



YOU'RE JUST ONE DEAL AWAY

3 MAIN REASONS FLIPPERS LOSE MONEY

Host: Zack Childress

Intro: 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.

Zack Childress: Well, let's talk about the topic today. I'm not going to keep you too long today. I'm going to try to keep these around 30 minutes or so, not an hour. I know some of you guys love the show, but some of you have a hard time staying on for an hour with me. So, but we're gonna, I'm going to give you some pointers today. Number one point, or I'm going to give you, is this right here, this book right here. If you don't have this book, you need to get this book, this book by far. We'll give you the best direction when it comes to getting into this business and getting started. It's called My First Deal playbook. Um, it's my second-best seller and this thing is flying off shelves. I mean, you can pick it up at Amazon.com. Just go over there, type in My First Deal playbook. It'll pop up, I think it's like six bucks or something. I'm over on Amazon, but I give you a ton of stuff when you, when you get the book to just get started with us.

Um, but finding the best deals is on page 36. And 36 in this book is going to kind of help you understand what we're talking about today, which look, finding deals is great. And sometimes people say, well look, Zach, I'm looking for deals, I'm looking for deals, I'm looking for deals, but um, you know, I'm not finding them as quick as I like to. So, here's where I'm going to do. I'm going to give you some pointers on how to speed that process up. So, I want you to write this stuff down,



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okay? You want to get into the business and look, there's something you've got to understand really quick, quick.

There's a difference between a lead and a deal. Okay? Leads are everything that comes to us from marketing; deals are things that we get that we have under contract, so when we're talking about the fastest way to get a deal, we're talking about how do we get a lead quickly and then turn that lead into a deal quickly because we want to get paid, right? So, the number one way to achieve that is you got to create the right streams, the right streams of lead flow that you can contract quickly. That's where a deal comes from. You could have a great lead flow, but if you and 15 other people are going after the same lead flow, do you understand? It will become harder for you to take that lead to a deal quickly because other people are trying to get it into a deal to, for instance, like the MLS.

The MLS is literally the fastest way to find a lead, but not the fastest to find a deal. Okay, so I want to make sure that we're on the same page with this communication because I could go log into them MLS and find all kinds of leads, but getting them into a deal is really hard because why? Well, one, there's competition that everybody's looking at it and all their agents. Number two, I've got to find something that could be a potential deal so I got to run numbers and make sure that it's something that I do want to contract so that becomes harder even though mentally it seems the easiest way because we look at it from a lead flow and not from a deal flow. That's the psychology that I need you to switch your brain to, right? It's like, yeah, there's a lot of easy ways to find leads, but what is going to be easier to find deals?

Okay. For instance, I could call Craigslist's Ads, right? Yep. I could call Craigslist's Ads and um, and yeah, that's easy lead. I go log in, go to Craigslist, there's leads



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there, but are they going to be easy to get into deals? Right? So how do we create deals? The fastest way possible, well, we have to work for streams that don't have a lot of competition. So, one of the ways that what I'm doing right now, because markets change constantly and what I was doing two years ago is not what I'm doing today, but we're, we're finding that we're contracting deals very quickly, meaning that we're getting the deals under contract. One is door knocking; door knocking is absolutely one of the fastest ways right now to contract deals. And my, my partner out in the field is mastering the skillset. We find a location that we see a deal in and we're working to deal.

Well, we canvas the neighborhood, we go around, knock on all the doors, we pull a foreclosure list and we go knock on those doors and he's out there every day. Every day he's out there. He's at least knocking on anywhere from 10 to 15 doors a day on a good day; on a bad day, five doors a day. And the reason that I'm saying that is because it's the fastest way; you're there, you're at the property, you have a motivated seller, you've pulled a foreclosure list, you've pulled some type of, you know, awareness of pain. So, you go to that property, you're not waiting on direct mail to hit you go, you knock on the door, you've got them there, you're talking to them. Nobody else is there. And so, you can contract it. So, it's literally, we're there, we're moving it into a deal.

That's one way. The second way that we're getting really good deals is through our property management companies steal because they have burned out landlords that they still need to get rid of, and we're able to contract those quickly because as soon as they notify us, hey, we've got a landlord interests to sale, boom, we're on it. They're, they're right there with them. I just picked up one in, in our market here. The guys burned out. He's got 50 properties. Boom I'll buy them all, let's go. So, with those two streams, we're moving to the deal quickly, not the lead. Let's get clear. It's not always about how many leads you



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can get. It's about how do I create exclusivity to get to the deal that not everybody else's coming on. Okay? So, and the other side of it is, is I'm always marketing for wholesalers. I'm looking for wholesalers left and right because you remember the wholesaler is in the business of what? Finding leads that they can get to an investor that the investor can then close on the deal.

So, if you're in the buying mode, and you should be in a buying mode right now, if you're buying for flips or buying for rentals, you need to be connected with every wholesaler in the marketplace. I mean, that's just inevitable right now. Um, inevitable. So, let me just walk you through a little- and I'm not going to share too much with you right now, but I'm going to give you some simple processes. Number one, when you find a good area, when you find a niche area, a little cluster zone, and you want those. I teach this at the event. I teach this strategy at the event and people who use it love it. When I get one deal or I find an area that I want immediately, what I do is I go to the US Postal Service's website and I go to mail every house.

They have a platform in there where you can do a direct mail to every single house in that neighborhood. When I find that cluster zone, I'd drop a mail piece to every single property in that cluster zone. Boom. Hey, are you looking to sell? I'm looking to buy. I can close quickly. Call me today, we'll set a meeting. And what that does for me is it isolates me into specific hot zones that I can find the best deals the fastest way possible, because now I'm not wasting- and don't get confused. I'm not saying find the leads the fastest, but the deals the fastest. Okay? Look, I can beat anybody to the punch when it comes to leads, but getting the deal, I'm competing with other people too, right? Because if I'm working a lead source that everybody else is working, I'm going to have a hard time getting that to a deal as fast as possible.



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So, I've got to figure out little strategies that allow me to be exclusive to that lead so that I can get it to a deal fast; not the lead, but the deal fast, okay? And when you find those clusters zones and you drop mail to every single property in that neighborhood- the US Postal Service offers this at the event and we teach this. I share with you all the websites and how to do. I share with you the postcards that we use. You drop it on them in that cluster zone. So now what happens is, is these aren't people that everybody else is mailing to. These are people that were like, yeah, I do want to sell. Let's say I drop it on 800 people and I get three deals out there. Great. I won. I won. Nobody else dropped it on them.

They may not have even had a pain point. They don't mind it. Just wanting to sell quickly and get out of there. The other thing right now that's helping me win too, is I'm pulling lists and I don't- look, I've changed my entire mailing game because everybody else is mailing to all the same stuff, but I'm pulling the list of code violations. Code violations, grass code vacancy violations, damaged property violations and I'm mailing to those people and I'm saying, hey look, you're in violation. You're going to pay fines and penalties if you don't have enough money to fix this property the way that the city wants it, you know, call me and I can help you out of your situation. When it comes to code violations and inherited list and door knocking and my property management companies, I'm staying super busy. I got nine rehabs going right now, and I think I might have three more that we're going to be closing on in the next two weeks.

I mean, I'm staying super busy. You know, while everybody else is fighting to find a deal, I'm not. I mean there- I got one to go. I looked at one yesterday with my partner. I got one to go look at it today. I mean they're out there. I'm finding apartment deals all over the place. I look, I just found an apartment- a 50 apartment deal in Georgia outside of Macon, Georgia. 50 department deal that has like a 24 percent cap rate on it. Twenty four percent cap rate. Do you



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understand what that breaks out to be? I mean that's golden, and it's 80 percent occupied right now. So, the deals are there guys. But you got to set up these relationships. You've got to set up the management. I got that from a management company. Management come and I just started calling the management- and I teach you guys to do this.

I even give you scripts to do this at the event. You just don't do it. Right? I mean we- this is what we used to do with changing the structure in Dallas, you know, because we're just changing it because of the new market and the new things we got to do. But this is the type of stuff you got to understand. Like if you won't do what we tell you to do, it's going to be hard for you to get anything done. So, 50-unit apartment deal, 80 percent occupied, 25 percent cap rate. I got the seller all the way down to 16,000 a door, and the rents are 400, right? So, I mean that was from management company. Boom, I'm all over that one. Let's go. Let's rock. Let's put it together, right? Let's get this deal closed, but you got to start thinking, not lead flow.

You got to start thinking deal flow. That's the hashtag for today. Hashtag not leads but deals. That's your Hashtag. Not leads but deals. Look, anybody can go chase leads down, but are they going to be the right leads? Are they? If there's a lot of competition and everybody can see them, then you're going to have a harder process to turning that lead into a deal. So, you got to think, not so much lead flow as you do deal flow. Yeah, look, there's all kinds of lead flows out there, but which one is going to give me easier access to deals as in less competition? And that's how we get the fastest way to get a deal. The fastest way to get a deal is not so much the fastest way to get a lead, but it's changing your thinking process to what's the fastest way to get a deal to work? A lead flow that doesn't have as much competition, that's the fastest way.



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You may not have as many leads, but I guarantee you, you'll have more deal opportunities because you won't have as much competition when it comes to that. So, you gotta really put that together guys. You've got to think about it. And that's the conversation today is really about changing your mindset from a lead. I got to find leads, I got to find leads. I got to find leads to quality, right? Look, we can all play the Walmart game, but right now is the wrong time to play that game because everybody in their mother's trying to play lead generation. You need to be looking for relationships, and sources of leads that have limited competition. Why do you- look, I'll never- look a year and a half ago I started telling everybody, you need to get back into door knocking.

You need to get back into- a year and a half ago, I started telling everybody at the seminars, you need to get back into door knocking. You need to hire someone to do it. If you don't want to do it, you need to get back into door knocking. I did a whole training on it. Like, this is how you need to do door knocking. Door knocking is all about- here's what you say at the door, here's how you approached the door. Here's what you do when you're there. Went through the whole process. Um, because why? I knew we were going this route. I knew the competition was coming in, but what else I knew was- but the competition has come in. They're all going to be doing the same thing we're doing now. So, we got to get ahead of them. And how do we get ahead of them?

We get in front of the door, we get in front of the door, we build stronger relationships with management companies. We catch the inherited list. Once they come out and probate and they're getting inherited, we catch that side. We catch the code violations because a lot of people just don't do that. They don't know how to pull the list. It's literally go into the city and you can pull 'em. That's what I'm talking about. You got to change your game up a little bit and you got to move with the cycle. You got to stay in front of people because they're all coming



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in and doing the same thing. Look, yeah, I get it. Mailing foreclosures is powerful, but why would I mail to them if everybody else is mailing to them? I'm going to and go knock on the door, but here's what I will say.

I still mailed to them because we will mail a postcard out that simply says, hey, we hoped you enjoyed our visit when we came by. We'd love to talk to you more if we haven't already helped you with your property, with your challenge, with your property, please follow back up with us. We mailed that the same time we head out to go knock on the door. You see where I'm at? I'm ahead of the game. So now knocking on the door and by the time I leave, I'm letting them know, hey look, I'll send you something in the mail. So literally the next day or two days later, they're getting a piece of mail from me that says, hey, we enjoyed being able to come by and talk to you about your property. If not, they're getting that- If they weren't there when I knocked on the door hanger, left it behind they're going, oh man, oh, this was the guys that came by. I should reach out to them and talk to him.

You got to think quick in this game guys. You got to get out. Then you got to be quick about this. You gotta be thinking- look, competition is good, because here's why: it makes you reevaluate your current situation. I embrace competition. Because here's why, at the end of the day, I'm not in competition with them, I'm in competition with myself and I want to be better tomorrow than I was today. And that's what it boils down to. But I enjoy competition because what it does for me is when competition increases, it makes me realize that I got to be innovative. I gotta change some things. I also need to be prepared for what's coming up. That's how I look at it. And so you should look at it the same way. The market's changing guys, and you need to be ready for it, right? Alright everyone, Zack Childress here. I'll see you on the other side next week. Bye now.



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You've been listening to the Real Estate Investing Talk Show. I'm Zack 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 website, [Rei Success Academy Dot Com, forward slash web class](http://ReiSuccessAcademyDotCom.com/webclass), and register for my free web class where you'll discover how to escape from the nine to five grind your own boss in real estate. See you there.