



YOU'RE JUST ONE DEAL AWAY

FINDING PROPERTY LOCATORS

Host: Zack Childress

So, the big question is this, how do aspiring real estate investors like us escape from the rat race and build real wealth and freedom without access to millions of dollars in investment capital and start to live the life that we know we deserve. This is the question and this podcast will give you the answer. My name is Zack Childress and welcome to Real Estate Investing Talk Show.

My name's is Zack Childress and I am joined here today by the lovely, Jill. You guys see we got a new painting up over there. You see that, Jill's been decorating over there. See that? We've got a rhinoceros in the background. Such a clear shot, too. That's a good shot with that camera. Hey, let's dig into this a little bit, okay? So, I want to get you guys thinking about property locators, and what is a property locator and how do you find a property locator? How do you pay a property locator? What are the things you need to think about when it comes to working with property locators, like what is the whole world of property locators, right?

You might refer to a property locator as a bird dog. I refer to them as a property locator because that's really what they are. They're locating properties for me. So, let's talk about this. So, what does a property locator do and who can they be? So, a property locator can be anybody. Do you understand? Like they can be your neighbor, they can be your kids. They could be college kids, they could be friends, family. So, they could be anything. I'll give you an idea. Some of the best property locators that I've ever hired are college kids. And here's why. Because it's not a full-time job. It's not a 40-hour week job. You might only need them a few hours a week to drive around and look. But the key to property locators isn't having one.

It's having an army of them because they live in different parts of town. They'd go drive to different areas. It's about just getting everybody on the page to find you deals. I tell everybody, "hey, look, I'm in



YOU'RE JUST ONE DEAL AWAY

the real estate business, if you ever see a property that has grass that has grown up, that needs a lot of work, give me the address and if I close on it, then I'll pay you a marketing fee." Also, I tell people, look, if you have a friend or a family that has to sell quickly and they're telling you about their property, bring it to me. These are skills that you can pay them on. Like if they just bring me an address and I got to do all the work, I might pay him a little bit, like 100 bucks if I close on it and make it.

And there's potential there. But if they're bringing me a lead source where they're giving me the property address, they're giving me all this information while obviously I'll pay more for that because it's a higher value lead. And there's different ways to pay them, which we'll talk about in a minute. But I want you to really think about how effective a property locator can be in your business. So, if you are out looking for properties, think about what you can find now. Think about all the other deals that are out there that you don't know anything about, right? That's what property locators come in. You see a property locator isn't somebody that's going on Craigslist to find you deals. A property locator isn't somebody that's going to find stuff off the MLS. That's not a property locator. And let's get really clear on that. A property locator is somebody that's bringing you something known as an off-market deal that has not been put on the MLS or on Craigslist or any of the other services that were already working.

So, it has to be something that is hidden, that they were able to find through a relationship or they drove through a neighborhood and saw a property all run down and no one was paying attention to it. That's a great lead source because obviously I didn't find it. So those are property locators, that's their duty. That's their responsibility. On the other side of it, a property locator, some great ones, just to give you a couple of hints, that when I was in California and we were having a harder and harder time getting into deals during hot markets, I literally turned the meter reader and the postal lady into a property locator for me.

So how did I do that? Well, I went and talked to him. The guy was walking around with his little stick, you know, they don't even have to open the lids anymore. They just run over them, some neighborhoods now, they don't even have the meter readers that walk into those neighborhoods. But a



YOU'RE JUST ONE DEAL AWAY

lot of the older neighborhoods, which is where we find the best deals, the meter readers still walk those neighborhoods and I even told the guy, "look, do you ever go out and start looking at houses? And some of them have been vacant and no one's living there and you have walked past it to the next.?" And he's like, "yeah." I'm like, "if you will give me those addresses, I will find the owners. And if they'll sell me their house then I will give you a fee for marketing for me." Because if you hear what I'm saying there, that's the keyword I want you to pay attention to right now. Rob, listen up.

It's a marketing fee, okay? That's what it is. It's a marketing fee. It's just like if you went online and you hired an online service to provide you leads to buy, that's a marketing service. So, when we hire property locators, they are acting as a marketing company. They are going out to find things we're looking for and to bring them back to us. So, we're buying the service that they're providing to us. We're not paying finder's fees, we're not paying a percentage, we're not paying points, and then we're not paying any of that. We're paying a marketing fee for a lead. That's what we're buying. If you want to say, well, how do I know I'm doing this right? Well, easy, depending on what you have. If you have our co-wholesaling course, (hints) I gave you the link today to go get it.

Because inside the co-wholesaling course, you have what's called co-marketing agreements that could also be a marketing service agreement. There's also a four-page agreement in there called service provider agreement. That agreement is just that. It is an agreement between you and someone else to provide a service to you. And you're going to pay them for those services. It's inside the 30-day fast track. It's inside the co-wholesaling. It's inside the resource CDs and the automated dealmaker. It's inside our resource files and coaching, this agreement is in there. If you have any of those courses, you have this agreement, it's called a service provider agreement. That is what keeps you safe in this world. I had an attorney write that up for me and that is what we use with all of our property locators.

We're basically putting a providing agreement together. They're going to provide a service to find me houses and I'm going to pay them a fee for their services. Let's get that real clear. We're not paying finder's fees. No, no, no, no. We're paying for a service that's been rendered based on an agreement



YOU'RE JUST ONE DEAL AWAY

that we've put together. So that is where you keep yourself safe moving down the pipeline. But anyways, going back to this, the meter readers were great. The postal lady was even better because I asked her, I said, "hey, are there ever any times that you go out to houses and you go put mail in there and the mailbox is so full, you can't get any more on?" And she's like, "yeah, all the time." I'm like, "if you bring me those addresses, then if I find those owners and I buy those, then I can pay you a fee for your service through a marketing fee."

And she was like, "oh, great." Literally, like two weeks later she brings me a list with like 80 houses on it. I was like, holy moly. And then the next week she brings me to more or less two other postal people that she told them what she was doing for me. So now I had three different postal people out bringing me deals or potential deals from just talking about what I did and what I do and that, that they could make money on the side based on what they're already doing by simply finding these addresses and bringing them to me. And if I closed on any of them for their services, for marketing because they're out finding the stuff for me, I could pay them, if I closed on any of them. Now there's another way in the service agreement, you can pay what's called on a lead base, right?

Like, I'll pay you \$5 for every lead you find me, I'll pay you \$15 for every lead you find me. And I'm going to tell you this guys, when it comes to. But the point is, if you look at marketing from an aspect of cost per lead, the cheapest leads you're ever going to get is outbound dialing. Let's just call it what it is. Okay? You can acquire more of them. The cost is just your time, but when you start getting into like cost per lead, if you do direct mail and you're getting your leads for under \$50 per lead from direct mail, you're doing really, really good. You're doing really good. So, anything under \$50 is where I start to look at is the cost per lead is doing well, right?

So, for an example, if I'm paying a property locator service agreement of \$15 a lead, then that I'll pay \$15 a lead all day long. I'll pay for it. If they bring me a lead where they have the address, the phone number, information about the property, I'll pay him 25, \$30 a lead, and that's the cost of the business, right? It's a safer way to hire someone is to pay them on a lead basis, but you can also pay them based



YOU'RE JUST ONE DEAL AWAY

on future revenue. If that's the case that you want to go down, you just got to make sure you outline it in the service provider agreement. Anyway, when you're talking about service property locators, the number one thing is you've got to identify them. You got to be talking to them, you got to talk to everybody.

Listen, when the guy brings my groceries to my car, you know what I asked him, I said, "hey man, how do you enjoy working here?" "Oh, I love it." "Great, do you have your own car or, or do you not have a car?" "What do I have my own car?" "Well, man, if you're ever driving around, I'm in the real estate business and I buy real estate and I like to buy real estate that needs work or is vacant. If you're ever driving around and you're out there looking. Do you ever see properties that you think might need some work?" "Yeah." "Listen, if you'll give me those addresses, I can put an agreement together with me and you and I can pay you for those leads." "Really?" "Yeah, man."

Extra money on the side. Then I take it one step further and I say, "look, what if I bought a magnet that said, I buy houses and I can put it on the side of your car. I'd pay you \$50 a month for gas just to run around with my magnet on your car. Would you do that?" "Yeah, man. Absolutely." So that's how you start to build your team, right? You start getting all these people running around, driving around with magnets, looking for deals for you. Next thing you know, you're everywhere. You're everywhere. People everywhere is bringing you stuff. They're looking for stuff. It's a little bit step above co wholesaling because I'm not dependent on another investor to bring me deals. I've got people out there finding deals for me that I'm paying them a fee or I'm paying them something if I actually close on the deal, but you'd have to talk to everybody.

You got to talk to the guys at the bagging groceries. You got to talk to the people at the Ballpark, at the skating rink. You have to talk to the mail lady, the postal people, the code enforcement people. You've got to talk to all these people. Contractors, you've got to let them all know what you're doing. "Hey, find me deals, man." Find me deals. Bring me deals. Bring me deals. Bring me deals. You get these people out there running around and have an army out there bringing you stuff. Now you're going to get to a point



YOU'RE JUST ONE DEAL AWAY

where that's one lead stream built for you. What I always say, you got to have multiple leads streams to be successful in this business, right? So, then you start lining up other marketing streams, other lead streams to start bringing you in deals and not just bringing you in, but some of them you got to go after like outbound dialing, running ads.

Those are all marketing streams for you to get your lead flow at a high level. Okay? At a high level. And we're going to be talking a lot about this in class three on the masterclass. Alright, so one is word of mouth, right? Word of mouth, word of mouth. We tell everybody what we do, but we can also advertise for them. We can run ads on Craigslist, we can run ads. You know, in the newspaper, we can even put bandit signs out that simply say investors seeking apprentice to earn 2,000- 6,000 a month in extra income. I mean, the potential is to earn more than that if they will go out and hustle and bring you deals. Because think about it, if they're bringing you enough leads and you're paying them, let me just break it down for you.

Get some break down music. Let me get some music. Break down, break it down, break it down. Divided by 25. They would only need to bring me 20 leads a week. That's it. If they wanted to make an extra \$2,000 a month, they would need to bring me 20 leads a week. Think about that. That's not a lot of guys. That's not a lot. Twenty leads a week. Them out, hustling, driving, looking, finding stuff, talking to people for you. Bring you 20 leads a week. They can make an extra \$2,000 a month. Yeah, I'll bring you 20 leads a week if you pay me an extra 2000. Yeah, you could write me off with a marketing expense. I can absolutely do that, but why would you bring them to me when you would buy them? I have a feeling that you would buy the good ones and only show me the ones you didn't want to buy. Maybe I'll keep the 75 in cash on cash return.

That would end up buying those tapes from the banks. People call me all the time. It's like I found a tape for a million dollars. I'm like, don't buy it because most tapes like what they call liquidation properties from a bank, they start at about \$100 million. Okay. And then they get sold and then they take the cream and they sell off and then they go down to \$40 million and then they take the cream and then



YOU'RE JUST ONE DEAL AWAY

they sell off. And then they go down to 10 million and then down to one million. So, whatever you're buying at 1 million is usually like what nobody else wanted and during the liquidation process to get it to you. I kind of feel like that's how God would treat me on that. So, run your ads, "investor seeks apprentice or \$2,000 to \$6,000 a month working part time for an investor," that's an easy add to run.

You can get it out there and get it running quick. The phone will start ringing and you'll start explaining to them what their duties are. What they need to do, how you could pay them, remember you can pay them based on lead or you can pay them based on kickbacks and, if you're going to do a kickback, you refer to it as a sales bonus. So, what does that mean? That means now you got to hire them as an independent contractor and as an independent contractor, they get bonuses for how well the company does in revenue. You see how I'm helping you work around this whole legal aspect of this? So, you hire them as an independent contractor. If you're going to pay them off of your deals and they're going to get, I don't know, 10 percent, let's just say you're going to pay them 10 percent bonuses off of the quarterly or monthly revenue that the business does based on their input, just like in sales, right?

So, if he brings me, let's say, brings me 80 leads, and out of those 80 leads, I'd turned 16 of them into contracts. And out of those 16 I close eight of them. So out of those eight, I make \$80,000, 10,000 each deal. I make \$80,000. He would get a \$10,000, 10 percent, he would get an \$8,000 check that month off of the deals that I got from that property locator, 10 percent as an independent contractor off of revenue produced by him, right. They also refer to them in the business world is business developers. That's what I was. I was a guy that went out, drowned it up and scraped and crawled and created business for companies and I'd bring that business back to the company. And as that business started developing and buying and adding services on from that company, I would make bonus checks from that company.

So, my job was to find as much business as possible for that company, which I loved honestly. I loved every bit of it because I love talking to people. I love sharing services and products that are useful and good and this company had them and there was a need for it. And honestly, I love sales. I love



YOU'RE JUST ONE DEAL AWAY

everything about sales. I love selling. I love selling the company, I love selling the products. Hence why when I went into the real estate world, I was a perfect fit because I loved selling houses. I loved selling the houses that I had bought and I was getting rid of. I love that. And then when I went into education, I believed in it. I believed in everything I own. I believe everything I created, I believed in all of it. So, me selling a product, service or system tool or software, I think that I'm doing you a disservice if I don't tell you about it.

Like that's how much I believe in it. I believe in it to the core and that's why the people who follow us in, in they move with us through these things, they believe in it as well. I mean, I have students that tell other students to call us to get this training. I mean, we wouldn't have that type of referral-based business if we weren't taking care of our students. So, I share that with you because property locators, that's what they're doing. They're basically providing you a system and a service that you need to bring more deals in your business and you understand that it's a completely, whole division in your company.

I don't think people really look at property locators as an actual division of their company because they don't treat it that way. They don't build it that way. They, they look at it as, "Oh yeah, find me a deal. I'll pay you." But they don't cultivate it. They don't actually go out and recruit property locators and run ads for property locators and build a property locator team. I have someone in this part of town literally build this entire team around property locators that are working for one primary reason. And that's to bring you as many deals as they can find. So. So anyways, getting back to your property locators. Know that, my friend, that you can run ads for them, you can hire, I'm using a service provider agreement. You can pay them per lead. You can pay them as an independent contractor off of bonuses, offer revenue created. You can talk to friends, family, a postal people, meter readers, code enforcement contractors.

You could talk to college kids who are looking for extra money. You could buy magnets and put it on their cars and pay them 50 bucks a month for gas to drive around with it. There're so many things you can do with them. If you say, well, how do I manage them, Zack? Well, it's pretty easy. I just use, and still do to this day, a Google doc sheet. I have a Google doc sheet that has the tab for everyone that works.



YOU'RE JUST ONE DEAL AWAY

And then in that tab is they submit stuff with me. I loaded into their Google doc sheet and the beauty of it is, is if you wanted to, you could invite all your property locators to their specific tab, and so that they go in and they put their information in there. So, it's all there and it's all being done for you by them and they can kind of see where it is in that process.

One of the sheets that we use is in our done for you, wholesaling training, also known as the Quick Start Wholesaling Course. Um, I think that's a \$200 wholesale course. It's like eight video modules, but you get a spreadsheet in there and that spreadsheet is the same sheet that I've used for years on how to track the flow of the deal and that's how your property locators can see where the deal is being processed as well.

So, you've been listening to the Real Estate Investing Talk Show. I'm Zach Childress and I'm on a mission to create 10,000 real estate bosses over the next year. Will you be one of them? Head over to my house website, [reisuccessacademy.com/web class](https://reisuccessacademy.com/web-class) and register for my free web class where you'll discover how to escape from the nine to five grind and become your own boss in real estate. See you there.