



# THE LAND GEEK

## The Land Geek Podcast With Mark Podolsky, AKA The Land Geek

Mark talks with Jeran Fraser, [ReserveLand.com](https://ReserveLand.com)

### Transcript

**Mark:** Hey, it's Mark, The Land Geek and I'm back this week again with Jeran Fraser from Reserve Land Management. Jeran I think before we get started with our podcast I think we should mention the horrific events of this week the Boston bombings, and just you know it's just horrific, I don't even know what to say. Our hearts and prayers go out to the entire city and those who have suffered. I think that whole city and the whole country is scratching our heads and wondering how this could happen.

**Jeran:** I totally agree with you and then of course the explosions this morning or yesterday that they had in Texas obviously several people died there as well. I'm not sure that was a just is simple miscue at the fertilizer plant or if it was more of a plot but I'm not sure. Again we don't know much information about that but again thoughts and prayers go out to Boston and of course in I think it's called West Texas.

**Mark:** Yeah, West Texas that's right. Yeah, so on that happy note let's get started with what you've been doing this week because I think our potential land listeners or land investors are going to know what it's like to go to an actual land auction. So Jeran kind of fill us in what you did last week and I'll explain from my perspective how I prepared for it as well because we both

took two different strategies; one was more successful than the other. So let's talk about that. So Jeran you took your wife and the kids, didn't you?

**Jeran:** Oh man I'll tell you it sounded so good, too good to be true to be able to get my wife and kids to go on a 2000 mile journey and over five days. When I say 2000 miles I mean literally I was 1975 miles, maybe 1980. So we got really close to 2000 miles, we averaged about I think about 400 miles a day of driving but when you're driving a big RV and the kids are supposed be shut down. So I did my very best to do that but when you have two wild kids it doesn't work out that way. We did a little stop at Zion National Park on the way up to northern Nevada, we did another stop in Park City Utah which we got a couple of little unexpected turbulence issues there: snowed 6 inches overnight when we were there.

So having an RV hooked up or not you know it's kind of nice to actually be in a hotel room so I just happened jump on Priceline that day and I got in late in Utah on a Sunday night, which is the little bit of a negative when people are going home at about 4' or 5 o'clock at night, you know what am saying. Booked a hotel there and we stayed at a beautiful place at Park City on the slopes which is amazing for a night and then we headed over to the auction Elko and met with everybody. We did dinners and had a couple of conversations with some of the people that we've been in touch with over the years and the auction was Tuesday morning.

**Mark:** How many people were at that auction?

**Jeran:** All I can say is that it was the craziest auction I've ever been to. Probably between 150-200 people which scared the daylights out of me.

**Mark:** Why were there so many people there?

**Jeran:** I actually have no clue because prices were still pretty reasonable. In fact I picked property cheaper this year than I picked up last year at the auction. But again I think this year a lot of properties on auction but a lot of them were larger parcels that were selling for 4000, 5000, 6000 for some larger parcels. So, there was pretty of due diligence that was needed before making a commitment to some of this parcels.

**Mark:** Let me ask you. What was your approach to doing the due diligence? How did you go about it? You got the list from, I assume either the County Treasurer or TaxSaleLists.com and then how did you go about... I know you didn't do the research. How did you go about doing it?

**Jeran:** Well actually I did do a lot of the research myself. I am very, very handy when it comes to Google maps and the County assessor I'm sorry, the county treasurer actually sent over a list of GPS coordinates. So what I did is I took each coordinate and I did have one my employees help me with that. So this is when it comes time to go to auction that I enjoy going or that I enjoy spending some money out I generally do a little bit more research on my end. So my five hour work week actually turns into like maybe a 10 hour work week for me. So I went through and just took the GPS coordinates, went through the coordinates. My personal assistant actually helped me with a lot of that putting it together but I did go through some of the stuff myself and we just sort of plotted good, bad and fair and picked up based accordingly to that little strategy that I put in place.

**Mark:** So what do you consider good, what do you consider bad, what do you consider fair when you're looking at the map? Because you are not physically going out and stomping on this property.

**Jeran:** At times I do. In fact, generally I like to take a car out there and do it. Unfortunately weather permitting is when I make that commitment and this time it wasn't happening. It was snowy, raining and just one of the guys that was out there at the auction he got stuck. It took him three hours to fix a flat tire and it was in the middle of nowhere, and he couldn't find his jack in the car.

So there are times where it's a little bit scary but I do like to go out there and check. You know what I'll do is I will work with some of the other guy that I know have done their homework. Like if you're in class sometimes and you're looking over at your friend's paper and you cheat, I do the auction cheat once in a while.

**Mark:** Yeah. I want to say I'm guilty as charged on that as well. So I'll tell you the way I approach that auction was very, very different than you did. So you physically went up, you wanted to bid for yourself. I actually contacted a local real estate agent and sent her my auction list what my maximum bid would be and I paid her... I think I paid her \$100 for her time and effort to go to the auction, bid for me and then I gave her check made out to the treasurer. So she bought anything she could make payment that day. So typically I only do that if I think the auction is going to be a bust for me and for whatever reason, I wasn't real excited about this auction so I hired the agent but it wasn't a bust for you. Out of what 150 lots you were able to pick up 10.

**Jeran:** Correct, correct.

**Mark:** And you're going to make how much money on those lots?

**Jeran:** Let's see. If I do the math let's see... I'll probably make around on a term basis meaning if I finance over five or 10 years I will probably make between 50,000 and 60,000 bucks no problem on what I picked up.

**Mark:** Okay so Jeran is going to make \$50,000 or \$60,000 on that auction I'm going to make zero. Am I bitter? No because the way I look at it is a lot of my competitors went out there and they spent... how much money do you think on average our competitors spent out there?

**Jeran:** I think it was probably our competitors spent between 30,000 and 50,000 each on some property and in fact what was interesting and unique about watching that auction is I watched people overpay for property. In fact overpay so much that I knew they would have a hard time selling. When we say competitors we mean people that not only do terms but also do cash and we know what cash or what property will sell for according to several different strategies that allow us to compare the property. So I saw some that stuff happening and some people bid other people up that they know each other and simply because it's like almost... What's the word, like I'm a little more powerful than you? [00:08:35] [indiscernible].

**Mark:** Egos get in the way.

**Jeran:** Big egos.

**Mark:** Yeah. So I try to avoid those types of auctions. The way I would approach that type of situation where there's going to be so many people there you know I'm contrarian. I want to find property where people aren't going to and get a better deal. Would I like to make \$50,000 and \$60,000 the way you're going to on the property? Absolutely, but there's so much out there that it's better for me not to overpay and miss out than go and get swept up and feel like oh I'm going to miss out on a deal if I don't overbid and I think that's what happens a lot of time at these auctions. Would you agree?

**Jeran:** A hundred percent and I think it happens quite often. In fact more often than not, where people walked up to these auctions and they get caught up in the emotion of the bid and that's one thing I don't ever do. I in fact I like to watch what happens to the first 10 or 15 even if it's something I kind of watch the momentum of the auction and if I see it swinging one way in a direction I don't like I just kind of back off and sit.

People know at these auctions that I've been in the land game for quite some time. So there are several, 10 or 15 people that are at this auctions bidding and everyone knows who everybody is. So if they don't see someone bidding I think generally they're questioning is he not bidding because he does not have the money, what's going on, what's the situation. So it's really interesting the way I approach an auction compared to what I see out there and I stay away from that ego bidding.

**Mark:** Right, right. So now just so that everybody knows the difference between cash and terms. Cash is when you buy a piece property at an auction and then you flip it for a cash sale, terms means that you're going to carry the note. So they are going to make a down payment of say \$1000 and the Jeran will carry that paper at maybe easy terms 10% interest rate, \$200 a month for maybe 10 years and he may actually get out his initial investment just on the down payment. So all those payments down the line are just pure profit which is why he's making so much money even only on 10 lots. Is that right?

**Jeran:** That's correct and you know I'm not a big fan of profit. It's just my goal is break even.

**Mark:** Right.

**Jeran:** I'm just kidding.

**Mark:** Yeah, I know. But you know it's fantastic because it's a one-time sale and you get passive income every month, there's really nothing better. Where I think if you sell for cash then you've got to keep buying property because you need to keep filling up your inventory to keep making money. Now when you first started out in this it's really important to build up the cash base, wouldn't you agree? I mean you can't just do everything on terms you're going to run out of cash really fast, right?

**Jeran:** Correct and it does need finding those diamond in the rough properties and there are several auctions that have those. If you do your due diligence where you'll find a property where you pick it up for 2000, 3000 or 5000 bucks and it's worth 25,000 or 30,000 even online at an auction that you can sell quickly. So there are those and they do happen. They're not flukes, they are not something like hitting a lottery no they're out there you just have to do your due diligence.

**Mark:** Right. Okay so let's get back to the due diligence. So you plot out everything on the GPS coordinates on Google Earth and you did yourself, you didn't have a virtual assistant. I had my virtual assistant do everything

and that's how I came up with my bidding structure which wasn't real successful obviously but that kind of surprised me. Do you typically do all your own due diligence?

**Jeran:** I like to be the one to make the decision as to which. So I'll look at it, so I don't have a virtual assistant I have a personal assistant actually who sits next to me in my desk every day. When I say at my desk she actually comes to my house and helps me which kind of like you know... it's really interesting. I guess the dynamic for me not having to go to an office, but to I have an assistant that comes for 15 hours a week can help me it's pretty neat. But she comes in really, really talented and smart girl and she helps me sit down and sort of plot things out and either she'll go to the auction for me or of course I'll go to the auction. So, it's kind of hands on for me so I enjoy it.

**Mark:** Oh that's great. That's great. So now when you're looking at Google Earth what types of things are you looking for? So you say okay I'm going to avoid that property, this property I really like just by looking at the screen. What are you looking for typically?

**Jeran:** Generally I'm looking for roads, so access. Access - obviously being the key ingredient to a potential good, bad or fair property. But access, no access or minimal access is something I'll put either bad or maybe a D- on my card. I am always looking for something if it's got a road to it. How far as that road from the main highway? Is it something that's 25 miles off the road? Is it impossible for your potential clients get to?

Those are all things I look for when I'm buying a property because what you want to do is you don't want to buy a property in the middle of nowhere where your client can't get to or they are looking, "Hey I'm interested in the property. You have got it priced at this price, but I can get to it man." And I think that a lot of people understand when they're looking at land how that works but for me it's all about access and of course the other benefits are power, paved road that kind of stuff and those are the things that generally I'll... Geez, what's the word I'm looking for?

**Mark:** Qualify?

**Jeran:** Qualify there we go.

**Mark:** Yeah.

**Jeran:** Qualify it as either an A+ good property or D- or F property bad property.

**Mark:** What about how do you do your lien searches?

**Jeran:** Are you talking about searching lien properties?

**Mark:** No, actually so we can talk about that too between tax deed states and tax lien states. This is actually a tax deed property where you actually get the deed for the property not on a lien and that's a whole other ballgame. But what I mean by how do you know that there weren't any liens or encumbrances on the title of that property?

**Jeran:** Oh got you. I thought that you were referring to a lien auction. Generally the best way to go about it is going to a County and doing your research the day of or the day before spending time, because it is a process. Where you going to sit at a County office as you look at what you want. It's hard at an auction that is this large to generally go through every single property. You can generally assume and again we know what assuming does but you can generally assume that these smaller lots that are going for let's say \$500 or \$600 are not going to have those liens but that can happen. There could be liens against it and at that point you may have to do quiet title or... and I don't. You know every state is different and so there is due diligence that needs be done in every state because some states actually wipe off any you know... I'm not sure. Are you familiar with which states do and don't Mark?

**Mark:** Yes, I am. The tax deed states I know for example, New Mexico has a six-month redemption period, Texas has a redemption period, and Arizona has a redemption period. Nevada I don't believe has a redemption period. So if you buy that property at an auction all the liens get wiped out. So you're basically paying for back taxes the only lien that can stay on that property in Nevada and I believe in Arizona and some other states is an IRS lien. So when I do my searches I'm not worried about any other liens on the property except for IRS because all those other people get wiped out. So they have their shot before for the auction to make payment for taxes, they get notified by the treasurer. If they don't pay it they are getting wiped out.

**Jeran:** Got it and generally that's what I'm looking for.

**Mark:** But not an IRS lien. I call the treasurer and I always ask because the IRS notifies the County and they know. So I always ask if they are any IRS lien on any properties.

**Jeran:** Got it and it's for me my due diligence aspect is more along the lines of could there be a home on the property which at some if there's a home on

the property there is a mortgage against the property. You could be buying a more valuable property if you haven't had a chance to go out and actually visit the property if that make sense.

**Mark:** Yeah. Yeah exactly now I always avoid properties with homes on them simply because I'm not a maintenance guy and if I'm in Arizona I don't want to buy a house in Nevada, I don't want to have to maintain that and it could be a sad situation where you have to evict somebody from their home because they lost it to back taxes. I think that's pretty rare actually because usually before that the bank will come in and pay off the taxes on that type of situation. Wouldn't you agree?

**Jeran:** I would. I will say something actually that happened at Elko auction there was a woman there that was living I think maybe with the trailer on a property. She had been crying prior to the auction and asked if people wouldn't bid on that lot and that if she could just have that for \$400 because she couldn't pay the taxes or whatever the opening bid was, I think it was \$400. So that was the only property that nobody bid on and it was literally 152 people there and everyone was quiet. She bid it 400 bucks and she won it. So it's pretty neat to see that, but you're right dealing with homes.

You know what again it all depends because there are certain areas of course around the country where you go to a tax deduction and you can pick up homes for 30 or 40 grand that are worth 100,000 to 110,000 and maybe you have to get creative. Where you go back and you finance them or you create some sort of mortgage with the old owners but you now own the properties. So there are situations like that but again in what we do it's a little bit harder but there are opportunities like that.

**Mark:** Right, right. I mean, I personally avoid those situations, that's not my niche I just stick with the raw land and that's a completely different model because that's buying houses on the courthouse steps there's a lot more competition and you can make a lot of money doing it. You need to have a lot of cash up front it's a completely different ballgame. I mean how much money total did you spend on that auction?

**Jeran:** I spent right around I think \$11,000.

**Mark:** \$11,000 you're going to make \$50,000 to \$60,000 it's a pretty good return on your investment.

**Jeran:** I agree, I agree.

**Mark:** Though you wouldn't be able to buy a house for \$11,000 typically.



**Jeran:** That's correct and to be honest with you I would have spent more money, but at this auction it was just too many people, too many egos. I just let a lot of things go and I saw a lot of things go overpriced but I do agree that there are auctions where I walk in and I know I'm going to spend 30,000 or 40,000 or 50,000 but I know most of the listeners here probably will go oh gosh 30' or 40' that's way out of my league but that doesn't matter. I mean you can go to an auction and bring \$1000 with you and pick up a lot or two and start from there.

**Mark:** Yeah. I mean you've got to start somewhere and I started with 3,000, you started with \$800. So you build and you build doing this and you start flipping for cash, you save your cash and then you'll get that big hit. It may be at an auction, it may be doing a letter writing campaign, it may be going after a distressed company that has a hundred lots in their name but as long as you're hustling out there and finding a deal you're going to do well.

**Jeran:** Yeah. Speaking of big hits Mark what don't you tell us some of your big hits? What have you done? Tell me where some of the big hits have come from?

**Mark:** Well you know that Nevada has been my bread-and-butter as well. 40 acre parcels have been very, very good to me and the 10s and the 20s and the 5s. But lately, I've really been focused on Colorado and Florida and more Nevada property. I haven't really found a lot in New Mexico lately and because they changed the whole tax structure there with the back taxes they really raised the taxes. So I'm really avoiding New Mexico and I've got a bunch of letter writing campaigns going in all these areas so that I constantly have deal flow coming in and I just want to be overwhelmed by it so that I never feel like I've got close a deal because I'm low on inventory.

**Jeran:** Got it, got it. As a politician you kind of brushed around that question I want to know some dollar signs.

**Mark:** You want to know exactly how much I was making.

**Jeran:** I want to know specifically some big hitter deals that you've made where you paid let's say 30 grand for a property and sold it for 200 grand.

**Mark:** Okay so, I just closed this week a deal I just paid I believe I want to say I bought 14 40-acre parcels from one distressed company in Pershing County, Nevada. My profit on that if I liquidate is going to be about 45,000 to 50,000 and my profit if I do terms is going to be over 200,000. I'm really

excited about that property it's got a great story, it's got excellent access, it is near the foothills and you've got right patch reservoir use and you know I got it was the letter writing campaign. That was actually a crazy story it was more of a deed grabber situation because if we didn't close it that day it was going to go to auction and we'd have to bid on it like everybody else. So it was really a special deal and we're very fortunate to have gotten it.

But you know it's a constant process of constantly hustling, looking for deals and I know you only work four or five hours a week but doesn't mean that deal flow stops. That just means you've got the systems in place so that you constantly have deals coming in, you have your marketing, you have your deal analysis, you have your due diligence and it all comes together and it doesn't take a lot of time once you put these systems in place.

**Jeran:** Exactly. It's like when you and I started out with land when we did and not understanding several aspects of the due diligence process. Man I have to tell you I have a tough time with those two words due dili... diligence okay. Maybe my problem is I speak too fast.

**Mark:** Yeah. So let me ask you so you bought these properties at Elko now did you start marketing it right away? Do you contact the neighbors first? Do you just say, "Hey, I've got property right next to you? Do you want to buy it?" What's your strategy right away out of the gate when you buy these new properties?

**Jeran:** Generally I'm putting ads together. So I got lucky at this auction where I picked up two separate locations, I picked up three continuous lots. So I've got three and half acres in each subdivision, which was that both were pretty nice subdivisions and I paid a very, very good price for all six lots. So what I'll do is I'll put ads together.

**Mark:** When you say a very good price I mean you're paying 20 cents to the dollar on this, aren't you?

**Jeran:** Yeah. You could say if I could take one of those parcels and sell it let's say in this case I think I paid about \$700 a lot and I bought three lots together so \$2400 and I can probably turn those for about let's say you know maybe 4000, 4500 maybe 5000 in cash which I think I could do better than that, but that's liquidation value. Then in terms I could probably roughly about 14,000 or 15,000 off the 2,400 invest and that's without interest. So if you add interest it is probably a little bit higher than that.

**Mark:** Right, right.

**Jeran:** But I'm different where some people instantly contact the owner next door are you interested but generally speaking, I haven't had a ton of success with that. So I'd focus on what doesn't waste time.

**Mark:** Right, right so you are very efficient all right. Well I think we've really covered a lot of topics. I mean we really covered the Elko auction, the due diligence aspect of it, the excitement of it for you, the agony of defeat for me. You've got any tips of the week you want to give our listeners?

**Jeran:** You know I just always think creatively, always think outside the box how can I market better than the next guy and that's where...

**Mark:** I want a specific tip like a website, like where you go.

**Jeran:** Gosh. You know there's a really cool website and I don't know the name of it right off the top of my head, but it's a website you probably know it Mark. It's that website where you can learn just about everything, it's a woman's name. What is it called, have you not heard of it? Where you can go and you can learn like if you want to learn HTML, if you want to learn certain aspects of marketing or advertising I think it's like...

**Mark:** I don't know. I have no idea what you're talking about.

**Jeran:** Gosh, I've got to find that website. Anyways it's really...

**Mark:** Are you messing with me?

**Jeran:** No, it's really cool because you can go learn about how to build a site using HTML, you can learn about different aspects, how to use Photoshop, how to do design, how to shoot photos all these different things and I think it's like Diane's... I don't know. No, no it's not; I don't know what it is. It's a woman's name and I'm going to find out and I'll give it to you.

**Mark:** I can't believe you're teasing us there is this great website but I can't remember the name of it. If this is your tip give me another tip.

**Jeran:** Oh gosh, what's another tip? Geez Mark you put me on the spot.

**Mark:** You think about it and I'll give the listeners my tip. Okay so my tip of the day or the week is a due diligence tip. So Jeran goes out and when he does his due diligence, he rents the RV; he goes and looks at the property. I do things a little bit differently. I hire people to do that. So I use a site called WeGoLook.com and for about 75 to 80 bucks they'll send out somebody to follow those GPS coordinates where Jeran was looking at that auction and

they will tell me there's access, there's mountain views, there's good soil, they'll take pictures, they'll prepare a whole report and it saves me so much time and so much money by having to... How many miles did you drive out there?

**Jeran:** 2000 in total.

**Mark:** 2000 miles. So that saves me 2000 miles and all that time so that I can spend more time doing deals.

**Jeran:** But here's the difference between me and you I got to hang out with my family buddy, come on now.

**Mark:** Well look you're going to make \$50,000 to \$60,000 for taking the time to drive out there and do it. I'm making nothing that auction.

**Jeran:** Yeah, but I found out my tip. It just hit me on the top of my head Lynda.com, L-Y-N-D-A.

**Mark:** L-Y-N-D-A.com.

**Mark:** Lynda.com you can go there to learn anything and for me it's all about letting your brain expand, becoming a wealth of knowledge so that when you're trying to figure how do I do Photoshop, how do I do a HTML you can go to the site for I think it's access for like whatever 30 bucks a month you can actually take any course that you want. So it opens up, it goes through the entire course and it's really neat. So you can learn different aspects of marketing. So say you're 45 years old and you're like why I'm just not very proficient at Photoshop. Well great this will teach you how to be proficient on Photoshop and you can utilize that on your ads when you're putting ads together.

**Mark:** All right. Well this has been our second podcast and Jeran Fraser from Reserve Land Management and Jeran where we can find you. What's your website ReserveLand.com?

**Jeran:** ReserveLand.com correct.

**Mark:** And he is also a serial entrepreneur. He sent me today... what's the name of startup? Is really cool you're contributing that. Was it the surf magazine, which magazine was that?

**Jeran:** Oh, it's called Fourel Magazine, F-O-U-R and then the next word is E-L which is for him and then basically being in San Diego it's got a little

Spanish. A little Spanish blast to it but it's basically a lifestyle, men's fashion, fitness, health, business magazine for San Diego based on San Diego. So it is not like a Fortune meets men's health on a national level but it is more based in San Diego's so it's pretty neat.

**Mark:** That's cool and this is Mark Podolsky, The Land Geek. You can find at TheLandGeek.com and go ahead and put in your email address and first name and download the *Investors Passive Blueprint* and it's really good information. Thanks for listening. This is Mark Podolsky, The Land Geek signing off with Jeran Fraser. I hope to you this is a productive week for you. We'll see you next week, thanks a lot.

**Jeran:** Take care, guys.

**Mark:** The Land Geek out.

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