

REI NETWORK RK

Live Seller Cold Call to a FSBO – Keep It Simple

Hosted by: Gavin Timms

Guest: Mr. Seller

- Gavin:** Hey, guys, how are you doing? Gavin Timms with REI Network. Hope you are doing well, right? We're back with another episode. And I put out a message in the last video that I did about a, you know, what do you want to see? You know, what do you want to do more of? And a few people that come back with more calls.
- Gavin:** I think that's, especially if you're newer, you know, the ability to be able to pick up the phone and ask questions and nothing crazy. You know, I'm not a script kind of guy. I just like to build a rapport. And so that's why we're trying to now I'm going to call some random people. I'm probably Zillow here because I've got the numbers and see if we can have a conversation with someone and then we'll analyze. I will analyze myself after. And I have no scripts, no questions. I do recommend that you are prepared if you're new, maybe write some of your favorite questions down.
- Gavin:** And then what I want you to do is just engage. OK, I want you to engage with the seller just like talking about anything. And then you can just say, hey, do you mind if I ask you a few questions? You can frame it better at the start by asking your property. One, two, three. Main Street, do you have a minute? Yes, I do. Look, I'm just going to ask a few questions to gather some more information to see if this is something I'm going to be interested in the seller say, yeah, no problem. And then you can start asking them questions. You can set that up, depend on your experience. Okay, but don't overthink this. And I mean, this is live. I haven't sent him a text, never reached out.
- Gavin:** I'm going to call. I'm going to jump on Zillow here. I just pulled up a property actually that's pretty close to me that I would buy. And it's actually contingent, meaning that it's under contract. So I'm going to call the agent and see if it falls through. I want to make an offer. If he engages, I don't know. We'll see how that conversation goes and then I'll, if not, I'll try and grab another one. Obviously, here I'm relying on someone, answer the phone for this to work. OK, so let's jump straight in and kind of go at this. I will have to, by the way, before this goes out, I will have to kind of mute out the person's name and the address, but then you'll have the rest of the conversation. That's kind of the plan. All right. So this

one's actually a realtor. It's listed. It's contingent, but it has fallen through once already. And it does need work. It's in a good area.

Gavin: So, yeah, just selected it and thought, why not? Let's call this guy. OK, so let's see if he answers OK. I'm just typing in the number if you're listening on the podcast here. So bear with me. If you can hear this ringing. All right. He didn't answer. OK, let's try another one. I'm going to jump on here. We slipped another one. Right. Let's do this. For sale by owner. See, that this one's only been on two days. Needs work, right? It's funny, I wonder if this and I can't see it, but let me see when this was purchased.

Gavin: I'm just having a quick look here, guys, for any history. Last sale. He bought it for 20 grand back in August. And it looks like it's a disaster. And he's asking one hundred and six thousand for it. So this might be an investor? I'm not sure. So I don't know. Let's see if he answers here. This is for sale by owner.

Gavin: Hello? Hello? He's answered in his pocket. Hello, I'm going to call that right, back, he answered, but it was not. It was lodged in his pocket.

Mr. Seller: Good morning. How can I help you?

Gavin: Hey, good morning. My name is Gavin. I'm just calling about your property for sale. It is now a good time if you got a minute to ask a few questions?

Mr. Seller: Yes, sure.

Gavin: OK, perfect. I know I only just went on a couple of days ago. I'm actually I know this looks like an investment. I'm an investor in the area and just wanted to ask you a few questions about it. Obviously, it's not, doesn't look like it's livable. Are the pictures kind of up to date?

Mr. Seller: Yes, they are.

Gavin: OK, did you I'm just curious. I mean, I know obviously it looks like you bought it last year. Did you actually buy this to fix it yourself?

Mr. Seller: Yes. So I own the property now. I'm an investor as well. You said your name's Gavin?

Gavin: Yes.

Mr. Seller: So that's kind of where things are now. And so most of the calls that I have had already are either of those have been people who are going to fix them for the first time, investors or seasoned investors. Yeah, and right now the offers have

come in, ranging from over list, at list, and I think the smallest offer I have seen to date was about 75. Just to give you an idea of where the range is going.

Gavin: OK, if you got over asking if you got over asking on this, I know you're asking 106, how come you didn't take it?

Mr. Seller: It just depends on the terms that they attached to that. Whatever that is like if they're, if it's a serious investor, they're going to offer over list. They're going to do it in some form on this type of property. And, you know, ideally, they'll want to close before Christmas as well, right? Yeah, certainly before the end of the year. If this is a newer investor. They may have a financing contingency that over list price may be just, you know, their way of trying to get you to look at their offer, what you find that they're earnest money deposit is, you know, one percent or less. You know, I've seen in my time, you know, somebody offer one hundred twenty-five thousand dollars property, a hundred dollars earnest money. Right.

Mr. Seller: Just to give you an idea. There's a number of reasons why they may want to use their closing attorney. May be adamant about it. And whereas I'm wanting to use my because titles are already clear, we're ready to go.

Gavin: Right. OK. No, that makes sense. So I'm guessing that your you know, you seventy five thousand dollar offer is someone that's saying, OK, I'll pay, I'll pay cash and I'll close fast, is that what you're saying?

Mr. Seller: Actually no, all of them have been cash offers. I've not had one offer that has any type of financing contingency.

Gavin: OK, yeah. Well I mean it looks like if the pictures are up to date, I know when you said that the budget renovation budget would be 15000. I mean, do you not feel that's low for what I see or do you think that's fair.

Mr. Seller: So I may have to go back and try to clarify. Because maybe it's not clear the way I thought it was. And I say that to make me go back and reread my writing. But yeah, that nineteen-to-twenty-thousand-dollar rental budget is if you're going to take it back to 2-1 status and buy and hold.

Gavin: Yes.

Mr. Seller: I think if, and I got to go back and look at what I wrote, what basically if you're going to add the bedroom and bathroom that would allow you to get your biggest bang for your buck and fix and flip it as opposed to buy and hold it as a two one. Yeah. Then your budget is going to be more than the fifteen to twenty thousand that I have there.

Gavin: 100 percent agree. Yeah, and I'd do both. I'd do both. So normally I do a lot of offline marketing. I don't actually deal much with the MLS, but I was just looking over another property and then I came across that was let me let me check that out. That's kind of why I just give you a call here. Well, no, I agree. Yeah. If you're holding it, obviously you want to get it rent ready versus if you're, you know, fix it and flip when you're obviously going to do a better job. I mean, I know the area well as well.

Gavin: I mean, it's just lost. I was just on Zillow. Is it off thirty seventh? Yeah. OK, there we are. I mean, do you feel better though, because I know in what you said here that you feel that the ARV would be worth two hundred and something is all right. That's what you think as an investor.

Mr. Seller: I can't, I don't think I heard everything you say. Can you say that again?

Gavin: Sorry. You saying here that you thought the ARV was about 240 fixed up as a flip.

Mr. Seller: Two forty, I give the low end of my ARV's because I think if you look at it, you'll see that there are some higher ARVs. I'd rather give a lower ARV than everybody I'm assuming is doing their due diligence anyway. I would be there to do it. Yeah, you know, there are not sales there, that support a two sixty and above ARV. So if I report two sixty, but then you see two forty, you're like wait a minute. But if I say two 40 and you see two 60, you say, OK, no, this is a real opportunity.

Gavin: Absolutely. No, I agree. And every investor, if they know what they're doing, they should do the due diligence. Then it comes down to opinions. Right. You know, I know that.

Mr. Seller: So that's why I have it at two forty.

Gavin: OK, OK. Now makes sense. And, you know, I was just looking I'm just in to see if I can actually see. I know there's some actives up. But I was just looking to see what actually sold because I think you're right, I think we've got to obviously add some square footage on there, probably make it at least a three one, three, two to get up to that ARV. That's why obviously the reno would be bigger, but. All right. Well, call let me know how many you buying right now. Just on a side note, are you always looking for more property? Do you have anything else that you're looking to sell?

Mr. Seller: I've got a couple properties and other areas of the Southeast, but yes, I'm always looking to buy. I'm always looking to sell. All right. OK, well, left vacant lots of houses, things like that, and a lot of multifamily.

Gavin: OK, are you doing this full time?

Mr. Seller: Yes.

Gavin: OK, well, I do a lot of marketing myself, so I don't buy everything. I just bought one actually off Reynolds and sixty fourth but we withheld that and you know, I do a lot of stuff so I get some stuff and like I said, I'll sell some stuff as well. So if you want me to keep your name and number, if I get anything, I can give you a shout. See if you're interested as well if that works. Same here. Yeah. Oh, no, sorry. What was your what was your name? Awesome, perfect. I'm going to save your number, and I'm going to look at this a little harder.

Gavin: But I think, you know, if you, just my opinion on it, that if you're getting over, for what I see for the renovation, if you get in for what it's worth, if you're going over one hundred and six asking cash, I'd take it. That's just me.

Mr. Seller: OK, so I certainly appreciate that.

Gavin: No worries, it's all right. But you have a good one. We'll be in touch. All right.

Mr. Seller: All right. Thank you very much.

Gavin: You have a good one. Bye-bye. All right, guys. So it's easy. It's pretty easy, right? I have never spoken of text. The guy I could see from the pictures needs a ton of work, and he is BSing me as well. I get the game. So I tried to call him out a little bit. Why don't you want to accept if you getting over asking, why did you not accept this already? And you know, and do that.

Gavin: Yeah. Let me know what you think. Put in the comments. I know this is going out as a podcast and hopefully you get something from this, but it's just having conversations, guys having questions. He was seasoned. I had to hold my own, control the conversation. I get it, he was giving me the new investor versus the, you know, the old investor or the experienced.

Gavin: Sorry about that. My dogs barking. Hold on. Yeah. So obviously, the experience he was kind of feeling out, that offer's from seventy-five. This was listed at 106. Needs a lot of work. No way in a million years. Fifteen thousand. And then he said to get it rent ready. Still no way. Fifteen thousand to get it rent ready. Absolutely no chance. The size of the house on this. And this is why you can do things on the fly. Right.

Gavin: Don't be prepared in terms of you prepare your questions, but just be honest and open dialog. Give me a minute. This isn't opening. You know, just roll with it. Just be you. OK, but this is, you know, asking 106. Renovation fifteen thousand. The ARV two forty. That I mean, absolute nonsense. Absolute nonsense. Nice guy. I get it what he's trying to do. Trying to make it attractive. Try get me call it.

Right. So he's doing his job but he's got an offer seventy five thousand to over asking but he hasn't accepted it. Come on. Right.

Gavin: It's only part of the game though. I'm not blaming him. Right. You're gonna tell that. He's experienced. He's trying to get me to go. People are after all, I have to get myself. Oh, he's got offers. He's not going to take seventy-five. Someone's offered over one zero six. It doesn't work. I mean, let's look at that number two forty. Now, I'd have to actually look at this to see anything actually. So now there's actives. Right. There's three things that you need to look at. What two or three things. You want to obviously look at the actives, right. Was actively selling go up, active in the market, similar condition. Is it in a rent ready condition or is it a fix and flip?

Gavin: OK, now this area is not a great area. It isn't. So you're not going to do a high end flip. You're not going to you're not going to get two forty for this property, OK? Probably in that area it's going to be touching up. Maybe you could. But I don't think. As a quick just think about it. When you look at the actives, you look at the solds, all right. To make your decision. But let's say that I go with him two four, which he thought he was doing everyone a favor. All right, cool.

Gavin: So two forty, let's say seventy percent. Two forty times, 70 percent is one hundred and sixty-eight thousand. All right. And then this thing is one hundred and sixty-eight. You just write that down. Sixty-eight thousand. He said fifteen thousand in repairs are at one five three and I bought it at 106 and I'd be making a killing based on that. Right, but that's not the case.

Gavin: So it's 1288 square foot and it needs at least probably 30. I mean, this thing's horrendous. It needs at least 40 thousand minimum. Forty thousand, OK, in my opinion. So if you look at forty thousand, you do the 240 at 70 percent. That's one six eight minus forty-one twenty-eight. There's still room. Here's the thing.

Gavin: There's room based off the ARV. OK, so you can get numbers to tell you anything from a spreadsheet, from a calculator. And as long as that you're working within the numbers to make sense. Right. So if we say two forty. I'm going to have a quick look. And just tell you what I see is as a glance here of what's sold.

Gavin: So just bear with me right in that immediate area. This is what I see. One nineteen, seventy-five. Ninety-five, sixty-five. One hundred, one sixty-five. Bigger and done up. OK, one sixty-five sold back in eighteen. Full remodel. Good job on it. OK, and that was a two one. Right. But at one sixty-five. OK one nineteen. And that's in the immediate. If we then start going up a little bit I found one here a three one, sixteen hundred square foot so 300 bigger OK two thirty two. All right.

Gavin: But to get it up there now we're not talking forty now we're talking probably 60, 70 grand in. I mean this thing's full gut. This thing's been ripped out. It's horrendous. OK, so my point is, is I don't think the ARVs are right and I don't think the area that immediate area allows the ARV to be that. I think this one will probably sell if you did it up this day, probably about 180. Maybe if you did a good job, you might get two hundred, but one eighty. So I'm not seeing it. Well, that's where I stand real quick.

Gavin: But anyway, the point was engagement, having conversations. Hopefully this helps. It's not odd. Never sent a text, just called him out right? I mean, we heard it. And let me know what you think and hopefully you get something from this. Drop me a comment, drop me a like. I don't mind doing these. I can do them all day and go from there. But you'll see the engagement also buyer. I know he's an investor. We got out early. He paid twenty thousand dollars for this and I guarantee you see the state of it.

Gavin: Twenty thousand dollars he paid. Yeah that's he might only bought that last year. He'd be lucky if I'd pay him. Probably paying forty-one, might make twenty grand. I think he's got a great deal at twenty. I might pay him 40 grand for it. Personally that's where I'd stand. So and that would be max. But anyway, good conversation. Confident guy. Like him got his info. We'll probably do business. All right. He's an investor. Is active. Hold your own. Control the conversation guys. Let me know what you think. Appreciate you. All right. Bye bye.