sort of the rules that you have as far as you know, right before you're going to buy wholesale?

Scott: Well essentially like it's been said I want to be able to double my money right. When I pay it I need to be able to double my on the cash not the terms. Someone can't come in and say well you know it sells for 4000 on terms or 3000 on cash so I want \$2000. Well that leaves me no room for negotiation. It kind of puts me into a bottle. The other thing is that... So that's just one piece on buying side is that you've got to leave room. You've got to know the pricing because you're coming to me and asking me to buy and essentially I might ask you like okay what's the retail price of this and it's always nice when someone can give me the comps because as a wholesaler your job is to make it easy for me. Like that's one of the reasons why I'm paying you a premium. I'm paying you a premium over what I could buy it because you're like the easy button for me. So you should be able to tell me here's the comps, in fact here's prove, here's some links of Land Modo. Great those are always nice. You know here's the due diligence, here's some work that I did, here's our marketing package. Great now you're adding value to the transaction as opposed know here's a property and you think of the transaction alone has value, it doesn't. So essentially add value to the transaction and that's what you're getting paid for. You're getting paid to do something.

I think that like Tate said I think it's wrong when someone comes to you and they say, "Hey listen I want to sell this wholesale." You're like okay great I need a couple days and then they get anxious, they get an offer from somebody else next thing you know they bolt and you have spent time and money to do due diligence or to get ready and then they're gone. They're like, "Hey I got an offer from somebody else." Okay well I just spent 30 bucks or 50 bucks doing due diligence on your behalf and essentially you're going to go to somebody else because maybe they offered you a little bit more or something well then you should have gone there first. Like lesson learnt add them to your buyers list and do it next time but when you say you're going to do the deal do the deal. Be someone that you're trustworthy and if you're buying wholesale well again the same rules apply in reverse.

Yeah, you've got to be able to double your money so you want to buy it right. Essentially when you're buying wholesale essentially what you should understand is that if you say you're going to buy it you buy it. I know for a fact like I have had someone by a wholesale property from me and guess what they returned it. They're like, "Hey, I really can't sell it so I want my money back." I'm like that's not cool. You bought the property, you are an investor now, this is not preschool, this is big boy school, you're an investor, you made a decision now you need to figure out how to sell it. "Well I just

want my money back." Well why? Like I gave it to you at a discount. I mean don't get me wrong I gave them their money back but guess what?

Mark: I wouldn't have. I would have taught them a Scott Todd. I'm like look this is wholesale. You go to Nordstrom rack all sales are final. That's why you're getting such a good deal at Nordstrom Rack. You don't want that, you want to have a return, you want a return policy go to Nordstrom pay 300% more okay.

Scott: I didn't want to deal with them so I gave them their money back and then they were off to the races. But that's not cool like it's not cool figure it out, work it out, sell it. You know that's really the thing is that you've got to keep moving your feet. We talk about this right like you got to keep moving forward and yeah you know what? You may not know how to solve the problem right now. You've got to stop sometimes and really dig deep because the success that you want is going to come to people who really want it. If you don't really want it the world gone know it and then it will be like let's go to someone who really wants the success.

So you know essentially that's kind of the rules is that be cool. I mean I actually had someone in a Flight School class once Mark that they really got freaked out because they sold land, they were buying land wholesale, they were buying the land... No I'm sorry they sold the land, they transferred the deed and then they never heard back from the person who was buying it and they are like, "Hey what's going on?" Then it's like quiet crickets like nothing and it freaked them out.

It freaked them out because it was their first transaction and they were selling this land. They transferred. They thought that they had been hosed. Finally, they get in touch with the person by text and the person's like, "Who is this again?" And I'm like, what? You're doing a transaction with somebody especially on a wholesale deal you need to communicate more than anything. You need to communicate because this is like the world of rapid-fire land investing. Do the deal, communicate, hey this is what's going on, white glove service get out and do it again. But you know if you're going to go missing on somebody when they transfer the land to you you're not going to pay them, you're going freak people out and you're going get a bad reputation in the community. Don't be that person.

Mark: Yeah, absolutely. So in my course, I'm going through and showing people how I buy wholesale or the way to do it. So I'm going to LandModo.com and I'm looking at okay here's the retail price and just divide by two. Then I'm like okay now contact the seller. Now the seller may or may not sell to you wholesale but it doesn't cost you anything to find out. So

just for fun, I emailed Jenny and Tyler the land deal and I'm saying "Hey would you take...?" They had it listed for five grand. I'm like, "Hi, would you take 2500 for this property," just as sort of a case study. She emailed me back she's like, "Okay, yeah." She's like, "Here's my you know my checkout link. Go ahead and deposit the \$2500." I was like, "No, no I want you to sell this on retail. I was just doing this for you know a case study."

Then I started thinking to myself well maybe I should buy it like okay. But because they're coaching clients I didn't feel like it was the right thing to do necessarily. But it just goes to show you know like honestly I think Tate Litchfield is the perfect example of what life is like in the land business you're just fishing. Just keep fishing, right? Sometimes you are going to catch a twelve pounder sometimes you might get nothing that day. But you just keep going out there keep fishing and someone's going to accept the offer.

Tate: I have to tell you this story about my last fishing trip. So I'm out there, middle of nowhere and I meet this guy and you know we're out in the middle of the ocean and that rig sun is hot and normally you're wearing kind of like a long sleeve shirt to keep the sun off, a hat and you know either shorts or a pair of pants - water wicking pants and this guy's out there wearing a basketball jersey and a pair of like Hawaiian swim trunks bottoms. You know after two or three days looking at him I'm like, "All right man what's the deal behind the basketball jersey?" He said ... It was a James Harden jersey. You know the guy?

Mark: Sure, the beard.

Tate: Yeah, yeah. He goes, "I fish like James Harden plays basketball." I was like, "I don't know what you mean." He's like, "I just keep shooting, I just keep casting all day long and eventually I know that I'm going to make it happen." So yeah got to keep fishing

Mark: Yeah. You've got to show up. 80% of success in life is shown up. You've got to keep casting shooting. It's a numbers game. So let's go to 'Bear Land' Aaron and Mimi and let's talk about the other side of the transaction. So now we know how to buy wholesale but how do we quickly double our money and sell it. 'Bear Land' Aaron what are your thoughts?

Aaron: Well I guess you have to start off knowing your market pretty well because that means you have to be able to buy that property right. You know you can't... You know there are certain properties that you may buy that are kind of going to be something that you need to retail. Maybe they have a lot of back taxes but the deal still makes some sense. But that's not

necessarily going to be a property eligible for wholesale. You know because you're just not going to make it work and then you're going to be one of those people that are trying to wholesale a property with no meat on the bone because you still need to make back what you put into it and a little bit of profit but unfortunately, that squeezes the other end too tight. So assuming you can buy it right you know then you want to ... You know we've got a great community of a lot of people who are educated correctly. So you've got a pretty good market to be able to sell that and there's different ways you can go by it. You can put a wholesale price on Land Modo. You know you can offer it...

Mark: Wait, we've already bought it wholesale so now we are selling it now retail. Yeah.

Aaron: Oh, so post-purchase retailing?

Mark: Post-purchase right. So I already bought wholesale now I'm going to sell it retail to the new buyer.

Aaron: Okay. So at that point to me, it's not any different than any other. I mean I know my margin's going to be smaller than if I had purchased it. But I'm going to put it out there and as soon as I have an agreement with the person that I bought it from or it's deeded you know whatever I'm going to start premarketing that property and then send it out to my buyers list and you can get it in the market rotation and it's going to be priced the same as anything I'd bought. I just know my margin is a little smaller but the nice thing is I can speed up the entire process a little bit because it didn't involve the first half.

So even though my margins are smaller I can add a little bit of speed to that money just because there was less time involved in the purchase end of it. So I'm going to put it out for terms. I'm going to put it out for cash sale and rinse and repeat. I mean there's not much different. The only thing I would say though is if the person presented photos to me so I could see the land that sort of thing or certain marketing materials I think it's fair to ask you know if you're allowed to use that. You know like...

Mark: Well, let's ask Mike Zaino. Mike when you wholesale a deal do you allow your wholesaler to use your maps, to use all your material that you're providing them for due diligence?

Mike: Of course I'm encouraging it. I want them to sell it so they buy more, absolutely.

Mimi: Yeah. Mike was the first person that I wholesale bought from and he's been doing it so much he spoiled me. So I thought when I bought other wholesale deals that it would be the same experience, right? I learned quickly that it wasn't the case. So some tips I would suggest make sure if you're buying a wholesale deal that the seller sends you draft deeds, draft TD-1000, whatever supporting documents required before the transaction is complete. Make sure they're doing those for you. I've actually had a person I taught his VA how to create a deed with multiple properties on it to save the filing fees, right? You file one deed as opposed to two or three and then he charged me a document fee. So as a wholesaler you shouldn't be charging other investors doc fee, right?

Tate: I would have stopped the deal right then and there.

Mimi: No, I couldn't. So as a seller or as a buyer do not pay any doc fees you know from a wholesaler, another tip.

Tate: Mimi, did you not tell him, "Do you know who I am?"

Mimi: Well, I wasn't at the time but yeah I see and I completely agree with keeping your word. If you make a deal with somebody follow through with it. I've had that happen a couple of times. I even had somebody recently say, "Well send me a check." I said okay and the next day he's like, "I'm not going to the deal with you because on Facebook I can get the money almost immediately." I'm the number one proponent of paying for wholesale deals on Facebook. I was only going to pay you a check as you asked me too. So I recommend paying for wholesale deals on Facebook save yourself fees. The only thing different when I'm going to sell a wholesale deal is I always check my yields, right? Since my margin is going to be yes or less I check my yield on the financial calculator to make sure it's still within my allowable you know my okay range. Then everything else is exactly the same. Same [00:24:55] [indiscernible].

Mark: Yeah I mean I would make the argument that in today's market the fastest way not to sell is going to be Facebook for we got like the whole retailing model. You buy wholesale and you sell retail and I think that it's going to be on Facebook. I think you could do either quick cash but I think you are going to have a bigger buyer pool on easier terms, right?

Mimi: So like when Erik and I started on Facebook two, three years ago it was just a couple of us out there. It would take me 20 minutes to get a sale and then 50 or 60 on Craigslist to get a sale and that's really changed. You get it'll take me a lot more Facebook leads but I get them faster. So it's still the fastest way to sell but I do need more leads for those to sell. On the

buy-sell groups, you'll find a lot more tire kickers but not as many on Marketplace because people are becoming more savvy and they're more accustomed to seeing land now. Whereas before they'd never seen it two-three years in they'll go out looking for land and I'll see my post will even tell me I know this person is a buyer because he's bought from other investors. So there are repeat buyers out in the Facebook Marketplace market now that are very savvy with land investments whereas two-three years there were not.

Mark: All right great. So, Erik Peterson, I bought it wholesale quickly, got all my marketing material, put it on Facebook, I sold it. Now I've got to close it, right? What's the quickest and easiest way now to close that deal with your new retail buyer?

Erik: Like the down payment via Geek Pay?

Mark: Down payment as well as doing the paperwork.

Erik: Yeah. So down payment, doc fee via Geek Pay and use LG PASS to generate your docs and something like Sign Now or Write Signature or Docu Sign etc. to have those documents electronically signed. You should be able to finish that whole process in typically like a day if your buyer is you know pretty proactive in terms of doing their portion.

Mark: All right, fantastic. Tate, you want the last word on this

Tate: I don't know what else I'd add. I mean Erik kind of nailed it. Just you know be transparent when it comes to either buying or selling wholesale. Everybody needs to win in that situation. If everybody's not winning and everybody's not happy it's not a good deal but you know that trust that you gain. Mimi said that she worked with Mike at first and then she's worked with other people and she'd probably rather work with Mike again over a lot of these other people she's done deals with. I know I'm that way because I trust Mike. I don't even necessarily do a whole lot of due diligence when it comes to buying land from him. It's like here's the price, cool. We don't beat each other up because I know he's given me the best deal possible and the reason he's giving me that deal as low as possible is because he knows I'm going to commit to it within the next hour or two. That right there is kind of the beauty of how buying or selling wholesale really works.

[End Transcript]

