

Voice Prompt: Welcome to the REI Diamonds Show with Dan Breslin, your source for real estate investment jewels of wisdom.

Dan Breslin: Welcome to the REI Diamonds Show. I am your host, Dan Breslin, and this is episode 183 on Virtual Wholesale Real Estate Investing with Brandon Barnes. If you are into building wealth through real estate investing, you are in the right place. My goal is to identify high caliber real estate investors and other industry service providers. I invite them onto the show and then draw out the jewels of wisdom, those tactics, mindsets and methods used to create millions of dollars and more in the business of real estate.

Dan: Now, most real estate investors, including myself, prefer making offers after physically seeing the house. You go see the condition, underwrite the deal, figure out the values. They have to repair value and then make an offer. Today's guest, Brandon Barnes, he used to do the same, but now, he prefers making all of his offers immediately over the phone without ever seeing the property or even seeing photos of the property. I mean, how does this work? Do we not need to know the condition of the house to make an offer or at a minimum, see the photos? These answers may surprise you.

Dan: All right. Welcome Brandon Barnes to the REI Diamonds Show. How are you doing today?

Brandon Barnes: Hey, I am well. Thank you for having me there.

Dan: Yeah, for sure. It has been much anticipated. Your name has been floating around the Atlanta Market where I do a lot of business for the past couple years here. I was highly excited to look forward to having you get on the show here once we started getting together with bookings. For those that may not know who Brandon Barnes already is, do you want to kind of give a little bit of a background for us, Brandon? Maybe how you began real estate investing and maybe even the details about your first deal if you could go back to that origination.

Brandon: Yeah, for sure. Look, I am here in the Atlanta area just like you mentioned. I started off my journey whole selling, specifically. I mean, that is just the art of finding off-market properties at a discount and kind of jumping to this game by chance, honestly. I gotten fired from a Corporate America job and I always thought I would climb the ladder and become an entrepreneur at some perfect opportunity, but I got fired. I reached out to a buddy that I knew from Pittsburgh when I was working for the HJ Heinz Company up there and I asked him what this real estate thing was all about.

Brandon: He said he had actually moved to Atlanta and was following a mentor program for wholesaling and I should come by and listen to it and this is a great opportunity to start a business. I was sold. Just a few months in the second month, I sent a thousand postcards and got my first contract. By month three, I had actually done my first deal for 15K and never looked back. I split that deal with them and kept on mailing. It was a great intro into the business.

Dan: Nice. That first deal, right, did you go back like to the actual house in the appointment because I know we are going to get a little bit of a transition to what you are doing now, but I am

going out on a limb and assuming you started slightly different than what the business model is now. Can you take me back to like literally, you know, you set the appointment and maybe what happened when you got to the living room if that is how you did it?

Brandon: Yeah, for sure. Look, I used to go to every appointment in person, tried to build incredible rapport, talked to homeowners, craft the perfect offer and hope to goodness they sign. That was exactly what happened with that one. I think I got a call from the lady and I do not think I met her specifically, but that was an outlier because I would go to employments in person all the time. I started off my business and started off my career sending a lot of mail, doing a lot of direct mail and it was just on that first thousand postcards.

Brandon: I had a lady with a tax lien issue and wanted to just sell the property. I probably shot myself in the foot because I got it under contract for about \$20,000 and sold it for 35. I probably should have a lease then I would sell that for 50 grand. That was a great little three, two town home. Yeah, I was going to every appointment in person driving all around the city, but it would be weeks that, you know, maybe I got out three or four contracts and I was never going to get anywhere operating like that trying to be everything for everybody. These days, we send a lot more offers. That is to say the least.

Dan: Nice. This reminds me some of the circumstances when you mentioned out like a thousand postcards and you get a deal from that amount, so I think back to my first deal. Yeah, the numbers are like a little different now, but I was down to my last hundred bucks and I put like a \$79 newspaper advertisement in for one week and I ended up getting three or four calls in that one week. This is 2006 so the newspaper for those that do not remember was much more effective medium of advertising than it is now.

Dan: I remember when I got there and I am making the offer and I did not really know how to like analyze markets and do comps and I had no access to the MLS and it was in like a very high crime, high drug activity neighborhood and I remember seeing that a friend of mine bought one on Remington Street, a guy I knew from the RIA meetings for \$5,500. I am sorry, he bought it for \$6,000. I figured, "Well, I will offer 5,500 to this other one around the corner and then I will go sell it to him and make 500 bucks."

Dan: I get into the living room. I think I might have looked at the house and then came back because I chickened out on making the offer the first time. I show up the second time and the family is there and I got my like six year old daughter with me in not the greatest neighborhood. My dad had to drive me to the deal, and I made the offer, 5,500. They talked about it for a minute and they pretty much flat out accepted like my negotiation skills were all but non-existent at the time.

Dan: I remember I am sitting down, Brandon. I had to fill out the agreement of sale. We stopped at OfficeMax and bought a generic agreement of sale, and I am like, "Oh, I did not do this before. Crap. What information goes where?" I did not have the sense to actually like practice the agreement of sale way back when. I called a guy on Remington Street and I am like, "Hey, do you want to buy this one for me for six days? I will sell you mine for 5,500."

Dan: They call it Remington Street because of all the shell casings all over the ground. Every time I go to pick up the rent, I am like, "Oh, what have I done?" I lost out, sold it for eleven five and six thousand dollars later same as you, was kind of off to the races. Early on, where I was referencing the thousand postcards and my \$79 advertising, that is not the case for a lot of investors who go out and attempt the off-market deal business and that what I am getting at is there is like almost this certain element of luck where you and I got lucky on that.

Dan: Man, I wish I did a deal for every thousand pieces of mail that I sent out since then, but without that luck, maybe we would not have been so ambitious to kind of keep going like you know, how much in your opinion, right? Yes, there is skill. Yes, there is luck. How important is luck or how much is luck and how much the skill would you say for people maybe just starting out so that when they get in there, if they do not see that instantaneous luck, maybe they stick to it and go through the storm and get to the other side where you begin to get that momentum?

Brandon: Yeah, hundred percent. Look, I was definitely lucky because then the next thousands of postcards I was sending out after that crickets and or just not any good deals and the success often happens in the outliers. There was no reason that I should have gotten a 15K deal from that thousand postcards, but there was some luck there. I hope that a lot of people get lucky in those early days because you just need that proof-of-concept early on. There are so many people that start and do not get lucky or they are beating their head against the wall for months without any traction or any deal flow.

Brandon: Definitely, I think we both got lucky early on because I promised you I started to send 5,000 postcards, 3,000 postcards every week and I ended up burning through my cash in those first few months of that very first year, 2016, wholesaling. It was actually just listening to podcasts just as like this one where I ran across the Joe McCall podcast. He had interviewed Rick Ginn, the probate king of Florida, and I thought that that was a great opportunity for me to differentiate myself.

Brandon: I started going after probate leads and sending letters at way less volume, but that turned into some major deal flow for me. It was really probate deal that saved my business that second half of the year. I probably did 86 grand on like \$3,000 worth of mail sending probate letters.

Dan: Nice. One more moment on our little beginners [inaudible] there, do you remember the phone call when you made the offer and maybe that seller accepted on that original deal? Is there any recollection of that that you could share?

Brandon: Yeah. Look, that very first deal, I remember where I was in my house. I remember that I was in the basement and I was scared to death to ask her if she would accept an offer of 19k for this townhouse. I know I remember she thought about it. She said that she had to consider some things, but it felt like she was moving in the right direction and she was actually going to consider this \$19,000 offer. I did not know what I did not know, and looking back on it, I could have paid a lot more and I could have sold it for a lot more.

Brandon: I just kind of remember that that trepidation of, should I ask her like is this enough,

and it is something that my mentor always says like, "If you have that uneasy feeling in your stomach, you are probably making a good offer." I had that, definitely had that bubbly feeling in my stomach, "Is this good enough?" and sure enough, we actually proceeded and moved forward.

Dan: Yeah. I asked for the details and I appreciate you diving just like you did into them because I think for a lot of people, even people who have been in the business a really long time, Brandon, I noticed that the hesitation moment in the real estate business as an investor comes at the moment of making the offer. That is where for new people who have little experience or maybe no access to the MLS, you got this challenge of getting your hands on the right data to be able to even figure out what the number is.

Dan: Let us say you figured out what the number is then there comes this other piece of actually presenting that offer to the seller and maybe that can be more difficult over the phone and even more difficult in person with the seller then perhaps how you are doing it now. Let us just talk about the Brandon Barnes now of offers over appointments as a strategy.

Brandon: Yeah, for sure. What I started to realize is that if I was not making enough offers and if they were not getting out the door, we were generating leads a little quicker. If I was not making enough offers, I was not giving us an opportunity to do deals. Just to double back a little bit, towards the end of 2016, the mentor group that I was in, there was a colleague, a friend now named Brent Daniels that was talking about cold calling and how, you know, compared to direct mail, he was spending way less money making cold calls and he was doing some really large deals.

Brandon: I just thought that look, here is another great opportunity. I just had my eyes open for those opportunities, and he was an open book. He said, "If anybody wants to know a little bit more about it, give me a call," and I did just that. He gave me the entire model and the process, and I said, "Look, I think that this is it." I was on the cutting edge of cold calling late 2016, early '17 and then I actually went on and hired some cold callers middle of that next year so May, June of 2017.

Brandon: We started to generate enough leads, but I was still trying to scramble and go to every property. I had a buddy that did a video within that. He had a mastermind group that he wanted. He said death to Podio. He was tired of being in tasks hell and Podio. He said, look, we are going to keep our leads in the dialer and you can really do deals just over the phone without seller appointments. I was not really a believer in the beginning, but as we started to try it out and lo and behold, we were able to do deals that way, just by having really good conversations and making offers.

Brandon: When I found out that I could do that, I really sped up that process, hired an acquisition manager which I had to train. He actually was one of my cold callers based in Mexico, still my acquisition manager to this day. I had to show him how to come up with that offer price over the phone. This kind of gets into a strategy of mine that a lot of people really like when they hear it, but if I could break it down, if you think that will be all right, I think that would really give the listener some value.

Dan: Yeah, it would be my next question actually.

Brandon: Yeah. What we do is instead of this $ARV \times .7$ - repair cost - what you want to make, I started to show him... I started to see this trend and realized that that formula does not, you know, can include houses that could be just great rentals that do not need that .7 full rehab. I just started to for every property that pops up on in our dialer or any lead that I look at, you text me an address right now. I am going to go into Zillow. I am going to draw a little circle on the map and look at everything nearby not crossing over any major roads or highways, have a square footage filter that is within 500 square feet and just look at all the comps.

Brandon: Then as I look at all the homes that sold, if they were so fully renovated, I am going to click into them, look in the price history and see what price they sold at before the work was done. That gives me the price that an investor would pick it up for and what they would purchase it for before they do the rehab. I just started to subtract my margin what I want to make which I suggest 20K so you have some wiggle room and that then becomes my maximum allowable offer.

Brandon: That allows us to quickly end conversations with sellers, find out the offer price in a ballpark right there on the phone and power dial all of our leads so that we are just able to get to these properties faster, speak to homeowners over the phone, make offers and keep it moving because it just really cuts. It pushes us to the front of the line when we are actually speaking to them about an agreement, and that works for fully renovated properties and also works for homes that were fixed up a little bit and listed as a rental.

Brandon: I will just look into the price history of all the homes that sold whether they were fully renovated or just mildly fixed up the 10K investment and turn into a rental, I will subtract my margin and that is our maximum allowable offer.

Dan: That is interesting. Are you finding that by talking turkey on the phone with that seller because we do little cold calling and a lot of people, it is kind of a yes/no, it is a binary answer. "Are you interested in selling? Yes. Okay." Then we try to get out there in face-to-face. "Are you interested in selling? No, we are not." What does the lead in for your reps sound like to keep them on the phone? Am I right in assuming that because you are talking turkey, you are talking money and offers right there over the phone that they are more engaged and open to kind of keep the conversation going with you and maybe like what does that conversational like from the acq manager's vocabulary?

Brandon: Yeah. Look, it starts just like you mentioned, from our initial prospect is our first phone call is just the introduction as everything, going really high, "Hey John, look, I am sorry. This is not out of the blue, but I was actually just calling about a property I believe you own at 123 Main Street? Yeah, look, we are looking to purchase a home in the area. Just wanted to see if you consider selling it." If they say yes, we will continue on getting condition.

Brandon: "It sounds like a great home. Why would you consider selling it? What is the best price you would consider if we paid all the closing costs and there was no real estate

commissions to pay?" We will ask them for their email address and send that over to my acquisition manager very quickly so that he can dig in a little deeper. As he is talking to people, he is trying to get a ballpark and get them to close, get them to agree to a price in that first phone call by using exactly that strategy that I just mentioned.

Brandon: Even when we are not close on price, we are still going to let them know. "Hey, we are going to send over our best offer and follow up with you and see if you got it and we will take it from there." Using that method, we are really able to get 50, 60, 70 offers out each and every week. From our metrics, every 25 offers, I am expecting a signed contract back. We have just sped up that process instead of, here is a lead. Let me send it over to a CRM like Podio and then hand dial them. We are instead keeping that lead in our dialer having our acquisition manager power dial those homeowners.

Brandon: As soon as they pop up, he is clicking on Zillow looking at the comps, looking in the price history, finding the sale before the sale, subtracting that 20K and making that offer. It just helps us speed up that process. We are able to get 50-plus offers out the door. To your point, it is the offers over appointment strategy.

Dan: Yeah, it is slick. How often or what would be the split between, the acq manager gets a commitment and someone says, "You know what, we will take the 110 grand," versus you send them the offer for 110 and do a little follow up after they initially said, "No, the price is not going to work." Is that like a 50/50, the deal is coming on the front end sort of the instant closed versus the follow up or some other different balance?

Brandon: Yeah, it is different, only about maybe 25% of the time we were able to get them to agree to our price that very first conversation. It is actually, on average, about nine touches until we are getting a signed contract. Most are in that second group of folks that we sent over our best offer and then we follow up with them, making sure that they got the agreement and trying to continue to build rapport over time and get them to sign. It is more in that second group of just constant, constant follow up, but he is just able to do is follow up so much more efficiently by keeping our leads in the dialer.

Brandon: When he says, "Hey, I need to get in there and do some follow up," he is power dialing these leads and getting through them and connecting with homeowners, live follow up faster than if he was hand dialing. I prefer that. I prefer a lot of follow up touch over some automated system that sends text messages and RVMs with some interval. I would rather him do live follow up and talk details of the deal details of the document versus the person that is still calling and just trying to convince them to agree to some pie-in-the-sky number.

Brandon: I just feel like it allows us to cut in front of the line because we said, "Hey, look, we sent over an agreement. We are ready to move forward." They are taking us a little bit more serious than the next person that has just called and still trying to get them to agree to terms.

Dan: Yeah, that makes sense. That means it underscores the most valuable time that a real estate investor is going to invest in their business is going to be in the process of negotiating offers on the purchase side. I will go out and say that that is more important than negotiating the deal on

the sale side because if you did not buy the deal right in the first place, your sales side is already going to be severely impacted no matter how great your sales side of the negotiation goes or dealing with contractors or going out and picking out cabinets and light fixtures and all the stuff you see on HDTV, forget it all like not necessarily forget it or disregard it, but the highest value, time you can invest in your businesses on the offers.

Dan: If you think back to the beginning of our conversation here, Brandon, that is the same thing that a lot of times is going to stop a new or inexperienced or an investor that is not getting a level of consistent results is probably because they are not putting 50, 60, 70 offers per week into the market. Whether you are following up and dealing with agents and you are investing the time that way or you are literally talking and communicating with the seller who you have already made an offer, either way, that time investment is the most valuable portion of the transactionally driven real estate investors' business.

Dan: Fix and flipping, if you are on the acquisition side with your buying whole rental portfolio, if you are on the side where you are just managing your portfolio, obviously, this is a different thing and they probably checked out of this episode by now. The other thing I am wondering and probably the audience is too at this point, how do you know the condition of the property? Are you doing this blind? Are they texting you photos? What is the deal with underwriting for condition?

Brandon: Yeah, now, a great question. That is the million dollar question. I mean, honestly, I did not see a major drop-off and cancel contracts or renegotiated agreements from when I was going to the property trying to estimate repairs versus once we just started to send offers based off of what sold in the market. Honestly, it was just the same type of contract fallout rate where there is going to be some deals that work and some that do not, but if we are basing our offer for subject property off of other homes that have sold in the area, we already have a feel for, in this particular area, what an investment deal we will sell for.

Brandon: We are able to offer our property contract at a similar rate, at a similar price point. It is a deal because at the end of the day, the first thing that a buyer is going to do is they are going to look at comps in the area and say, hey, well, look, I see that this property sold for X, and if we are able to offer a contract for our property at a similar price point, then it already makes sense. To dive a little deeper into that question, when I am looking at, you know, my subject property, of course, there are going to be homes that are in better or worse condition.

Brandon: When I am looking at the comps that have sold and I see what they sold at before renovation, they are still going to be arranged. There are going to be some like if I am looking into an area and I see a bunch of fully fixed up, fully renovated properties all sold for 250 in the area and then I look in the price history and most of them sold of a little below 100K, there are some that sold closer to 100K and some that sold close to the 60 grand and so I would assume that the ones that sold closer to 60 grand were more in the need of repairs and they were in worse shape before the renovation started.

Brandon: My subject property, if the owner tells me, "Look, it was vandalized. It was just completely messed up. It is going to need a full gut job," I am going to be a little bearish on my

offer and get closer to the homes that sold in the 60 range versus if a homeowner says, "Hey, the fundamentals are there. We actually replaced the roof a few years ago. Yes, it needs a complete update and renovation, but the water heater is good, the AC unit is good," I am going to be a little bullish and my offer is going to be on the higher end of what those other homes sold for before they were renovated.

Brandon: It is still an estimate. We are still estimating the value of our property based on its condition and what the homeowner tells us is the closer that we can get to the price point that these other properties sold for before they were renovated. Once something goes under contract, we immediately go out. We immediately tell the homeowner we need two times to get in there, once for photos and then a second time for our purchasing partners, contractors, any potential agents.

Brandon: Furthermore, if any wholesalers are listening, the quicker you can get to the point where you are letting homeowners know that oftentimes, the majority of the times you are going to immediately resell their property for profit to your network of buyers, the better off you will be because all of us started off saying, "Hey, we are going to buy your home and we are going to fix them, flip it or hold it as a rental." The quicker you can get to the point where you are telling them the truth, being a truth teller and a truth seeker, the smoother your transactions will go.

Brandon: You will be able to say, hey, I am providing you value by quickly and conveniently allowing you to sell your property at the price point that we agreed upon. That is the value that I am providing. The way that I do that is, you know, my prerogative and sometimes, I am going to immediately resell it for profit to someone in my network. Letting them know, being honesty is the best policy is going to be super helpful. Then if you do get something under contract that is a little too high, renegotiate the moral way and letting them know throughout the process the entire time.

Brandon: We do not go under contract with properties with the idea of renegotiating. Most of the time, we are able to hit the right price point just basing our offer off of what of the homes are sold in the area.

Dan: Yeah, that is interesting. No photos are being sent during that negotiation at any point?

Brandon: Not most of the times. There are sometimes that homeowners are adamant about us seeing the property prior. Sometimes, they are and we will send our guy out to take photos or we will ask them to send photos, but majority of the times, I would say, 6 to 7, it is really 8 out of 10 times we are able to go into contract without any photos and without the seller like almost forcing us to come to their property but it does happen.

Dan: Yeah, that is interesting. You have a point. As I hear you talking, I am thinking through my own experience. I am in Philadelphia, I am in Chicago and I am in Atlanta and we do a volume of deals in all three of those markets, New Jersey, Delaware Maryland like we are in quite a few markets. As you are talking, I am thinking, "Yeah, you know what, you are right, Brandon." As I think through, I kind of have like my South Side Chicago properties and the cash comps go through a certain range and the ranges are for certain conditions.

Dan: It is like an anomaly when I have a burnt-out shell in the south side of Chicago that is going to be significantly more money than one that at least had a family may be living there and within recent history, but then I go to Atlanta and there are certain neighborhoods in Atlanta where the year of construction is around the same time. If we are talking 30310, 30315 Beltline Southwest Atlanta area, we have older home inventory that is going to need significant improvement to be retail ready and is probably only going to be this like investor fixing and flipping type of mentality there in most cases versus finding one that was renovated three or four years ago.

Dan: Yeah, they come through sometimes and they are kind of rental condition, but age of the inventory that sells to cash buyers in Southwest Atlanta is going to be different than some other areas where the construction is all newer construction built in like let us say '70s, '80s and '90s like up in Buford and Hull County like newer constructions for the most part there.

Brandon: Right, the suburbs.

Dan: Yeah. You are talking about the simple way of summing it all up, you can actually underwrite the condition almost by looking at the comps and like comparing the year of the build of the subject property to the year of the build of the properties around it and getting a feel for the pictures, but that is not a skill that is going to come easy on the front end. I am curious how long it took you to get the acquisition manager that you have running things up to speed on this like range thinking that you described [inaudible] condition.

Brandon: Absolutely great question. I mean, I really think it was about three to six months before he started to feel comfortable. Even throughout, what he always does is we use slack to communicate within our business. If he has something that he had a question on, he would just send me over the address, the condition of the property with the homeowner one and I would give him real time feedback. Just a few addresses a day each day, you know, over time would just allow him to get it and see it better and better over time.

Brandon: Then also, I was able to just show him on a map just to your point, different areas around the city where most of the price points will be for a wholesale transaction. Southwest Atlanta like inside the perimeter and south of I-20 which cuts across the city, it is going to usually be around this price point. You are going to be able to offer, you know, you probably need to be under 100K or if it is in a really hot area towards the city, you can probably get up to 150 on your offer price because those homes are fully fixed up or are well above 350. If you are outside the perimeter and north of the city, you are able to offer X. If you are east and west...

Brandon: I mean, I was able to just kind of show on the map, assumed averages just based on history and experience and then also just always giving him feedback on a daily basis. He tells me like, "Look at these addresses," and I was able to give him that feedback by looking at the map. For me, it is something that I have built over time. I am somewhat of an analytical thinker, but I am not too analytical where I absolutely have to look at all the numbers. I kind of have a touch and a feel for what buyers will pay.

Brandon: As soon as you start thinking about these properties as a buyer would like would this be a good deal for me, will I have enough room to do this work and still make this money, then the better are you going to be at making your offers. Thinking as a buyer will help you really key in on your ability. That is a real estate investor's superpower. Being able to count properties and have a feel for purchase price is our superpower. Always, always be working on that if you want to be successful in this business.

Dan: Nice. I love it. The other thing I want to circle back to again here for a moment, but you are disclosing the profit motive to a seller at some point early in this thing or maybe when you get the contract out and you are saying, "Hey, I am going to sell this property to someone in my network and make a profit." It is kind of implied like, "Well, why else would I be buying a property if I was not going to turn around and sell it at some point to make a profit?" but it can be offensive if you are not disclosing that in some fashion up front.

Dan: How often does that torpedo a deal if at all and if it does torpedo a deal, how do you mitigate that? Do you suddenly, you know, is it a good enough deal that you are willing to close on? I mean, is there any other way to handle the objection that a seller might have if all the sudden, they find themselves offended that you are planning on making a profit on the deal for doing business?

Brandon: Yeah, a hundred percent. I mean, it definitely can turn people off where they say, I absolutely do not want you assigning this contract to purchase my home or wholesaling this property. If they are really savvy, we will pivot very quickly and say, "Hey, we do have other exit strategies. We do have lending partners where we can purchase this home and then do whatever we want with it after we purchased it from you."

Brandon: That is exactly what I will do. I will reach out to a private lender in my network and actually purchase homes and then either... At that point, I am going to list it on the open market, but it has to be a good enough deal. Yes, to your point, it can turn some people off but not everybody. You sometimes have those really nice homeowners. There is one that we have under contract currently in Conyers and we mentioned, you know because that was in such great shape that we would list it on the MLS.

Brandon: Even while we are just still under contract, he said, "Look, I absolutely do not care what you do with it. I want to receive X amount of money and I want to be able to close within 30 days." On that particular home, it is such a good deal like as far as kind of just being retail ready that I am still going to purchase it and then list it on the MLS so that I can accept the conventional home buyer's offer.

Brandon: It is just letting them know up front, and if they have an issue with it, we will remove whatever language out of the agreement. Honestly, you sometimes can just double close on the property and still have a simultaneous transaction where we are purchasing a property using an end buyer's funds and then immediately reselling it. We have options to go around what they see us as assigning their contract.

Dan: Yeah, it makes sense. It is funny though, that, right? If we had hesitation, we talked about

around making the offer. I witnessed experienced people never wanting to bring up the profit motive the way you just described. It is like, "Do not bring that up. It is taboo. I am not saying it, anything like that to jeopardize my contract," and they back themselves into a corner because they sort of do not mention that ever and now, it creates, like you said, all these speed bumps further down the line in the deal.

Dan: After trying to get contractors, partners, buyers, etc. through the deal and now, all of a sudden, the seller is like wondering what is going on versus bringing it up front.

Brandon: Exactly. Why are all these people at my property? I thought you were purchasing this property? You just do not want to face those issues during your inspection or especially at the closing table.

Dan: Yeah. To me, it is kind of like you know what, it is like, hey, I am going to make a profit. If you have a problem with that, there is someone else that you have lined up to buy the house. That is great if you want to go explore that option. I am here now. I am ready to sign and I am the one that is going to put a check in your hand, but of course, I am doing this because I am in the business of making money, right? I win some, I lose some, but at the end of the day, I have got to make a profit here for the business to continue on. It is what it is.

Brandon: A hundred percent.

Dan: Let us switch gears again here. Let us talk the Atlanta market. Tell me where you came from. I think you said you moved to Atlanta. What is the reason that you moved to Atlanta, because the real estate market was hot?

Brandon: No. I was born up near Chicago but moved here when I was one year old, so I was raised here. I am from Atlanta, but I went and graduated from Purdue University in Indiana. My first job out of college was with the HJ Heinz Company in Pittsburgh. They were going to move me to three different cities in three different years and then they got purchased, so they moved me out to Illinois, Iowa. Then they got acquired, canceled my job at a young child.

Brandon: I was driving back and forth, but I found a job with the craft Oscar Mayer Company. Then they got bought out by the same company that bought the Heinz Company, so we lived there for a little bit. I started to look for an opportunity back here in Atlanta. I found a position with 20 Unilever, and we were able to move back home. Before the year was up, I was fired, literally, two weeks after getting married to my wife. I got fired and I think that just goes to show that I was not the best employee I needed to be, you know, charting my own path.

Brandon: I knew nothing about real estate whatsoever. I got fired right in October. I reached out to my buddy in December, and as soon as he told me about wholesaling and I could follow this mentor program by January 2016, I was fully in, burn the boats, doing my own thing, hired my first team member, June of 2016, my administrative assistant. She has been with me ever since. She is my right hand, keeps my business together. I have been operating it as a business since day one.

Brandon: That really helped out, and all the corporate experience that I had allowed me to lead the team of cold callers and acquisition managers and have a systematic approach to the business. Look, though I am not using my degree directly, the operations management degree and corporate experience that I got right out of college definitely played a role in my success. There is something to say about going to school and getting your education. You can leverage that in the business world in the right sense.

Dan: Yeah, I think that is good to say, congratulations on getting fired, by the way.

Brandon: Best thing that ever happened to me, man. Best thing.

Dan: Yeah. You are not the only one we have heard that a few other times on the show. I know a lot of people personally who that was the case in the catalyst for getting started in real estate. I would like to underscore the part about you saying that the degree did actually translate into what you are doing now and I think it is something.

Dan: I dropped out of college and got right to doing stuff, but that is not really the case. I dropped out because I was not disciplined enough to finish it and I got bored quickly with that and kind of wanted to get off and get to work. That was the end of engineering school for me. I think that you are absolutely right in a lot of the stuff that I had to learn from books and self teach and through hard-won experience. I know for a fact that stuff is quickly available, and you can assimilate that into the way of your thinking through business school management and a lot of other courses that you could take in college.

Dan: I know that a lot of people in the real estate thing and even in the world right now, there is kind of this like anti higher education backlash sort of amongst entrepreneurs. Everyone wants to quit and be Bill Gates or quit and be Mark Zuckerberg, but that is not always the entire situation. That is a great point there to highlight your experience.

Brandon: Yeah, for sure. I mean, I have four young children. By the time of this release, we will probably have announced that one more is on the way.

Dan: Nice. Congratulations.

Brandon: I appreciate it. I am going to still allow them if they want to go to school and have that experience. By all means, do so, but I will also offer them, the option is if you are starting a business, if you are doing the entrepreneurial thing in high school and things are looking good, I will allow them to choose whether or not they want to continue on going to college. If they do not have anything in the works, definitely. I think that there is value in a degree and that experience, the fun that you get, the camaraderie that you have from your college experience.

Brandon: I still have my engineering buddies. We meet on a Zoom call or Google Hangout in every few months and those are lifelong friends, white guys out of Indiana that I am still kicking it with. Virtually, we do a little reunion every once in a while too. I want them to have that experience. There is something about that that you cannot replicate just jumping into the business world will build and issues. There is some value to an education for sure.

Dan: Yeah. My daughter, she is at Temple right now, and obviously, with the pandemic going on, it is like could have been done virtually. She knew enough that she wanted the experience, so we kind of got the apartment. They are canceling the dorms. Now, they are back on. They are allowed to stay there. Now, they have a couple in person classes. It has been a whipsaw of a year, but she is getting the experience. I am in Chicago. She is in Pennsylvania and she is like away at school. Yeah, definitely...

Brandon: Yeah, it could be crazy for these kids that are going through this, through COVID. I cannot imagine, but I hope we can still enjoy ourselves. That is good that she still allowed her. Does she want to be an entrepreneur as well?

Dan: She is kind of scared of that and she feels like, "Hey, I can always come work for Dad at some point if I cannot figure out something else." She is into like occupational therapy. I think it was one of them. She switched her major, I think this year. She liked personal training and wanted to do her own personal training business, but there is a certain amount of experience that comes in selecting the right business opportunity also, which I think she will probably develop that at some point but hey, she is doing her.

Brandon: That is awesome. Kids are a blessing, right?

Dan: Yeah, man. That is why I moved out to Chicago. I am from Philadelphia, and 2005 or 6 is when my daughter moved here with her mom. Then five or six years ago now, I moved to Chicago so I could be here for her middle school and high school years right before she left to go back to Philadelphia for college where I am originally from. You have got to love it.

Brandon: Yeah, life, man. That is cool.

Dan: Yeah. Let us talk books, right? We get our wisdom, we get our knowledge. Is there a book or two maybe that you recommend to people or that you found pivotal business real estate or otherwise that you think would be valuable for the listeners to check out?

Brandon: Yeah, there is a few gray book. I mean, I definitely always adjust profit first as you are getting, going and making sure that you have a game plan for your money. The one thing, something to try to live by, sometimes, tougher said than done, "The E Myth" if you are really wanting to be an entrepreneur and then traction as you get going and you want to, you know, you are building a team and you are wanting to get them have some structure to your business and your meeting, scheduling meeting rhythm.

Brandon: For anybody out there that is cold calling, I highly, highly suggest "Fanatical Prospecting" by Jeb Blount. That is something that I think everybody that is going to be on the phone should definitely listen to or read.

Dan: Nice. Yeah, I wrote them all down. That is a new one, Fanatical Prospecting by Jeff...

Brandon: Jeb Blount.

Dan: Jeb Blount.

Brandon: Yeah, that is a great one.

Dan: All right. This is the REI Diamonds Show, Brandon, and at the end, we talked about our crown jewel of wisdom. I am going to set the stage here. Let us say it is like 2015, 2016. Your bank account is at near zero, right? Yeah, no deal was waiting on the board to close, and yes, you did it with the postcards originally. If you had to restart your career knowing what you know now, how would you get started?

Brandon: Yeah, I would go directly to the courthouse and I would pull the probate records and the eviction records of recently filed evictions and probate. I would do that every week and find a way to contact those, either the petitioner that petitioned for probate or the plaintiff that filed the eviction. I will be contacting them by any means necessary, preferably by the phone, but if you are really hungry and really gray, you go knock on the door if you absolutely have to. Those would be the immediate steps that I would do in any city. You could drop me anywhere in the country. I am going straight to the courthouse, find the records from the source and try to contact them as quickly as possible from the moment that they filed these cases.

Dan: You talked about how quickly as possible and you also mentioned doing this every week. These lists are sometimes available usually on a monthly pool. How important is it to do it every week? Is that because there are other people doing the same thing and you have got to kind of get there first? Is that why this is part of the crown jewel of wisdom for you?

Brandon: A hundred percent. I think you get the first mover advantage if you cut the curve and go weekly because every week in a major county, you can get 30 actual leads. In [inaudible] major counties, there are probably about 50 records filed a week and 30 of them, home real estate. There are so many list providers and vendors that only allow these lists, make these lists available to their clients monthly, go weekly, beat them to the punch and be the first person to reach out. That little extra with the probate process, if you can go under contract with the homeowner and right in the agreement, this transaction will close after the probate process is complete.

Brandon: There is going to be people that say, "Oh, I cannot sell it to you right now." We can still go under contract so that as soon as they get their letters of testamentary, you could be closing literally the next day. Then the one little gem I will add in there is if I needed to find my buyers, I would go out and put bandit signs around the area, the major intersections around where the property I have under contract is located, desperate, three beds two baths, cash investors only and my phone number. [inaudible] and close the deal.

Dan: Do you still do the bandit signs today?

Brandon: I do not. I did it the year 2016, 2017. That is really how I built up a lot of my best buyers from that original way of getting buyers. Then I really grew my list by swapping with other investors in the city, 101 swap of our list.

Dan: Nice.

Brandon: I got enough to like 15, 16 thousand and then deleted out all the people that were not opening the emails. It is all about eight, nine thousand strong buyers on my email list.

Dan: Nice. Love it. All right, cool. Hey, I appreciate you coming on the show here. What should listeners do if they want to get more Brandon Barnes?

Brandon: Yeah, for sure. Head over to sendmoreoffers.com. All my links to my social are there. Anywhere that I am putting content out, you can follow me. If you are interested in learning more about how we send our offers and want to talk about your goals, see if you are a good fit for the program and want some additional resources, book a call with me. You can do that right on the website, www.sendmoreoffers.com. Thanks, Dan.

Dan: Yeah. One tip too is put in the www. I am not sure if it is just my browser or not, but the first time I tried to punch it in without the ww, it gave me like some kind of Google error. Once I put the www in there, it actually went straight to the site.

Brandon: Yeah, that is why I say like that. I do not know why. I have got to get that fixed, but [inaudible] put that in and I look forward to hearing from you guys.

Dan: Yeah, for sure. Hey, thanks again, Brandon. Really appreciate you being on the show, and we will catch up soon.

Brandon: Thanks, Dan.

Dan: Are you interested in doing deals with no money down, you know, creative financing? Sounds like a good idea, right? Then you might consider diving deeper into the mortgage note business. The mortgage note business is the creative financing strategy in real estate. First, negotiate, no money down deals with sellers then find a buyer willing and able to put some money down and continue making payments until the deal is paid off with the profit for you in between.

Dan: One of the things with creative financing is that you can sell properties from much higher prices using creative financing. Here is an example. I bought a package deal a few years ago. As part of the package, I think there were five houses that I really wanted because they were in the right area and there was a sixth house for \$20,000 not in the right area. That house that I had to buy for \$20,000 as part of the package, it was worth about \$20,000 and I tried selling the house on the market for \$20,000, you know, plus or minus leaving the room for the commission but to no avail.

Dan: The house did not sell, so I removed the listing and I wrote a Craigslist ad offering that same house for \$45,000. This time, I added creative financing, so the deal sold for a price of \$45,000 with \$8,500 down and \$443 per month for 10 years. The deal was off my plate, collecting payments. Now, if the deal runs all the way through the ten years, I will end up with a

total of \$61,660 on a deal I could not sell that I had to buy for \$20,000 which amounts to a profit of \$41,660. Not a bad deal on a deal that I could not even sell to break even, right?

Dan: What is the best way to learn about creative financing, no money down deals and the mortgage dope business? Well, you are in luck. My friend, Brian Lochner is hosting a full day virtual workshop in a few weeks on exactly that topic. Normally, this cost \$97 to attend, but as an REI Diamonds Show listener, you can attend free when you register at reinoteschool.com. This class is a full day of content, tons of examples of real deals. Of course, many of these deals are the crowd favorites, no money down and extracting a nice chunk of cash up front followed by years of additional payments. Go check the schedule and sign up at reinoteschool.com.

Dan: Thanks again for tuning in. Remember to review and subscribe on your podcasting app. Just search REI Diamonds and click subscribe. To receive the episode highlights via email, sign up at reidiamonds.com. At that site, you can also access the full episode archive of wealth building real estate investment jewels of wisdom. Again, that is reidiamonds.com.

Dan: My main business, Diamond Equity Investments, is that of buying, renovating and selling houses, 283 in 2020 and 30 bought and sold so far in 2021. We currently have another 114 houses in our inventory, either under construction, for sale or awaiting closing. Here is how we can do business. Number one, are you interested in having access to the best real estate deals in your market, in other words, access to deals you can buy at low enough prices to actually profit after renovating and reselling? If so, go now to accessrealestatedeals.com.

Dan: Number two, are you an accredited investor who enjoys double digit returns? If you would like to potentially invest passively in my real estate deals, go to fundrehabdeals.com and sign up to receive my private mortgage investment opportunity emails. Number three, finally, I am always buying houses that I can flip and I buy occupied apartment buildings with below market rents. If you have a deal that fits that description in either Atlanta, Chicago or the Philadelphia region, please send me an email with the details.

Dan: We are at the conclusion, my friend. Next up, we have Avery Carl joining us to discuss a few of the hottest vacation rental real estate markets in the southeastern US and exactly how you can get your piece. Catch you next time.

Voice Prompt: Thank you for listening to this episode of the REI Diamonds Show with Dan Breslin. To receive email notifications of new weekly episodes, sign up at www.reidiamonds.com.

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