



YOU'RE JUST ONE DEAL AWAY

5 Steps To Success With Wholesaling

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.

Appreciate you guys for being here, sharing the message I got my groove back. I'm back in town. We got some things worked out. We're making some big changes. We're doing some big things. I love change. You know I love change because if you don't change, you stay the same, right? Change is good. Staying the same is bad, right? So I love change. Change is good. I'm thankful for all the people in my life. I just want to give a big shout out to my team, my friends, my partners, all the people that make REI Success Academy a big brand and all the students that come on board with us and learn from us and all the amazing reviews you guys give us on here. I read them all. Love you guys for that. We're doing big things around here, making some big changes to. So I'm glad to be here. I'm glad to be here I'm glad to be here. Yes, I'm feeling good today. Can you tell guys?

Let's dig in a little bit here with you. Okay. Because there's really five components to really understanding this business of wholesaling. And if you do it right and you do it correctly, it will not be an issue for you, okay? So number one, to be successful as a wholesaler, it comes down to market. You got to make sure you're wholesaling in the right market. I can't tell you how many times I've worked with students that have gotten training other places and then they come to us and then we started evaluating where they are and it is an issue because they are trying to do wholesaling in an area that you just can't wholesale in. I mean, it's a very



YOU'RE JUST ONE DEAL AWAY

sophisticated buyer. The price point, it could be a little too high. They're just not going to be a favor in their eyes to working with you as a wholesaler. They don't see the benefit in it.

So, market is number one. And so how do we understand that? Well, we got to find a market that is producing, you know, volume to cash buyers and landlords. So, there's two markets. Number one is rehab markets. Number two is landlord markets. So we're looking for markets, zip codes, cluster zones that are very specific to a cash buyer pool. So how do we know what that is? Well, we can go to an agent and say, look, pull me every property that sold in the last 12 months in this area and out of that number, how many of them were cash closes. That'll get us a very good idea of is there a large portion of cash buyers in that area or that zip code? So I know I can wholesale there instead of wasting time in areas that there aren't.

Number two is landlord areas. Well what's a landlord area? It's an area that produces cashflow. So you know if you've got an area that the average home sells price is 200,000 will rental properties are probably going to be closer to that 1:25 and below mark, right? And so I want to identify those areas and then I want to go and see what's the percentage of rent versus owner occupancy in that little area, that zip code, and if it's high landlords then I know I got landlords, then all I got to do is say, okay, well how many of them are paying cash? If I want to be a traditional wholesaler, I'm looking for cash, right? But let's be clear, is traditional wholesale and the only way to wholesale. No right, it's not so market. You got to know your market guys. Number one, write that down.

Number two is team. Once you identify the market that you want to be in, and guys, here's the beauty. We can do this anywhere. We can do it in our market, other markets halfway across the United States if we want to. It doesn't matter. We can do it anywhere if we follow a process, right? So number one is market number two is team. You guys have to have a good team together as a wholesale or what's going to be a good team. Well, I'll tell you what, if I was wholesaling in your area, let's just say if I was going to go wholesale and a brand new market,



YOU'RE JUST ONE DEAL AWAY

never wholesaled in that market before I would follow these same instructions I picked my market and then start building my team and as a wholesaler in a new market, if I want to give myself an advantage when I'm working with investors and I'm going to be wholesaling contracts to, number one I'm going to make sure I have a closing the closing attorney or title company that will do an assignment of contract that will close and assignment of contract number one. That's the very first thing I'm going to figure out when it comes to team who's my closing office going to be or title company and will they work with an assignment of contract. Okay.

Then what I'm going to do is I'm going to start sourcing some funding sources like hard money lenders, asset-based lenders that will fund investors and I'm going to put them in my team and here's why. Because if I've got an investor who wants a deal and he's like, man, I love this. I just don't have the money. Boom, I got your money. Boom, I got a closing attorney that will take care of it. Bone. Where you at? Where you at, man? Where you at? I got you taken care of. I got the deal. I got you funding lined up and I got to close. You ready to go? The other thing I'm going to do is I'm going to source out some handyman, some contractors, and I'm going to put them on my team to. Here's why. Because when the guy says, man, I really liked that deal, but I don't but I don't have a contractor. Boom, I got a deal for you. Boom, I got your contract. Boom, I got the closing attorney. Boom, I got your funding lined up. What else you need from me, right? I'm an all purpose at this point, right? I am literally giving them a turn key investment with a team going with them, right? So they can't say they don't have. So I'm doing my business correctly by providing resources on top of the property and that's why your team is so important, okay. Your team is so important because of that. You don't want to just come in with a deal and then them say, oh, well, but I don't have this. Okay, sorry. Nah then you're half. Well, you know what I'm saying? You're not doing it right.

You build your team so when you find your buyer, they can't come to you with, I don't have money or I don't have a contractor. I don't know where to close it. I got you covered boom, right? It's all right here for you. I'll put it together, and that's also called referral business, okay. That's also called referral business, alright. And when I'm referring business to people, well then



YOU'RE JUST ONE DEAL AWAY

I get a little rewarded for that. Right? I can either get a referral relationship started or let's say now I want to go do business with them. Well I've already established that I'm helping them with their business and now they're going to help me with my business. You know, it goes back to the, you scratch my back, I scratch your back thing, right? So that's number two.

Number three, number three coming in the house. You've got to get your buyers together. Okay? You can't do this wholesaling game without your buyers, right? So you got to find the right area. You got to get your team together and you got to get you buyers in line. Where are your buyers are going to be? Well, number one, if you've already identified the area, you know that there are buyers in that area already, right? You know in this zip code, in this area, you're going to wholesale there because there's cash buyers there. So what does that mean? Well, I'm going to go put some bandit signs out in that area, not so much for the houses, but for the buyers. Cheap property, need cash offer, call today. I'm going to attract the buyers to come to me in the areas in which I already know that they're buying and flipping in, okay? Number two, I'm going to start a mailing campaign in that area.

Number three, I'm going to post some ads out there that say, look, you know, looking for cash buyers, cheap houses, call today, inventory doesn't last. You know I'm going to start reading at Craigslist ads. I'm going to start posting ads on classified ads. I'm going to put them out there. I'm going to put bandit signs out. I'm going to do some direct mail. I'm going to start networking. I'm going to go to the auctions and see who's buying properties for cash and talk to them. I'm going to go to my local RIA, find out who the buyers are in the air and I'm going to talk to them. I'm going to start working the business, you understand? I'm going to get out there and make the connections and communicate and get in the groove and feel the stream come through, right?

Guys, let me tell you something, there's nothing more amazing. When you're in the stream, you're in it. You know what I mean? You're building it. You're, you're, you're looking up going,



YOU'RE JUST ONE DEAL AWAY

whew made it through the black clouds and here comes the sunny sky. That is when you're following the process, build your market, build your team, find you buyers. That's why so many wholesalers get frustrated is they don't put it in order. They just go out start looking randomly and can't figure out why they're not doing anything. And number one is they don't really understand how to pick the market and the next thing you know, they're trying to wholesale in an area it doesn't make sense or they find a property that nobody wants to buy and they can't figure out why nobody wants to buy it from them. They get frustrated or aggravated and they want to quit. That's reality though, so I'm okay with them quitting, unless they're my students. I don't like my students quitting don't want my students quitting. But do you know why I'm okay with people quitting because it's change happening. Look, quit, get out of my way. Move, move out of my way, right?

Here's why in our business and in our life, we have to let people go, right? And Lot of that is our competition. We've got to let them go, man. We can't be just running around hoping they all make it. That doesn't work, right? Look, I got a plethora of investors in my market right now. Do I wish them all the best? Absolutely. Do I hope that a lot of them just quit and go do something else? Absolutely, right? I absolutely do, and I know most of them won't make it. Most of them will try and they won't make it. They won't follow the order. They won't get help. They won't get a coach or mentor or they won't listen half the time and they'll try and do this all out of order and they'll get frustrated and quit, but we need that. That's the cycle of life. Do you understand? We need that to happen so it makes way for us who are strong, committed to the journey, not willing to quit, willing to stay in the fight, right? It makes it that much rewarding for us, it test us. Can you make it in this? When the competition is high?

Listen, I've been through these markets. I've been through. I've been in the highly competitive market and I've been in the market when everybody was running with their tail between the legs scared and I stayed in. And I've been in when everybody was telling me I was stupid for even investing and I made more money when everybody told me I was stupid and I've still been in the climb back up and I'm still in when everybody else is trying to jump in, moms, dads, pops,



YOU'RE JUST ONE DEAL AWAY

uncles, grandmas, nieces and nephews because they, they are now understanding real estate's a goldmine and guess what? I'll still be in the market when everybody starts running with their tail between the legs and I'll still be in the market making money when people are telling me I'm stupid for investing and I'll still be in the market when I come back up and everybody else is trying to invest to, you understand? Because it's all about understanding like when you quit, you give up. Quitters never win and winners never quit, right? That's the nature of the game, nature of the game.

When you're just starting out as a wholesaler, you need to be going after free leads. You need to practice and build your confidence and build your skillsets and your, your ability to communicate on free leads. You don't need to run out there and start spending four or five, \$6,000 on direct mail and marketing campaigns and AdSense and all that. No, no. Why would you do that? You don't even know how to communicate yet. Start with a free leads, okay? So that you can practice and you can, you know, if you mess up, it's okay. You didn't pay for the lead, so free leads like Craigslist, classified ads, rental ads, go section eight, for sale by owners. Work the free leads out there so that you can build your confidence, build your skillset, become a better communicator in the business that my friend is why I'm always telling people, always free leads. Free leads. Start with free leads. Start with free lead. Start with free. Start with free leads. Okay? The last one of the five steps is convert. Listen, you've got to get good at converting and converting falls into so many different categories, right? When you get the lead and you're calling the lead conversion could fall into a couple of categories, so stay with me here. Converting could be just getting that seller lead to acknowledge the information you want so that you can set an appointment at their house to meet with them. That's a convert. You convert it right? You got them on the phone, you talked to him, you, it looks like a good deal, it's in the right area. I want to set an appointment maybe tomorrow or the next day. I might want to set it for Thursday at 4:30 at their house. Hey, I want to come out and see the property meet with you.



YOU'RE JUST ONE DEAL AWAY

Zack Childress:

That's a convert. You converted it. It's convert number one, right? You talk to them, you converted the appointment. Usually in the first conversation, all you're trying to do is get the appointment. That's it. Especially if it's leads in your local market. The first call is always designed to get the appointment. I'm working, working through the sheet, gathering information, following the script to then set the appointment so that I can go meet with them at the property and walk the property, get belly to belly, shake hands, kiss babies, and try to get that deal under contract, okay? That's a convert. The second convert in that process is once I'm at the appointment, is to get a contract on it because I'm going to that house knowing what I can pay for it because I've already done my research, I've done my analysis, I ran my numbers. I know what I can pay for it or I've done my research, I've done my analysis and I know what strategy I can offer it. The house, meaning it might need to be a seller financing or a lease option. Some form of terms. I may not be able to offer them cash because they owe too much. There's you know, that's what that research period is for is to know how to present what I can do for them so I can convert the lead into a deal. Because remember, it's still a lead, even at the appointment It's still a lead. It's not a deal until they sign the contract, but I'm coming prepared at that appointment to convert that appointment into a contract. That is what the appointment is for. The first call is not to contract. The first call is to convert to an appointment.

The appointment is to convert to a contract. Then once you have a contract, you've got to convert to what? To sell the contract. You understand? You got lead converted on the phone to an appointment. The appointment converted to a contract. The contract converted to a close, right? Whether you're closing or your wholesale the contract, that's the conversion. That's what step five is, is mastering those conversions. How do you master those conversions? Well, number one, you've got to build confidence. Number two, you got to make sure that you have the communication skills to know what you're talking about. That takes a little time to study, research and go on appointments. Listen, don't ever assume you're going to go out on an appointment and think you're going to nail a home run. You first, you know doesn't have them. You're going on the first dozen appointments just to learn what you're doing wrong.



YOU'RE JUST ONE DEAL AWAY

That's the whole purpose of getting out there when you don't know anything is to learn what you're doing wrong so that you can correct it and do right. That's why like I get people all the time, oh, but what if I go out and make a mistake? No you're going to make a mistake and you're going to, but you got to learn from it so that you don't make the mistake next appointment, okay? Now that's in your market and if it's outside your market, the converting is when you make the phone call, you get the you get the prospect on the phone. It's a lead. You're gathering data. You're converting them to the set and the set is an appointment, but it's a phone appointment. It is I got you on the phone I got this information. Let me do some research on the property in the neighborhood and I can call you back Thursday morning. Are you available? Yes. What time? Eight am great. I'll call you Thursday morning.

Well, I'm converting that appointment, right? But here's the key with the phone is you've got to really make sure that you set that phone appointment because it's easy to miss a phone appointment unlike a physical appointment. So I'm also making sure I'm emailing as soon as I'm off the phone with them, I'm texting them Thursday, 8:00 AM just making sure we're confirmed. Yes, we're confirmed, great. Then I'm emailing them after I ran my numbers and I've researched the next day. I'm emailing them saying, hey, just want to confirm our appointment for tomorrow at 8:00 AM. Yes, we're confirmed, great. I'm following up in between the convert and the appointment. Now don't get me wrong. You still would do this in an appointment that's at their house. It's just you don't get a lot of people who won't answer the phone.

I mean, you're going to their house there. When you're doing it in a different market, you're not in, you can't drive to that phone appointment. You'll find that a lot of people just, they'll forget about it a lot of times and so you got to stay on them, but I'm converting that to get on that phone appointment. That phone appointment is where basically I go through everything with them, what I've found, what I researched, what I can and can't do and that you know, I go into explaining my offer. I'm converting them into a contract, same process. I'm converting them into a contract and from there I'm converting into a sale, so number five is convert, but let me tell you something that can be the hardest part of this business pointblank.



YOU'RE JUST ONE DEAL AWAY

Picking your market, takes some understanding and research you'll nail it. Picking your team is just networking, finding your buyers, networking, finding free leads, mastering communication, five converting. That's where you want to really spend the most time in is trying to convert as much as possible because here's why. If you can increase your conversions from 10 percent to 20 percent, then you doubled your revenue. If you can increase your conversions from 20 percent to 30 percent, then you just tripled your initial revenue off your business model. The key guys is all four steps, but it's mastering step five, conversions. That's where it all boils down.

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, ReiSuccessAcademy.com/webclass, 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.