

REI NETWORK RK

How a Coaching Client Smart Flips His First Deal

Hosted by: Gavin Timms

Guest: Brian Blanders

Gavin: Hey, guys, how you doing? This is Gavin with REI Network. I have an awesome guest for you today, just before I introduce him if you want to get my downloads. Got some downloads on my Web site. That's REINetwork.com/downloads. REINetwork..com/download. We've got a script, cold calling, lead sheet. Few things that is going to help in your business. So go and get that. I'm actually traveling right now. I'm in Phoenix, Arizona, and we're in the RV. And this is pretty awesome. Been working from here all week. And that's what it's all about. You know, for me anyway, is to be able to travel and work. You know, when I want with who I want. Wherever, on my time and, you know, that's kind of why I love this business. Which brings me on to one of my coaching clients. I want to introduce him, Brian Blanders. Brian, how are you doing?

Brian: Yeah, I'm good. How are you?

Gavin: Yeah, good. I appreciate you. We just had a coaching call here and I was like, hey, you want to do a quick podcast and you were like, sure. So here we are kind of threw him in the deep end. But we just got a great call. And, you know, Brian's where we're going to get into his store and his background. But what are you going to hear from this is, you know, he's done his first deal and had to adapt in terms of the way that this deal happened to get more money. I said Gratz on that. He's got another one under contract with his partner. And we're just going to talk about the model that that we kind of went with and why we did that well before we get there. So Brian tell us a little bit about you, what you do, where you live, and let's start there.

Brian: Yeah. So I've been in I.T. for 16 years and currently worked for Adobe. And I live. I actually we just built a house here in Lehi, Utah. And the reason we built here wants to be about a mile from work at Adobe, about a mile from work. But now everyone works from home and that doesn't matter. So, yeah.

Gavin: So Utah beautiful. I know we were messaging. And you just been down to southern Utah. Correct, for a vacation. Amazing. Actually I've been all over, but I've not been to Utah, which is ridiculous because it's beautiful.

Brian: It'll blow your mind. Bryce, you need that picture I sent. Yeah. Bryce is probably one of the most important parks to ever see. And you need to make sure you get there. My grandpa, while we were there, he says we walked up to Inspiration Point and he said, I'll forget everything else, but I'll never forget this. Wow, that's beautiful.

Gavin: Yeah, it's one of them. When you send a picture, it just doesn't do it justice. I say the same like about the Grand Canyon and you can take pictures all you want. You've got to see it. To kind of believe it, you know. So it's definitely a spot that I do want to get to. So you built a new house and you're working still full time. We you know, we got working together and I don't know, three months, three and a half months, four.

Brian: It's been about April.

Gavin: Yeah. You have got a similar model to kind of what I use is that you've got a full time job. And, you know, we decided that, you know, this business is hard. And how are we going to make money the fastest way? So what we decided to do was to obviously go virtual, not in Utah. Utah's, you know, a tough, tough market and higher price point. So we decide to go virtual. And we decided to kind of get a partner on the ground and do like. So you could do less work. Right. Put systems in place. So you got someone else doing the work for that time. And you had the system that we built in place and kind of tried to manage. You say that's fair? So tell us, how how's that been? You know, just tell us about kind of the deal that you're doing and working on and kind of how you found it and why not?

Brian: Yeah, I mean, I think it's scary at times, especially early on and stressful. You're sitting there like crap. You know, I need something to come out of this, you know? It's scary. Scary is a word that I would use. But, you know, we ended up getting a few under contract. And that was exciting. And one of them kind of fell through. But there's this one that we're actually in the depths of, the ARV was supposedly around and we actually consulted with a realtor to get proper comps and stuff. ARVs were supposedly around one hundred eighty-five. And we got it under contract for ninety-seven. And so we're saying there like way that's pretty solid, you know. And so we were going to full steam ahead about to wholesale it and just to go ahead and do that, probably pull 10k out of it or so. But I kind of thought, what if you bought it and did the work ourselves? Yeah. And then we sell it full retail. So I don't know, I guess that's kind of referred to as whole tale? Maybe some along those lines.

Gavin: Yeah. Yeah. I mean whole tale's where. Yeah. Normally with whole tale you buy it and then you put it straight back on. Maybe do a little, maybe do a little lipstick on it, like maybe a couple of grand, you know, a bit of paint, stick it straight back on the market and sell it straight away.

Brian: Well we put 10 that well it ended up being about 13, 14 K that we put in. It was still ain't bad if you think about that price point we got in that we're at about 115 and we've got it. We've literally got it under contract for one ninety right now.

Gavin: And that's going to give you overall, obviously have partners and money and everything else for the last 60 K. Yeah. That's awesome on your first date, but the important thing is, is that you can handpick if you're going to flip any flippers that I work with, and you weren't a flip. We were wholesaling. That's what we did. But obviously, when one comes across, I teach everyone that I work with it if it makes sense. And you want to go them extra steps to then expand that spread, then you can do that.

Gavin: Right. And that's why I'm picking again, I do a lotta of wholesaling. And I can't tell you how many times that we've thought about buying it. And you do have to run the team. It doesn't, you know, and share any stories that you have. But for me, it doesn't always go to plan. Right. When you're dealing with people and contracts is now. So the good thing is, is that you've actually done a very, very small flip because you only played 13, 10, 13000. Right. So that's worked great in your spreads. Are there that if you would have uncovered things and it would have gone to 25, you were still making money? Yeah, it was kind of the numbers. And this is why it's better to get off line than buying off the MLS because the numbers were like you could have had a disaster and still made money. Exactly. So that's kind of what we look to.

Brian: I should probably speak to how we even did it. Yes. Well, of course, I didn't have a hundred casing around. So I actually what I did is I just I've heard people talk about, quote unquote, private money before, but I'm like, it doesn't seem real. You know, I guess I don't know. Anyway, I ended up I just we were about to wholesale it. And then I just texted a wealthy friend of mine and just said, hey, what do you think about this as a deal? I'll catch you and his partner. Just help me buy this cash. Help me fund the reno and then we'll sell it and we'll make some money. And so about two hours later, two weeks later, he wired the money in and then I used his money to do the reno. So I didn't really. Towards the end, when we ran out of money, I put some of my own in, but not much. And most of it was not my money.

Gavin: Yeah. And, you know, just when you say put money in, I think you're talking what, you said three, four thousand dollars. So just to finish a few bits up. But here's the thing as well. Just on that, I'm sure I know you use a new word and

just be like, I'll do it. If you would have gone to him, said we need three or four thousand more, he would have give you three or four thousand. That's true. You just didn't ask. Yeah. Yeah. So but you're getting that back out, you know, and like I said, the spreads zone that you got, there's three of you kind of in the deal on this, but it's just fantastic. On your first, Dale. So congratulations on that. Let's talk about how you actually found the deal and why we entered what market we went into. Why did you choose that market? Who did you find on the ground and what does that kind of, you know, look like in this deal?

Gavin: Well, I mean, obviously, we know you helped me set the system up and began early, Jan, and it all went to a CRM and my local guy, which so did the market that I chose was Tulsa, Oklahoma. And reason I chose that market is because I grew up there. And so I am kind of familiar with the areas, although, you know, it's been a while, but I'm familiar enough to be able to get around. And if someone that I'm talking to asks me, hey, what s I know geographically where it is, I would feel comfortable with that. And then I, I found on the ground, you know, he lives there. So obviously if there's an appointment and they take place or whatever, he would head on out to do that. He's primarily the one that's actually working the leads. So he actually calls the leads and works them and then that's where they still came from. So he ends up getting a hold of this lady after he talked to the V.A.. You set me up with. After she talked me to the V.A., set me up with and then he called her.

Gavin: And just kind of first, you know, she was she was at one forty. Yeah. And really just I mean, I hadn't seen the place or whatever. And and what initially started trying to get creative with it. And I was like, cool. Well, you know, I'll give you a couple grand as a down cause she was just like, I need some money, you know, and we'll do a payment over time and balloon it at seven or ten years or something along those lines. And then I was gonna do a I mean, similar to sandwiches option, I guess. Really was my exit goal. But honestly as well. And she ended up saying, well no, I really just need the cash. I just need a big lump. Like if we're doing a lump. We need to come way down. Like 90 is what. And this is I hate all of negotiating. I didn't do that. So he's like, well we're doing lump-sum we when to come down to like 90, you know. And she ended up talking him back up to about ninety-seven. And, you know, so that's kind of the negotiation that took place. So he got her down from one forty to ninety seven. Yeah.

Gavin: Let me just pick up this, pick a couple of things up here. So we have motivation because there's a key thing you said. She said, I need money. So you guys bought the price doesn't match. So right now, there's four pillars that we look for. Right. No one is situation motivation. Number two is price. Number three is timeline number four is condition. There are things on a phone call that we're trying to get out to see where position. So what's happening here is that we've got motivation she needs to sell, right? And I don't know, obviously, the backstory of

why, but she needs money, right. So we know that. Well, we have a high price and she wants. So the price is too high. Well, the motivation is she needs money. And then the timeline is she wants to do something as quick as possible. Right.

Brian: Yes, she was. We need to close in like three weeks like this. I've got to get out of here. I was like, oh, we can do that and we'll try. You know, at that point, obviously, thinking we're just going to also, you know. Yeah, yeah. We did close in about three weeks, but with my private money.

Gavin: So, yeah. So it was good. There is that you've gone down a journey to say, OK, no problem, Mr. Seller, we can get you the price of 140. Well, we've got to do it over time. Right. And then what happens is, is because you'll meet him. This is really, really important because she did this. And I know you did some of the offering phone work as well. Oh, yes.

Brian: I was the one that talked about the terms with her.

Gavin: The terms yeah because he didn't know, again. So you stepped in on the terms, great position. And by saying, no problem, we can make this work, we'll give you a couple of thousand to give you a bit of cash. But we need to a high price, obviously. Like, she's like no. She then decided I got to cash out. So now the price has to be dropped like you did to match her needs, because what you offered was you perfectly offered something that matched her price needs or did not must match her urgency of say, OK, so something's got to give. Right. And then that's her decision. Price, terms. Right. What do you want? Well, I want my price. We've got to wait for it. We can make that happen. I know. I've got to get it now. Well, we've got to draw. And I think for people to understand that in terms of a negotiation is that you follow down one path that makes most sense to solve the problem. And then as soon as you realize and the seller real size, actually the price and actually getting money now is way more important than the price of getting more money. All. I need it now. Right. Is what I'm trying to say. And that's what a mother of a seller looks like right now. You've just gone from one hundred and forty thousand. You've just dropped it like forty-three grand to get this deal done. And she's like, yeah, let's go.

Brian: Right. And good thing too, because after we really got in and really dug her, well, I should give credit. You know, I physically was not there, obviously. So my partner there locally says he kind of rolled up his sleeves and dug in. Man, that place was a mess. And if we were trying to just straight up to lease option and exit, like no one wanted to be like you, I'm talking like cat pee on the floors and like, soaked carpet. I mean, it was rough. It was rough. It needed work.

Gavin: Yeah. That's crazy. And again, that's something that you wouldn't cover as you got in. Right. This is virtual. So you had had you seen it at this point or not?

Brian: I mean, pictures and my partner had been there and stuff, but I don't think he realized necessarily like I think maybe in his head he thought, well, you know, we'll get a carpet clean or whatever. But I mean, as we really dug up, as he dug the carpet up, pulled him up, it was like, not it. We can't clean these. This is after. And we replaced it with hardwood, you know.

Gavin: Yeah. OK, good. So. Well, that's good for everyone, you know, to kind of see how a deal can actually why you should have multiple options and also with your model. Again, same as what I use, is that you got the guy on the ground that is an exchange with creative financing. So you have to step in. Right. Because, again, that's what we talk about. A lot of people just want to go. I make three offers first on the ground that knows just how to do a cashout. Right. And then it breaks down. So you stepping in and getting that kind of probably won the deal or certainly helped it because you have to get that today and get that renegotiation happening.

Brian: And it took a couple days, too. So you actually kind of had her on the hook for the creative and she was stoked, we thought. And she came back and she said, never mind. And that's the point when we were like, all right, we got to come way down. Yeah.

Gavin: That's awesome. And just. And you've not seen this house. You've not been to that market. Right now. This house. This home.

Brian: Yeah. Now I'm you know, like I said, my family's there. I'm gonna go there at Christmas. I may try and drive by, but obviously we've sold it.

Gavin: Yeah, yeah, yeah. Well, the difference is, is that you don't need to be local. And that's the thing, you know, I think that's a lot of people's, you know, hiccup sometimes, especially on the rehab site. That's why I wanted to do this episode with you, because not only can we wholesale but we can do, deals we can do rehabs virtual. Right. It's all about who is managing it. Who did manage, was your guy on the ground, kind of managing the process of contractors and letting people in and things like that.

Brian: It was a combination, you know. So as far as gaining access, you know, we had a lockbox. There was a certain amount of trust there that they were going to get the job done. Right, which they didn't. So, of course, you know, as far as on the ground, you know, he would swing it and kind of surprise them or whatever and just kind of double check things. It was really good to have someone physically there to be like these floors are not right. We need to talk about this. You know, so it was nice to have someone there to be able to do that. And then him and I would kind of consul and discuss hey, what do we want to do about this? This didn't go right. All right. And then I was the financial. The whole thing. So if a

contractor needed to get paid or whatever, in fact, even yesterday, a couple things on, you know, the list. The buyer, when you sell and they're like, hey, we need these three or four things done. So one of them was to fix a garage door opener. So I helped facilitate getting that to happen and then my boots on the ground. He actually went to the place to facilitate access to make sure it kind of installed right. And then I paid the guy.

Gavin: And that's flips that right. Again, I don't get anyone on air and just make out this is easy. I mean, doing a virtual flip is impressive. But again, having the right people on the ground is the people business. That's why I wholesale. Because when you get into contractors, I do it in you know, my wife kind of manages it in Savannah, so I don't have to do it. But we've had our problems. You know, people not showing up, not doing the job, just being lazy.

Brian: Well, I'll say we've learned a lot on the flip side from this. And at least out loud, we say, all right, well, you know, we definitely want to obviously do wholesaling. But if the right flip comes up again, we'll do it again. But we'll take what we've learned from this and apply it and do better.

Gavin: Yeah, absolutely. And you've got another contract now, another house. And you're going to wholesale that one.

Brian: Yeah. That's the plan. I don't think I've talked to you too much about it, but I don't know all the numbers right off topic. I think the ARV around 70 ish. I think we're under contract for about 17. But it is pretty rough. And so I don't know. Let me ask you if you think about this. So the yard work, I mean, it is like way overgrown, especially in the back and the front. It's just like the yard is awful. And then inside it, it's pretty rough. Anyways, my partner was talking to me about it and he kind of said, well, hey, maybe we put a couple hundred dollars into this to clean it up, get the yard work done, kind of clean it up so it presents a little bit better so that we can when as people are coming in to look at a potential actual buyers that are going to pay us are our fear or whatever are not so taken aback. So we just had a reasonable thing to do.

Gavin: Absolutely, yes. But you need to make sure that it will make money in the condition that it is. Right. So if you said to me, we can make seven grand on this, should we now clean the yard? Yes, because now it probably you'll get ten because of that. Right. Because it's going to present in a different way. What you don't want to do is go a few hundred and get it cleaned up and then someone says, I'll pay you 10 for it. And it's not a deal. Does that make sense? Yeah, for sure. It's almost like you need to kind of create your life.

Gavin: Knowing your numbers is it solid comps. Maybe send it to kind of a buyer saying, hey, in this area, this is kind of the pictures on the inside and not the out. Not the

disaster. And if it's like, oh absolutely. I want in. And you've got it. Twenty-five thousand. Right. So you're going to make eight thousand dollars. Then I would probably say yes. No. You know, then I would probably do it. So if you're confident that you can make something on it, then 100 percent do it. Yes, I would. All right. Well, that's my only concern. You know, I've had people, we've done to ourselves when we get things 17 and then all of a sudden we need that 5000. Right. So it wouldn't have been a cleanup had anything have done. So that's what I would do on that. Well, good. I appreciate you getting on. What would you tell someone?

Gavin: Obviously, you know, it took about three months doing this, you know, but you're working full time job, so you've got sweat on the ground you work in. You build a team your life. I know this to make this happen. Someone that started off, you know, like and the experiences and what you've gone through and the winds, the challenges, like what would you tell someone like starting off? What would you say? What experience have you had that they should do?

Brian: Yeah. So it's finding your local guy is very important and there's a balance. You know, you want to find someone that's a little bit newbie that has done some deals but has maybe not so keen on wanting to even do the legwork for the marketing to generate leads, but willing to work leads that have been generated. Yeah, but at the flip side, you don't want someone that is so established they're already pulling one hundred grand a month. Well, one of my little leads even mean to him, probably not much, you know. So you got to find something in between there. And I would say be patient in finding that person might be willing to interview lots of people and find someone that fits that criteria, maybe define that criteria ahead of time that you are looking for. And establish it then as you're interviewing people, be willing to go ahead and move on. You know, and we talk about this. I'm going to establish another market. I like my guy. And I think that we have some growth for him ahead of us. I am going to establish another market and maybe be a little more diligent about picking my boots on the ground.

Gavin: Yeah, absolutely, 100 percent agree. So basically, you don't want someone that's already killing them because, yeah, they're happy to work with you, but you're always second best, right? They'll get to your leads when they're ready and when they get busy and they've got close ins and he and your way in. Right. You can't have that. You know, for me, it's all about personality and work ethic and trust. And so I try to write someone that's a doer and someone that's gonna get it done and learn and you can mold that and build and grow together. And you're exactly right. You can't put someone together that loves systems. A marketing master say, I hope you need the guy that's like or the gal is. I'll have been on the phone. I want to be talking to people. I want to you know, I don't want to do all the system in the market. And that's not what I do. And then when you get them

together, obviously works like you. So they're going to look at a new market as well for you as an addition and then start building, building this up. Your goal is to obviously get as much cash as possible from wholesale and reinvest into rental properties, not only in in Utah. And that's kind of our game plan also.

Gavin: Well, Brian, I appreciate you. Thank you so much for getting on. Sharing the story. I think people are going to get a lot from this. I like to interview and, you know, when my clients and where it is real people, that's not saying that other people aren't real that we have on. But I think people will relate to this a lot more, you know, being your first deal and virtual working full time and understanding, you know, what you can actually get from, you know, having the systems and things in place to make money to hopefully eventually you'll get you'll get at your job or whatever your goals are. And that's really important, you know, because you're just a normal guy, you know, doing it and, you know, guru or you're doing like ten houses a month because people just don't relate to that sometimes. So I appreciate you. Thank you so much.

Gavin: And guys, if you are interested in working with me, go to REINetwork.com/coaching. REINetwork.com/coaching. And like and subscribe to the channel if you watch this on YouTube. Give us a like. Subscribe. Same with the podcast and we'll see you all soon. Brian, thanks again. Appreciate it. All right.