

REI NETWORK RK

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Close More Deals By Positioning More Options

Hosted by: Gavin Timms

Hey, guys, welcome to the REI Network Podcast with me, Gavin Timms.

Hey, guys, welcome back to the Network podcast. I'm actually back in my home office if you're watching me on YouTube or you may be listening on the podcast, but I'm home. We've just been away for five weeks in Michigan. We went into to the lake house family lake house. We can pull the RV just alongside the lake house. We stayed there for about three, three and a half weeks. And then we went up to the up, which is the Upper Peninsula. I thought that was everyone knew that, but apparently not. That's actually the Michigan language there. But, yeah, another beautiful place we did that came back just arrived back home a couple of days ago. And then we are heading over or down to Florida for a week on Tuesday. So like going on a lot of travel.

That's why I love what I do. And to be able to make money in real estate and that's what this show is all about, is trying to educate you, teach you, give you some action steps for you to take away and actually implement. All right. So again, please reach out if you want to send me an email at support@REInetwork.com. If you have anyone that you want me to interview, if you want me to talk on any topics, teach on anything, happy to do so. So anything that you want or you'd like to hear, please reach out. Also, if you're interested in working with me on a coaching level, also reach out as well as you go to REInetwork.com/join Or if you want to work with me one to one, you can also email it. All right, awesome.

So let's get into what I want to talk about today, which is about closing more deals by making more offers or having more options. Really, really important. And there's so many people that get into real estate and they want to do creative finance. Right. You hear that term? We want to hear about lease option, lease purchase or subject to all cash deals. And obviously, I think it's easy to say, like, well, I want to work on creative deals, somewhat passive income. I want to control property without owning it. And I want a rental coming in. And then everyone's got all these different visions. But you have to pick where you want to learn and you need to understand not only where you want to learn and focus if you're new, but how are you going to position these different offers to actually make sense and actually work and get contracts.

OK, so if you're watching this, I want you to start with one strategy at a time. Right now, I like obviously wholesaling, starting with cash deals and then going into own finance, especially if you're brand new to the real estate. Now, that doesn't mean that you can't do lease options or a finance if you are brand new. I'm not saying that, but I think it's an easier way to break in to keep it simple, because on the creative side, you need to be more creative. You need to understand how to learn how to position your office position in the sales cycle. And I'm going to get into that and give you some examples that can be a little different. There's more moving parts in a creative deal. And also the word creative is because you can do it one hundred, probably a thousand different ways to make a deal work. And the idea is, is that you're solving problems and you're making and creating a win win situation for both parties or everyone involved.

OK, so let's run through a scenario of how we can make do more deals, close more deals by making more offers. Now, again, there's two ways to do this. And you've probably heard this from me before, if this is a cowardly tone that's not really interested in anything, just like whenever you reached out, just make me an offer. You could put multiple offers on a page. You compare offers of and you can make a cash offer with a lease option, maybe a sandwich lease option, staying in the middle of the deal on a sandwich lease option. That's why you're going to make money on the front. You're going to cash flow and you're going to have equity on the back end when you sell it, when you stay in the middle. So you might want to put that offer together. And then a third or fourth offer could be an assignment lease option or maybe an hour in a finance or something like that. So you can start to put offers together on the same piece of paper.

Now, obviously, I just said that to a non motivated seller. These are all talking points. So I don't think you're going to make this offer. And all of a sudden, what if they accept it? Right. You're talking to a number of a seller. You put in things on paper for your follow up, your your position, everything you do in your business is leaning towards the follow up as you go down the pipeline, as the lead gets hold. Right, though, ultimately, the better the lead if you're following or you're waiting for situations to change and then you'll be able to lock up a potential great finance deal over a period of time by solving the seller's problem. All right. So let's say that I get on maybe I've done a couple call, a tax, a direct mail, a piece of Facebook doesn't get on with a seller and we're having a conversation. I understand that this gentleman is a rental property and is now vacant and he just wants to get rid of it, but he doesn't want to give it away. OK, so that's.

What are you saying up front about this vacant house of property tenants just left? I don't want to be a landlord anymore. I just want to I just want to get rid of it. But I'm not giving it away. Right. That's what he says. So now we've got to push on them four pillars in that sales cycle and you can change the order of these. But you want to find out what the situation of motivation was going up. Right. We're going to aim questions around what's going on. We also want to aim questions regarding the. So number one is the situation motivation. Right. And these can go in different orders depending on the situation that you're in. Also, the condition of the property, how much work, what does it need as it was the last time you have all the big items, the roof last opened, the kitchen and bathrooms, the AC unit, things like that.

You're going to have the condition of the home, make sure you make notes on that timeline. How quickly do they want something to happen? Want to ask questions around that.

And then lastly, obviously, the big one, which is the price. Now, what you're doing when you get this information is you're going to have to then play with this information and go, is it time? Is it speed? Obviously, the faster the the less you're going to offer, the longer if they have time than not in a rush, you could get them more money. Right. So these are things that I'd be thinking as I gather this information. So this guy already told us that he wants to get rid of it. OK, is a tired line. Nobody does want to give it away. So I'm now going to aim and questions in them for police to get more information. So let's say this house rent for a thousand a month and he wants one hundred and forty thousand. And I'm probably going to make a cash offer of sixty thousand. OK, so we might be way off right now. Right. And but this is the situation. We are, I think, our one hundred and forty thousand. So we saw again the condition and going through and obviously I gather more information. I go away if you're new and you come back and present the offer now in the position in all of this, because there is motivation there. But he wants a high price. This is actually typical. This is always going to happen, right?

Well, show motivation, but the price is really high. Yeah, he's a he's an ex investor, probably. Right, with his out a rental. So he's done some investing. He's been a landlord. So he's probably assessing the war. He wants to try and get a high price to see if we buy. No problem. What we want to focus on, really, what the more the core problem is, is your building rapport, finding more about him. What is interesting, things like that, you're finding out what really is the problem, because the money is one thing. We got to get to that coal black hole thing that's going on. And he gave us an inkling that it is what he wants to be doing. But why do you want to be done? So I'd be saying things to him. Well, why don't you just pull maybe five, ten thousand in and then put another entrant? Why don't you do that with all because of this this this this is why I don't I'm older. I want to whatever that situation is coming back up, I'm going to recycle this information and use not back against him, but I'm going to be reiterating it back to him as we as we go through this.

OK, so we're asking questions about the four pillars we got back on the phone. We have an offer and I want to offer him sixty thousand. He wanted one forty. Now, this is going to be a difficult conversation, OK? You're probably thinking he's never going to take it and he probably isn't. Or he might not. But again, let's not assume let's go into the conversation.

So what I would do in this let's say his name is David. Hey, David, how you doing? Can we talk yesterday? We talked earlier today. I've run the numbers and, you know, one in one forty. And I know you want to sell this thing and you want to be done with it. But I just I'm going to be honest. I just can't get anywhere near 140. It's just it's just not going to work. And then silence. I'm a reaction. What's he going to say? Just think about if I said that to you, what are you going to say? Well, what what will you pay now? And it's going to be way less than what you want. It's just not going to work. So I think we're done. But I didn't want to just not call you back. I just wanted to let you know that my office is going to be a lot lower and I just can't make this work for you again. Silence. Now, if you like me, there's no way. If that was me, I'd be letting you off that phone without knowing what that number was. So what I've done in

this scenario is I've actually positioned the flow and it is going to be lower and it's not going to work. And I've said all of these things because I'm prepping them for me, giving him the price. So when he says, no, just tell me. I understand. I know it needs work and but I've got to get rid of this thing. What will you pay? And I say, well, you know, like I said, it's low. I'm to be around that fifty, sixty thousand dollar mark for the money that needs to go in and the condition that that's kind of where I'm going to I'm going to be at Dave.

And he might say he's going to he could react in multiple ways. Wow. Really that low. It could be a calm. It could be. That's ridiculous. That's a joke. And if you get that, you immediately, immediately interrupt him and say it on day. I told you it was going to be low. That's. I didn't want to give you the offer because you've already position, then it will calm him down again to say, OK, now I understand. I just can't believe it. I need more than that.

So then my next move is very, very simple. I say, Dave, OK, now I understand. How close are we? How close can you get to my number? Now I want to see how much he's going to draw. He might say, I'm not taking any less than one hundred thousand. OK, straight away, I've got 40 grand. So here we got we move it. So I'm not taking any less than a hundred thousand. OK, so now I have a new benchmark. I'll explain. I didn't go into finance yet because I positioned ahead of it. How close are we. What would you come down to. I needed a big jump before I go into creative finance. OK, let's watch what's going to happen next. And he says, I'm not taking any less than a hundred grand. We just lowered forty thousand dollars in this negotiation and I still can't make it work. Right. I need it. Sixty thousand. I'm going to wholesale it to 70 to a cash buyer. And that's all I've got. That's that's all the tools I have right now. So that's when then I'm going to now position the creative finance.

Now, again, if you're new, you can position this, get off the phone, give yourself time to prepare and get back on the phone. Right. So your next move is we position the price. Golo he's now counted. I've said, how close can we get? How close are we? How close can you come to my offer? He drops to one hundred and says, I'm not going. And I lower than that now. We lost we lost it. That's where we're at. So then I said, OK, Dave, look. Well, I understand you want one hundred thousand. I just can't make it work. Let me ask you this. If we did something on terms, if we did some kind of terms and made some payments to you, something like that, and we could get you closer to a hundred thousand, what would you think? What would you think about that? Now, that is my initial into creative. I never said lease option, lease purchase, creative finance. So I just said terms. If we was some kind of terms, very general made some kind of payment to you, monthly payments and we could get closer to your price. What would you think about then. Now he's going to potentially say no and I can dig a little further.

Well, why I go back to the Y again if he says no at that point, no, I don't want to do that. Well, why would you want to get rid of it? Well, let me ask you this, Dave. If I could control the property so you haven't got to deal with it. And we did it on, like I said, some kind of terms where I can control it all. You ain't got a headache and I'm just paying you a check every month and then we get you some kind of a payment down the line. I need to look at the numbers, Dave, but I'm just saying, if we did something like that, because remember is why was he don't want to deal with it. So if I take control and I deal with

everything and get him some money to get into his amount, what do you think about that day now? He might say, man, maybe. I mean, what are you thinking? How much how does this work now? If you're new again, this is where you can go? Well, I just I was not looked at numbers for something like that. Let me get off the phone. Let me run some numbers and I'll get back on the phone. How about we talk again tomorrow X time?

Now, this gives you enough time to come and print your offer in terms of how you're going to do it now. Are you going to and we understand in this that he doesn't want he doesn't want to cash off of that low. He wants to sell it and he doesn't want to deal with it. So we've got to be careful now with the offers that we're making to make sure that we stay on track to still solve these problems. So obviously, it's an assignment. Lease option is not solving the problem because he still has to deal with it. So we're looking at a sandwich lease option, a sub two if he has a mortgage or a finance. Now, let's just say this is free and clear. Right. Obviously, based on this situation. And again, you can you can play your own there. Oh, always. Forty thousand left. And that's why you might use a sub to or an owner finance again, depending on what you know and how creative you can get. But when you start to learn the strategies, this is how you need to implement them in the sales cycle, because everything that we do is about positioning. All right. So if there's one thing I want you to take from this call and we're going to keep going here, but the four pillars, OK, understanding the situation, get in the gathering, the information and no one closes on the first phone call. Do not listen to that, OK? I probably closed two deals ever in the first phone call, and that was years ago. Right now, real estate is hot. It's about real building relationships and you've got to settle for multiple calls to do not take no for an answer on the first phone call.

Just like when when we just did that role play and we said we offered the sixty thousand one hundred and said, well, would you do any terms? And he said, no, a lot of you would just go, OK, no worries. Well, we can't help you then, Dave. I want to know why he said no. That is the difference between a close up and someone that's just going to give in is because he's saying no. No to what? No to terms why, because I don't want to deal with a property. I can still do terms and I can deal with the property, see what I'm saying? So you got to go that extra extra step to get that. So anyway, so he's now intrigued a little more. We're still not anywhere near a deal. I'm going to get off and come back home and present the options. Now, let's say again, we said this was free and clear. So maybe I am going to offer and I'm going to finance, OK?

Now, also in the position and in the sale cycle, you can actually overtalk overexplain and actually make the deal failed because you can't stop talking. So what I mean by that, I mean using terms of money down, how much mis selling you want down, what interest rate will you give me all of these things? Oh, we give it three years and then a balloon payment. All of these things that you're coming out with, he's not even asking you. So why are you coming out with them things? Because guess what? Oh, yeah, they want a down payment. I thought about that. They are do want an interest rate and not thought about that either. So you're now creating your deal is getting worse because the questions that you're asking, OK, now you're not hiding anything. I'm not asking you to lie, but I'm asking you to not come up with things that's going to hurt you in the negotiation. OK, so when I get back home with that, with Dave, I'm going to say, oh, well, I've looked at the numbers. I want to take control of this property. And what if we

did kind of Schlomo to finance it? OK, and I can give you let's say and I'm going to go in with with the best terms for me, for the negotiation to see how he reacts. I might say, what if I paid you like five five hundred bucks for the next, you know, until the until I paid off. Nice on underground ground is probably not going to go with that. So maybe I'm going to say I'm going to pay you five hundred bucks for the next 15 years. And then and then I'll I'll do a balloon payment after 15 years and pay and then the remaining balance I'll pay off in full.

How does that how does that work. So I've not asked for money down. I've not mentioned interest rates. I did a balloon payment so I'm not going to start paying five hundred a month if he's an older guy for a hundred grand, because that's going to take like however many years that is, maybe not money. Maybe I should have looked up and calculated. Let's say that's like sixteen years so I could have done so. Maybe let's jump back. Maybe I say happy five hundred dollars until I pay the house off. I'll take control when your cash flow and you have less taxes, things like that. Oh no more. I want to do that now. I'm not, I want to do some terms but I'm not doing it for that long. OK, well how long are you thinking. And then the negotiations start again. Still no down payment, still no interest. OK, or whatever. Right.

And this could be a lease option. I'm just giving you examples here of the things that you need to think about when you going into these negotiations to actually close more deals. So I might be leaning on this to a ten year with a balloon payment, maybe going up to six hundred bucks a month, maybe giving a bit down, maybe given a bit of interest if I need to, as this negotiation goes on to. But again, the whole goal is I must solve this problem. It's problem right now is he doesn't want to deal with the property and he wants one hundred grand. So I can give you Dave. One hundred grand. I want to pay five hundred dollars a month. And in ten years what the remaining balance is, I'm going to pay off in full. How does that sound. And that would be now my new offer. And then we would tweak and take the changes and the objections to. Well what if they said what if that what if the other what if the tenants might say, well, I'll pay for that, I'll fix it up. All you need to know, David, is that your acting is the bank. Pretty much you're just holding this, OK? You're acting as a bank and I'm going to make payments.

And again, we could have done a sandwich lease option right where you stay in the middle of the deal and got it paid out over three years if you wanted, or seven or whatever. But what you're seeing in this is the actual position and understanding how you can actually use your office by this scenario of the position and not overtalking to actually get deals done. And remember, especially creative and on cash, you're going to do more more than one phone call. You're going to do it over a longer period of time. We have great deals right now that we've been talking with people for eight, nine weeks, just recent ones. And we'll still lock things up from months and months ago. And that's the same with cash. On average, all cash deals are probably three to four months on average of close. So I'm not saying we don't get one in the first week. I'm not saying that. But I'm talking about your whole business. The likelihood is, is that you're not going to be doing five deals a month every single month from brand new marketing, from one or two conversations. It's not going to happen, not in today's market or markets. And I don't care where you're at, it's just not unless you're pumping out a lot of marketing.

And if you say to me, Gavin, I actually do five deals from new and I'll say, well, you need to be doing you should be doing twenty deals then. OK, from follow up because you'll always do more. Deals from follow up than you will on the initial leads. That's why prepping the whole system, the pipeline, everything is so, so important to get this down.

OK, but hopefully this helps to remember no overtalking, don't ringel, especially with your lease option, your money, your interests and your money down and you just asking for a harder time deal with it when it comes up. I've just had a client, Terry, we were talking to. He's just got a basically principle, only zero percent interest until it's paid off like an amazing customer, like something six hundred a month, something just a crazy, great deal. But just solving the problem, he just didn't want to pay all the taxes. So they wanted to do it over a period of time and solve the problem with the sellers. I was happy. He's happy, everyone's happy and it works. And that's what you got to understand, right, that the sales cycle is not persuasion. It is to some degree. It is your persuading, but it's also your position and allowing them to understand why they're making the decisions they're making.

Because guess what, nine percent, your sales guys, when they say no, they're saying no because they don't know what they're doing. They don't know what, what, what say no to and test it when they go down. What I'll give you a quick word on this. I want to go too long, Will. I signed a lease option. When someone says to me, let's say it's this leads of sale by I call it price negotiable, blah. Now, would you be interested in renting it. Yeah, possibly. Or I say what are you going to do if it doesn't sell, rent it. Right. Well you'll do a lease option in my mind now. Right. I'm very confident enough. I get you're trying to sell it. If it doesn't sell you want to rent it, why wouldn't you do a lease option? So and then when I position that lease option and they're going to know what I want to do that I thought you wanted to rent it. Well, yeah, I do. So are they say no because they don't understand what the lease option is. And I don't even use a lot of the time the word lease option. I will say, what if I paid you rent and then bought it for X? I don't use the word lease option. Well, is that lease purchase right? I try and keep it. I don't sit down so I can have a conversation to the to the mass, the mass public about everyone understands I'm going to make payments of this and I'm going to have an option to buy for that. I don't need to say a lease option. I just keep it simple. Right, in that.

Anyway, hopefully this helps. I appreciate it. Good at so today I've got some takeaways. Remember like and subscribe. If you can make sure you go to REI Network Podcast, our our network with Gavin Timms. Give me a review if you can. Make sure you like and make sure you subscribe. Also my YouTube channel as well. Give me a like if you got something from this, if you're interested in working with me, you can reach out, support REI Network or go to [REInetwork.com/join](https://reinetwork.com/join). Want to know if you want to do that on my email. We'll have a conversation. If not, stay tuned for the next video for the next guests. We're going to keep bringing value. We have Coffee with Closers Live every Wednesday as well. They should check us out on that. That's a lot of fun and I'll see you on the next one.

All right, guys, thank you. Have a good one. Bye bye.