

REI NETWORK RK

Episode: 049

Pop Up Coaching Call With Mike Hamilton

Hosted by: Gavin Timms

Guest: Mike Hamilton

- Gavin:** Hey, guys, welcome to the REI Network podcast with me, Gavin Timms. Hey, you guys, how are you doing? Welcome back to the REI Network podcast. We're actually going to do an episode today. It's going to be a coaching call. So I'm going to bring our guests here in just a second. This came about last minute. I like when I do coaching calls, I normally go into one of the groups on Facebook and say, hey, I want to do a free coaching call with someone. The only rule is I want to put it as a podcast and on a YouTube video to give as much value as possible. So my guest here, I'm going to bring you over right now, Mike, hello to Mike!
- Mike:** All right. Are you doing good? I appreciate you. I know this, you woke up this morning and wasn't expecting this. And I went live. I did a live video out and I was pretty early on. It was about 6:00 something this morning. My time.
- Gavin:** Yeah, I was super early, you were watching me on live and you're the first one to comment, so.
- Mike:** Right. Right.
- Gavin:** Yeah. So I appreciate it. And you know, taking massive action and you've had to leave work to do this. So I appreciate your time. I want to be mindful of it and I want to bring as much value as I can. I know we've never spoken. We've never met. We've literally just got on and started this immediately. So I don't really know anything about you. So, so Mike, for the people listening. Just tell us a little bit about you, what you doing, and then we'll go from there. And I want to see how I can help and what things what changes we can make for you.
- Mike:** Well, basically, I'm in the St. Louis area. I've been really doing and investing with some coaching in that I went through in twenty seventeen. So I've been in there. I haven't done a lot of wholesale and this is what point I had to start with. Also, I did like two flips, I've done two flips but had a little like little problem happen in the middle. So I had to quit for a minute. But other than that, back on track again and again, this wholesale stuff going. So that's what I talked to you. And you basically helped me get going here on this wholesale. But I never did it. It was all just go to the go to find and deal and go flip it. And so so basically I just got one under contract, got this as a duplex, you know, for bed two showers and a big kitchen living room and a laundry room on the same floor,

separate floor. So each floor has that set up to it. So I got to try to sell that one. That's awesome. That'll be my first one. I really got on the contract itself.

Gavin: So congratulations. I literally did not know that.

Mike: But I haven't had time to really you know, I just got the contract signed Monday night. So it was just like I've been ripping and running and trying to get these leads out, get some offers. And it's like I just made myself I've been through a lot of different and a lot of different things. So I spent a lot of money and coaching and teaching and a lot of stuff. But when it all come together, I guess it eventually pay off.

Gavin: Yeah. Yeah. And, you know, just so everyone knows, you're not working with me privately. You're in our accountability group that we just started. I know you're in there because that's where I went live. So I know you're in there and you've probably been following us on on probably YouTube and some content like that, right? Yes. And how's the I know we're only four or five days in, but what do you think to the group so far? Has it been the accountability?

Mike: Well, yeah. I mean, it actually makes you focus. You know, it. It is, yeah. You want to get your five hundred dollars back. The main thing is you want to get over that. I mean, that's something I never did. I mean, now I'm getting all the bonus and an offer no matter what happens. I mean if I get I'm good. If I don't get them, I'm still standing offer. I'm basically what I've been selling is letters of intent, you know, offers which I can email if I need to, where they actually go in the mail and set out. So that's my strategy. Been talking. It's like I said, text messaging has really been working great for making contacts with the buyers. Plus I got eight rentals and probate and probate five years in Akron, Ohio. That's really what got me into real estate deal and probate, and I'm the executor of it. So I did some marketing up there last night. So now it's you know, they started to call that phone, that marketing tip that was for sale by owner. So nice. I got some calls to make this evening. It look like they're like, oh, they're in Ohio. Seem like they're desperate, but that's it. I don't know what it is, but I guess I'll find out tonight.

Gavin: Well, that's awesome. So tell me then, tell me about this deal. So obviously, the awesome thing is for the listeners is that guess what happens when you make offers? You get contracts. Right. And it's amazing.

Mike: Yeah, it came off a rental one. There was a rental. The guy was putting his listing out for to rent a duplex for twelve. OK, so I hit him up like. And I'm up late at night anyway, so I hit him up probably about one o'clock in the morning and he came back. Yeah, give me an hour. So basically, when he said, give me an offer, I just looked at the look the lines, looked at a few other things I hadn't seen have. But I know was rentable. And I looked at the content area to an area about four or forty five or ten. So I said to him, I said maybe about three, you know, three on it being back then he didn't want to talk, but after I said three to one of hour was another thank you. I was able to look inside or go buy me looking at a preliminary title where I could see what he write down in and he would like to. Twenty eight last year he did a riff and he had two point nine percent interest rate. So I was in the House last Saturday. I seen the house last Saturday and we talked about it. He told me and I said, what was your minimum? You could take four easy take it at

twenty you know two eighty two. Eighty five. He said, right well I'm still here. I mean it's livable. I mean he's got people there, he's got his friend, he's got a big electrical plumbing, the roof top point. They've got all of this. So then I came back and gave him an offer on Monday. You know, I sent him an offer or a contract. I sent him a contract and he signed it, got back to me.

Gavin: Awesome. So what are you going to do now then? What's the plan?

Mike: I need to wholesell it. I really do. I mean, it's on forty thousand dollars in equity. Which way I looked at it basically I started it, pictures taking pictures. But yeah, I'm still looking at the deal on one hundred forty in equity figure and I'm high number on the rehab to just cosmetic kitchens, stuff like that. I'm figure fifty six thousand and that's what a fifteen thousand dollar contingency and I think that's three fifty one that, that's all like being a deal. You got equity still left in the property. Yeah. So I did sell this one because I just came off of a flip. I did. That took me too long to get done so I kind of set me back a little bit. So that's another reason there's urgency about selling is a real urgency because I did it so I can feel comfortable again. So I need to get.

Mike: Well, let me ask you. Well, two things. One, we're going to get it. You're got to get it in front of buyers. Right? So you've got to get it in from the buyers ASAP. So we're recording this on Thursday, right? You got it Monday night. So you've had it for literally three days. OK, you're going to get it from the buyers ASAP. So, you know. Right. What they're going to buy, what they're going to pay. Right. And so no one is are they going to buy it? If they are not going to buy, why? And what will they buy for? Because then if you have to renegotiate, you can we you just need to know why. So whatever the lie is, you're going to transition that back into the seller.

Mike: Makes sense.

Gavin: But hopefully you've got a deal. So the only thing is I will just say you said it was four units or duplex or?

Mike: Its a two unit and AC unit has two bedrooms and two showers. Well, you just say like two baths and a large kitchen, large living room and a laundry room on the same floor. OK, so the rest can go as high as sixteen hundred unit per unit. Yeah.

Gavin: OK, well that's better then, so. Yeah. You've definitely got, it's doable. So if it's, if you can get it to sixteen under it's not be thirty two thousand for the two units.

Mike: I did the numbers on it basically if they got it to sixteen hundred and paid cash for after maintenance, vacancy, property, man everything in their taxes and insurance they'd probably grow like twenty six hundred a month. Awesome.

Gavin: OK, well let's see, let's see what you can do then so we know what you think. It's a deal now that now we're going to find out, we're going to get in front of it. So that's what you got. Your job is you've got to work this hard over these next couple of days, over the weekend. Be pushing for an answer by Monday. You should know Monday, Tuesday. I always like to give myself seven days to move the property. I can't move it. I've got to

start making moves. You don't want to you don't want to drag it out for weeks and weeks and weeks, right?

Mike: Yeah, I got room in this contract. I got a lot of room in it for this time, but I don't want to say no, no, no. I got an offer but I don't want this buyer. This buyer has been on me before I started selling them by getting the deals. Well I did. I give it in very real good. He sent me open an offer last night for two ninety five, OK. And I only game that deal because he said you could buy multi families and it can go up to fifteen million. But then he sent me an offer over that wasn't I don't think is that offer. If you got fifteen mill it just didn't make sense to me. You want to hold earnest money for fifteen days while you do inspections. I'm give it up. Earnest money. So day. And you didn't approval a letter with me. I sent my buyer approval so. I don't think I don't think he's a real buyer.

Gavin: Well, yeah, obviously going through the B.S., right, wholesalers are all the buyers and you've got to vet that anomaly if they need longer. If you had 50 million, then normally, unless it's a hedge fund, because they do drag it out. But they do have a lot of money because they have certain procedures that they have to, you know, because he would have been telling you as a hedge fund. And if not, then normally, yeah, they would be putting money. They'd see they want to buy it. The good thing is that we offer to nine five to eight five. So there's definitely money to be made. We just got to now get it into more buyers, right?

Mike: Well, I got another I got another woman in town that she's basically just got into real estate, too. He's interested in it. She got to do a bank loan, but I got to show it to her this weekend. But she'll pay me three. Got it.

Gavin: OK, good. All right. Well, look, if you can't move it, you message me because I. I know buyers. I might be in touch with people as well. So keep me up to date with that.

Mike: I got all that number. I got all the numbers. My wife's a realtor, so I did the comps with that. So, I got the cap rate at twenty two hundred is all getting right now for all total. And I got the cap rate that I got the cap rate I think of the eight something twenty eight hundred and then it's a nine cap. So I got all, I got everything.

Gavin: And you've got people interested. That's the main thing. It's all about that right. Yeah.

Mike: Yeah. So I just need to move it. You know, I'm not trying to be greedy, I just need to move.

Gavin: The cool thing is Mike, and this is funny, like for us as coaches that we never hear the good stuff. Right. Like you're in the group and you're telling me you have a contract. And I'm like, well why are you telling me now? You've been leaving me hanging for three days and I'm pleased for you. I'm pleased. So what do you need help with right now? What are you struggling with?

Mike: My biggest struggle in this world is always, man, I'm all over the place, OK? So I'm trying to run a business, but I'm doing it all by myself and then my wife. And I tell you, I mean, I got our regular licenses because, I mean, I needed a MLS access to it. And she's got a full

time job. You really know our time, so I have to help her through ERs. So I'm helping her and I'm helping everybody and I'm all over the place. I got to give. And then I did invest in this, I did invest in freedomsoft just to see my phone work. I did go ahead and invest in it because I already had a CRM, you know, real slow. But if it ain't working like I want it, you know, I gotta get a little bit more done with Freedomsoft.

Gavin: OK, well, let's let's think about this. So how many hours are you working a day job right now.

Mike: Forty, forty hours a week.

Mike: Seven to four o'clock central.

Gavin: Seventy four every day. OK, what do you need to make to leave your job?

Mike: Right now I need me and my wife to leave my job. Ten thousand a month I can leave my job so I got a pension too so I got that also when I leave. But ten, ten thousand between me and my wife I've got two houses. OK, so we got two houses and a ton of grandkids and kids. Well we inherited them. She had a family property. I mean I had a family, she had a family and we got married in two thousand. So we brought all these families together. So we got a ton of Birmingham.

Gavin: Yeah.

Mike: So that's the main thing. So about ten, eleven thousand somewhere in that ten thousand we could we can make it with no problem. I could walk with my job, you know, so I said I got a check for the rest of my life.

Gavin: Got it. OK, well up. So we're going to make ten grand a month. Now there's certain things in this business to make right. To, to make it OK. You've got to have time or money or both ideally. Right. So you've got to either put more money into marketing and systems to get you systemized. So when you finish work, you've got more quality leads to work with. OK, so you're working with a better prospect. All you've got to give more time into the business to make it work, which means when you get off work, you've got to work twice as hard to make that transition make sense. So you've got to stay like when you say you're all over the place, it's because you're trying to do everything OK. The first things you need to outsource are the tasks that the kind of what we call the five dollars an hour activities. Right, to maybe hiring a good VA or an admin person locally to try and get some of the heavy lifting of the admin of the stuff that you can kind of outsource and get someone else to do for you.

Mike: Right.

Gavin: So as soon as you do a phone call and say, hey, I just spoke to Jerry Smith, one, two, three, Main Street, we need to make an offer for three hundred grand for his tribe. So he's duplex one of. Right. Then your assistant can write it all up and send it out and email it off and update the notes and in freedom soft and create a task and change the status and do all them things for you. Right. To get your time back. So your time spent is

better quality on the. business, OK? The other thing is, well, he's starting to reinvest, so what you want to do is you're about to make ten, fifteen thousand wholesale deal on this duplex, right. That came from a rental, which is awesome. And you need to then obviously, when you get that money, what are you going to do with it? Do you know what you are?

Mike: Yeah, I got to put in a marketing. I got a you know, I got to keep it running in my business. I mean, I got to get to the next level.

Gavin: But here's the thing. Yes, you've got to reinvest at least twenty five to fifty percent of it spreading over months. OK, not only one month, but remember, marketing can create too many leads if you're not careful in your work and you don't have time to work. So you've got to have something's got to get you've got to get help as someone acquisitional someone on the ground to partner with. And you're going to build the system to deliver leads, to make more money, to then leave your job or you're going to pull 50 percent away in a savings and build that'll put a bit more money into marketing. Go and look at another couple of times. Go and get 20, 30 K in the bank, then leave the job and go full time.

Mike: Right, right.

Gavin: Because I ask everyone and I want to ask you the same question, what could you do if you didn't have to go to your job?

Mike: Oh, I know I can make more money, you know, in real estate. I know I could be and I could actually be places I need to be. You know, I'm missing appointments by being at work.

Gavin: And so what's stopping you?

Mike: Bills. You know, because I got like I said, we we got a lot of bills. We got a lot of stuff. We have this last rehab I didn't really set. OK, so I sell every house. I get four days. We have to fill this rehab treadmill. What year it was. I mean, but the house sold in four days and it appraised for like two forty a year ago. But when I sold it I sold over two eighty five. So what do you make on it. I mean I know I lost 70 grand cause I refuse to just let contractors just do whatever they wanted to do. And if I had to sit on the house, I just sat on it because I could get somebody to get in and get it finished and I had to fight all the way in until I got to the end and I had to do to push myself. But it's done, you know, but I made sure. Yeah, I learned from it. Yeah. Yeah, I definitely learned.

Gavin: Yeah. And the thing is, when I do flips, we do a lot of flips, but you make money when you buy in this business. Right. You've got to buy right. OK, and don't buy if you can't wholesale. That's my rule number one rule. If you can't wholesale it, don't buy it, don't get in the habit of thinking just because you can't wholesale you buy sell. It's like the just recipes for disaster. You can't do it, right.

Mike: That was my big mistake. I could have wholesaled and I refuse. That's my mistake. I that's what I learned. I will never do that again. I could wholesaled that thing and made about twenty or thirty.

Gavin: Great. So where it went wrong, that is basically bad contractors and that's how you lost money,

Mike: Bad contractors and me being greedy and they cut about it. Right. I bought a house for one hundred and through the bank I bought a house for one hundred and twenty five grand and they thought it had a bad foundation and it appraised for, for 240. So I bought it. Right is just the point of, you know, I just held on to it for no reason at all. I could have wholesale did some of that. They decided in a row if I had phone calls. Yeah. Everybody wanted the house.

Gavin: So you should have got rid of it so. Well why did how did you lose, which you don't need to go into? Because I know what's happened. Overpaying contractors or they're not doing the work properly.

Mike: They borrowed too much material. People run off with this, you know, and they started paying interest payments, you know, and steady paying this and paying this. And this is this guy out in the house had issues, don't get me wrong, but I fixed them all.

Gavin: So, OK, well, anyway, moving forward, let's get back onto the positive. We got this deal. We're going to close it. Right. The problem is, I asked, what is it you're saying? You're all over the place. OK, we need to see our end. He organized OK. Number one. Number two is you working a full time job. Something has to give right to get you. You believe you can make money. You just ask you this. And what's holding you back is bills.

Mike: Right.

Gavin: So obviously. So what fear of not paying your bills. Right. To jump in and you know when you can jump in.

Mike: Right.

Gavin: But when you reinvest, don't just think it's going to go into marketing because of your time. You only have so many hours in a day. So you've got to go to an acquisition and hire an acquisition and put more money in. You're going to get a partner, OK? Or you've got to put money aside and grind it and build 30, 40K back behind you and then leave you job and then go at it full time. We have to come up with that plan so you can execute it, because if you just keep going nothing or change, you just keep doing the same thing.

Mike: Same thing. I know. And it's a good possibility. I might have to quit my job. I'm going to have to quit my job anyway, probably in September because I'm in a union. So we got a contract. So I don't know, I get I'm leaving in September anyway, so it's just like I'm going to have to do it regardless of whether I can or not. Yeah.

Gavin: So that's the goal by the end of August. Let's see if you can get two or three, four deals closed. Let's see if we can get we can get four, OK. Put it behind us and then get ready for September.

Mike: Yeah. That's all I need because I mean, I'm, I'm ready. You know, it's not enough that I haven't done I mean, as far as going and now looking at houses, whatever I need to do, I have, I do that. So it's just not a problem. Yeah.

Gavin: You've got to get some of these admin tasks. You've got to get a good VA virtual assistant. Or, all you've got to get a local assistant, someone to help. You could be a family member or anybody. Right to do some of these tasks. Your time when you get off work needs to be spent with prescreened leads, having conversations, making offers. That's what you need to do every day without the admin tasks.

Mike: Right. Right.

Gavin: We're going to make money. We'll reinvest accordingly. And I want you to spread that. If we take if you do fifteen eighty seven thousand put back in the business, OK, seven thousand for a rainy day, last seven and a half thousand. It needs to be spread over probably three months. But to keep it consistent, when you go in and do another deal, you're then going to go and take half of it in savings. You're not going to take the other half and you're going to pad out. I want you to have a six month plan, marketing plan, but spread. I don't want you going all in on one month one. You can't undo the leads, OK? And if you can't undo the leads then you're overpaying for things, you're not closing. All right. So I want you to basically build a coalition of markets in light of three, four grand a month, whatever, over six months maintenance. And then you'll be consistent. This business is about consistency.

Mike: Yeah, I'm finding that out. All right.

Gavin: So you've got to get off the roller coaster. So that's what the plan is. Savings into the business, that part seven thousands, but over three months gives you just over two grand a month to spend, which will cover market in VA that we go again. You definitely do. Yeah.

Mike: I'm basically like I said, I'm in three markets. I mean, I got my entity in Illinois, I got my entity in Ohio and I got my entity here. So if I if I could get those three calls and run it, I can get it done. But I need to be at home where I could get up early in the morning and go to work. And that way I, I got all day to do what I need to do and then I can rest in the evening cause I don't I don't have no family time now.

Gavin: And you can't keep that. Let's not you can't maintain it. Right. It's not worth the money to lose that. So every private client that I work with, OK, I need my coaching clients. I say six months. I need six months of your life.

Mike: Right.

Gavin: I need you to spend six months of dedication and discipline for six months, and then that should be enough time to get out of the job. That should be enough time to then have a life. That's what you should be going for. OK, so I put it in now. We can't maintain it. And you're only going to maintain if you keep doing the same thing and expect different results because they ain't going to change unless you change it. Right. So let's get the budget consistent. Let's start getting some help. OK, let's when we've made that transition and then you'll be able to have the family time back because you want if you stay as you are, this will work for so long and then you'll just say this is too much and you'll stop doing it.

Mike: Yeah.

Gavin: I see it all the time. I say, all right, so you got till Christmas, right. Right. To be out and get this thing rolling and working in the day and then spending family time in the evening.

Mike: Right. That's my goal. We got to get it. I got to get it. You know, that's the whole point of me doing this for my family. It ain't because I can't keep me from eating or I wouldn't be able to live. I could pay my bills on my pension. But me and my wife, I tell her, I said I want to leave something for these kids and I want to be able to teach these kids how to make a living, you know?

Gavin: So that's that's why you've got to go, because when it gets hard, you've got to drop by down to that why. Right. And I mean, you're on the right track. Your marketing, you're making offers. Right. You've just got a contract. So congrats. It's a massive win. That's great for me to hear. I mean, you know, I know you're active in our group. Yeah, I'm excited for you. So that's what I think you need to do. Have you got any other questions for me?

Mike: No, it has been nice talking to, you know. No, I don't have any now. No, I said, oh, that contract information, if you just want to look at it.

Gavin: Yeah, let me. I wanna look at it. Yeah.

Mike: Yeah, I got it. I'll send in an email. I'll send in everything.

Gavin: Yes. Because I well I got people I can shoot it to for you as well.

Mike: Yeah. I just need to move it. I get this guy is a good guy so I move his property for him. He's got multi-family buildings too but he's not selling those yet. So now he's got a commercial building is what he had. He's actually an artist so.

Gavin: The key is yet, yet, right now means not yet, but you'll get it if you do this one, you'll get the next one. That's the value of this building.

Mike: This one was, though, it was weird how this one came to cause the first one it and the guy was just so easy, you know, it wasn't. No, you know, you can't do this. There were

no objections. Was that nothing simple one or the next domain? I go like that. But this one was simple.

Gavin: Hey, take them because, you know, they're not all going to be a lot of that. Enjoy it. We just wholesaled two last month for 50 K a piece, 100 grand with no negotiation. You just told us what we want. We said, OK, we make fifty thousand fifty thousand to property. And we didn't win that negotiation. But I'm not going to stand there and talk and say that happens every time cause it doesn't of course, it doesn't but take them, enjoy and enjoy them when they come, because the ones that are easy, that are all that way. So enjoy it.

Mike: Yes. Awesome.

Gavin: Well, Mike, I appreciate your time. I know you've had to leave work to do this. Hopefully it's been helpful, right? I think you have what you need to do, OK, you're in the group going to keep you accountable. And what have you thought so far? Just I just want to ask you one question on that. Like, how do you think the interaction has been in the group as we've been delivering what we said we were going to? I mean, what are your thoughts on that?

Mike: Oh, you mean that? Definitely. I mean, delivering. I mean I mean, it's going to look strange to people that just got into the business may not understand it. You know, they got that nervousness. You know, they're a little scared. What I'm gonna do if I get the deal, I'll worry about that no more, you know, because I do I do hard money broker myself. So I worried about the money, you know, more so worried about finding somebody to buy it at this point, because I'm trying to hold up. I'm not trying to keep it myself. And if I can't keep it, I just go to the buyer and say, hey, I can't sell it at this price, you know, and just be honest with everybody going to do, you know, it just keeps going forward and don't give up. That's all I can tell you. Don't ever give up.

Gavin: Never give up. Never, never give up. Absolutely. Well, hey, Mike, I appreciate it. Guys, if you're interested in working with me, go to REInetwork.com/join. We've got a pretty killer program. And if you want to get involved, a lot of our clients making a ton of money and you hear that from them, not just from me. So, yeah. Mike, again, I appreciate you. Thank you so much for joining me. And we'll look forward to interacting in the group some more.

Mike: All right. Thank you. All right.

Gavin: Appreciate it, thanks guys, bye bye.