



YOU'RE JUST ONE DEAL AWAY

The 3 Things You Must Do Before Looking At Properties

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.

The three things I'm going to talk- I'm gonna tell you what they are and break them down. Number one is, we have to understand market segmentation. We have to know our market or the market in which we're going to be investing in, and we have to know which areas of that market are conducive to the strategies in which we want to deploy. Whether it be wholesaling, whether it be creative financing, buy and hold or rehabbing. We have to know the strategy that the market can bear before we even move into the market. And that's a big mistake people make.

They just run out and look for a house, run the numbers because they think they know how to run the numbers, and oh I can make money on it and then they buy it. Next thing you know it doesn't sell. They're stuck with it because they didn't understand segmentation. They didn't understand clustering. They didn't understand hot zones. They didn't understand any of that. This is why we spend so much time at our three-day event teaching this, talking about this, getting people to understand, look, the deals are there, your businesses here, we don't chase the deals. We chase the business, we build the business so that when we do go after the deals, we're able to actually do something with them and do something with them that's profitable and with less risk. You understand, like that's the key. We want to make money and we want to minimize the risk.



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So, the very first thing you gotta do is segmentation. You gotta understand segmentation. You gotta understand matrixes, you got to understand cluster zones. That will help you when you, before you even go look at probably- look, let me, let me take something.

I can't tell you how many times I hear people say to me, Oh, I know the market. I'm an agent. Like I hear it all the time. Oh, I know the market, I'm an agent, but you understand like that has no bearing on me. It has no bearing on me because here's why: If I take their word on it and I go after that investment, and I've put my money in it or I borrow money and put other people's money in it, who's the one holding the risk? I am! Not the agent. The agent made their commission and moved on down the road. I'm out, right? It has no bearing on them. Okay, so you have to understand like, I don't care if you think you know the market; not to the level that I understand the market because I'm not just looking for a market based on school zones.

Right? And that's where a lot of them get their identity from. I'm looking at the market as a whole, like what are the strategies needed per section of this marketplace? What are my cluster zones? You know, where's the best activity at? These are the things I'm looking for it. I'm specific to price points and square footage and you know, I, I'm just, I'm very specific to that. And so, you know, that's why we spend so much time teaching it at our three-day live events, um, so that students know how to really truly understand that segmentation of a market; number one.

Number two that you have to have together is your team. You have to have your team put together. It makes no sense to go look at properties if you don't even have a team to support you when you go look at properties. Because let's just say, your agent takes you out and looks at a bunch of properties and you, you're like, oh, I like this one, but you don't have your team together or you don't have the third thing together.

Well now you're in a scramble. Ah, what's this a scramble mean? What's the scramble mean? Right? And the scramble means, now I'm trying to get everything together to take this deal down. The problem with



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the scramble is that when you're scrambling to do the deal, you're fixated on the projected profits and not the deal, because now you've got to go put your team together and all the other things together and you're not doing, as Lisa said, your due diligence at that point. That would be the time to do due diligence, and you get caught up in the whirlwind of the deal and you make a mistake. Okay? I see it over and over. Even with students that I coach, I see it over and over. They go chase the deal. They don't have their team, they don't have their segmentation done. They don't even have the rest of this stuff done.

They find a deal, and now they're scrambling trying to put everything together. Right, and so they take their eye off the prize, which is- they should have had all this done before they looked at the deal, so when the deal hits, they can now make sure that deal fits the need of the other things; need in the market segmentation, need in their team and need of the third thing that I haven't talked about yet. So now we're not wasting time on a deal that we can't do anything with. Okay? Instead of going out and looking at houses first, do these three things first.

Now you know what to look for. It's a world of a difference. It's a different angle. It's a different approach, but it makes you more successful and you can move much faster and so that we're not in the scramble. We do segmentation first we find our areas, so now we're only looking for properties in those areas, right?

So now we're already ahead. We're already winning. The second thing is building our team, right? Segmentation then build our team. Who's the team? The team is like our agent. Do we have the right agent that we want to work with us? Does that agent specialize in those segments that I've created? Right? I don't- look, I don't care if my cousin's wife's brother is an agent. I'm not using them unless they specialize in the areas in which I'm going to be working in. Right? So, let's get clear on that. We don't just pick agent because we want an agent. We pick an agent because they specialize in a certain area. They specialize in what I'm trying to do. So, number one, one of the three that you do before you even go look at a property is you get your segmentation together. So now I know where to look at.



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Number two is build your team. So now my first team member is an agent, right? My second team is going to be maybe a contractor, a handyman, because let's say I'm going to do some rehabbing. I need to have those people in place before I even go look at the property. I need to have my contractors, my handyman. I need to have all those people on my team and interviewed and picked. And um, and that way when I say, look, I'm looking at a property today, it looks good. Can you swing by and give me a quote? Yeah, sure. And instead of looking at a property and then trying to go interview three or four or five contractors, now you've wasted time. You've lost the deal. You got to prepare, guys. You got to be prepared. Okay.

The other side of that is when I'm, when I'm dealing with this, let's say I'm dealing with rental properties. I need management company in place. So, if I go look at a property that I like, I can call the management company that I have relationship with and say, what do you think you can rent it for? I need to have those in place. I gotta have my closing attorneys in place. I gotta have, you know, the people that are going to help me execute that deal in place. Okay?

The other thing that's a very important aspect of your team is your buyers. Let's say your strategy is wholesaling. Um, if you're going to wholesale, then you got to have your buyers in place. Why would you go look for a deal and you don't even have any buyers yet? Build your buyers and then go look at some deals. So now here's why. Okay, check it out.

If my agent specializes in an area that I'm segmenting in, that's a win right now I know how to tell that agent what type of automation is set up; what I'm looking for; what I want to go see. If I have a contractor that I like and I can work with and that contractor is on board with me and he says, look, this is the type of stuff I can do.

Now I know when I'm out looking at properties, if there's something in that property that is out of his scope of work that I know will, man, I, I can't bring this to my contractor. Right? Um, the second thing is, is if I'm dealing with my buyers in this aspect, and I know what they're looking for, so when I go out



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looking, I know what to identify for my buyers. It just helps everything. Segmentation, build your team and get a mentor on your team. Guys, a mentor, especially one of ours. I mean we have some of the best in the business because they're part of our team.

They can walk you through this process. They can walk you through segment and they can walk you through your buyers. They can walk you through working with contractors. And we even have a whole platform of training on this for all of our coaching students. When they log in, the coach can direct you to which education system that you need to be watching so that they can then help fulfill you on the other end when you come out of that training. So that's number two. You got to build your team. Okay?

The third thing, let's talk about the third thing, and this is where a lot of people make a huge mistake: is you gotta get your funding together. You've got to get your funding together. You got to pick your market segmentation so you know your market, you got to build your team so you can execute when you close on a deal. And number three, you got to get you funding together. And here's why.

You might say, Oh, well Zach, all I want to do is wholesale. So, I just need to do segmentation to build my team and I'm good to go. No, no, no, no. You wouldn't be surprised at how many people that I talked to that just want to do wholesaling, that after I talked to them, realize that they could be doing rehabbing because let's be honest guys, I have an entire course called rehabbing made easy and it's built around three sections of rehabbing.

Number one is what you do, right, and that's the segmentation, that's building your team, and that's getting your funding together, and that is doing the marketing. That's number one. That's you. You do number one. Number two is your contractor. They do number two, the contractor deals with the property, the demo, the fixing back up, the remodeling, getting it ready. And then number three is your agent and your agent handles the hand off.



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So, I get it. I hand it off to my contractor, my contractor does his job, he hands it off to the agent. The agent does her job staging, selling the property, listing it and so forth. It's a three-step process. You, the contractor and the agent. That's why you've got to have such a good team. You've got to have a good contract and a good agent on your team. That's why I tell everybody like, don't be afraid of rehabbing.

Most people don't want to do it because they don't think they have the money. They don't think they have the money for rehabbing and it's because they haven't looked- I mean, this is where the rubber hits the road, is those who know how to find the money are the ones who are winning the game right now. They're the ones winning at the game. And so, you gotta get your funding together, whether it be local, traditional banks, you'd be surprised at how many of them have commercial type loans, how many of them have like a builder type loan.

Um, and then if not, you move to non-traditional banking, asset-based lenders, hard money lenders, you moved to that. You get funding together because here's why. Now you go out and look at a house, you look at that house, you run the numbers on it and you go, oh my goodness, that's a \$50,000 profit. I think I'm going to wholesale it for \$10,000. Why? Why would you do that? No, it's got major money in and I wholesale yet I'm going to do what? Bring my team involved, get more funders involved because I've already built my team. I've already built my funding relationships. I've already picked my area. So now I can go look at properties with confidence.

Now I can go into the property and say, okay, it's in the right area because I segmented it. Alright, I've got a contractor that will do it. I've got an agent that can sell it. I got a team that can come in and get it closed. Um, I've got a buyer if I want to wholesale it because I built my buyers list. And last but not least, I've got the funding sources that are going to help me fund it. So, when I walk into a property, I'm confident that I have my team behind me and I've got a mentor.

This is going to guide me through the process so that when I'm on that house I can say, look, I'll take it, draw up the paperwork. I don't have to say to my agent, well look, I like it, but you know what? Let me



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do some more due diligence guys. Most of the time when a new investor says they gotta do due diligence, it's because they're trying to find funding. They're trying to find a contractor. They want to know it's in the right area. They want to do all that. Right? That's not your due diligence. This is your pregame. You understand. This is your pregame, the segmentation, the team, and the funding that's your pregame. That's your pregame. That's the stuff you gotta do first before you go look at properties.

Then once you find a property that you like, then the due diligence comes in, as Lisa was saying. That's when you start checking your comps, looking at other sold properties. What's on the market right now? Who are you competing with? What's it going to cost to fix it up? What can I really sell it for? What's my whole time going to be? What's the cost of money? Let me rerun the numbers. That's the due diligence, right? The due diligence is not your pregame; your pregame is your pregame, you're taking down real estate is your game, right?

That's when you're in the game, right here, guys. That's where people miss the boat. That's where they missed the boat. They don't do a pregame. They run right into the game and they think, oh no, no, no. Now got to be in a rush, right? I gotta, I gotta scramble. I'm in the scramble zone. I'm in the scramble zone. And look, nobody wants to scramble. And football scrambling means you ain't prepared. Scrambling means you're going to make mistakes. Scrambling means you're going to forget about something. Get your pregame down, then go look at property so you're not scrambling. Alright?

So, listen, that was my topic today. I don't want to keep you guys too much longer I want to get you out of here. Um, but it was understanding- one of the big concepts that I see all the time people doing wrong is they just go look at properties and they haven't even really set up their business yet. Okay?

Number one, get your segmentation together, so you understand cluster zones and hot pockets. Number two, build your team so you have the right people around you to execute the deal. And number three, get your funding together so that you actually can take down the deal as needed while you're out



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there looking at them. So, do that. Do that. And also leave me a review. Share the stream, share this message. This is something that people want to see. I know they want to see it. They probably- I can't tell you how many people are doing this backwards. They're running out looking at deals and then they're scrambling, trying to figure out how to put the deal together.

Share this with somebody, share this out there. Let other people hear this. I mean, it's just three things and there's a lot more, but if they just did those three things, they would be more prepared to go look at deals than anything else. Okay. So anyways, give me a review guys. If you like the show, thumbs up, love it, share it. Give me a review on Facebook. I'll see you guys again next week. This is Zack Childress. I am your real real estate coach. We'll see ya. Bye.

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