

Man 1: 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'm your host, Dan Breslin. This is episode 202 on probate leads, probate data, and real estate deals with Bill Gross. If you're 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. Invite them on 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.

Today's guest, Bill Gross, is a real estate agent investor and probate expert. Currently working in the California real estate market. Most real estate attorneys, agents, and investors have no idea how to properly probate an estate quickly. Probate deals often linger on for months and sometimes years before finally receiving a clear to close and getting us all paid. Bill's focus is exactly those types of deals. He finds the most challenging probate cases, and quickly clears the issues, and gets to closing quickly where everyone gets paid.

Bill and I go deep on probate and share quite a few resources including where to get probate data. How to work probate leads? The number 1 nationwide resource for handling probate cases. Hint, this is not your local attorney. Please enjoy this conversation with Bill Gross.

Dan: Bill Gross, welcome to the REI Diamonds Show. How are you doing today?

Bill Gross: I'm doing great. How are you?

Dan: I'm doing good. So I like to location and market stamp my episodes lately. Whereabouts in the US are you recording from and doing business?

Bill: Well, I'm in Los Angeles, California, where I live. I have lived here for 25 years. I'm a native Southern Californian. I do business throughout California. In probate real estate has wide geography. So I currently have sold or currently listed property in 8 Counties in California. I stayed in California overall.

Dan: Nice. Alright, cool. So let's take it back to the beginning, the origination story. How did you, Bill, get into real estate in the first place?

Bill: Well, I was born in real estate.

Dan: Okay. Yes, as we all were, right?

Bill: Well, I think, when you're brand-new, how do you say that? I'd say tell people you've been in real estate your whole life because you've been real estate your whole life. You started in a hospital and you went home from there. I had a career in Computers and Electronics. Then, in 1986, I was out looking to raise money for my own business. Went to lunch with my brother who is in the mortgage business. After lunch, he said, "Hey stop by with me. Pretend you're my partner". We went into this office, and he was a mortgage broker at the time. It just seemed

interesting. He was talking to people. They treat him with respect. I came from more of a corporate environment. Everything was about electronics, computers, and satellite systems. It seems so real, the real estate.

So I was raising money. About a week later, we went to lunch again. He and I were pretty close. Again, he said, "Just became my partner this time. Tell me you're going to do this." I did that. Afterward, he said, "You know, you're good at this. Let's work together". So I started as a mortgage lender for a savings and loan. One that said we'll always be there. It's no longer there in 1986.

So, I've been in real estate ever since. I've been in mortgages and real estate. I've been in sales management and ownership. Then I got into coaching and management recruiting. About three and a half years ago, the second company in a row I had worked for started having problems. They couldn't grow anymore whether it be capital or some ownership problems. I realize that I wanted to have more control over my own destiny. So three years ago, I went back into sales full-time. I kind of designed a plan based on probate real estate. Served in that plus three years and built a pretty successful business focusing on probate real estate sales.

Dan: So we're going to get into the probate here and depth. Before we do that, we'll take a couple of little detours here to help paint the picture. First of all, how's your brother doing? Is he still in the business? Is he an agent? Is he a broker? Where did he land?

Bill: He retired. He had some health issues. Fortunately, he had accumulated some more property where he was able to retire on the income primarily from his real estate. Then some other investments as well. So, he's done well.

Dan: Sweet. Sorry to hear about the health issues. He's all set with the investments. Right?

Bill: I think that real estate can come across as you have to work 24/7. He had that personality. I think he burned out on that. Over time, he realized he wanted to do more. Frankly, he ended up moving into retirement, remarried, has a child. He's just done great. It's really worked out. And real estate allowed him to do that. To have the choice to retire and focus on his family. I think he's doing really well.

Dan: Nice. Do you buy and hold any rental property at all yourself, Bill?

Bill: I don't. He was a buy-and-hold investor. He loved when tenants called him and plugged up. Plumbing and he'd gone over there on a Saturday night and he's pulling his tools. He enjoyed that, I can't stand it. Look behind me those boards I have, I call my son a lot to hang them. I can't do anything. I just do what I call lipstick flips. In the course of my business, if I find a property that I can clean out, fix up, shoot pictures, and remarket it. I do that. Flip it and then I put my money elsewhere.

I work a lot of hours in real estate. I'm a full-time broker. I have my mind in another year or two of sales. Then I'll start doing some buy-and-hold investment, that type. For now, I just don't have the time to deal with it.

Dan: Yes, fair enough. What are the numbers looking like for the last 12 months? How many houses did you end up doing as an investment versus how many as a broker in a conventional sales method?

Bill: Last 12 months, I closed about 30 transactions as a broker. I think 31 or 32. I did two investments I flipped. They're what I called lipstick flips. I made really good money on both of them. Again, because I'm busy and I make good money in sales. It has to be profitable. It has to be fast. So, these were two properties that I came across. I can just see, "Wow." All I got to do is check it out, then clean it up, shoot photos, and market it properly. We sell it and I made over 50 thousand on both of them.

Dan: Nice. What were the price points on the flips?

Bill: I think both went in their neighborhood to 400 thousand. I got in for four-hundred twenty on one. One is at three-hundred eighty on the other. Then both of them, we sold. I had a partner on both of them. It just worked better for me. I have a friend who's a contractor on one and another guy who's like kind of a construction guy, and the other. So they went and saw the property physically and figured out what we had to worry about. In both cases, we just said, "Hey, let's just clean this out and sell it." We made money on them.

Dan: Nice. I imagine you've done that a few times before in your career.

Bill: One or two a year. I mean, I'd like to do more. In part, there's just distraction of other successful business, and life, and everything else. My wife and I had our first grandchild this year.

Dan: Congratulations.

Bill: Thank you. It's another distraction. But maybe a reason to work on it more. So yeah, definitely. That's no excuse for it. I teach all the time. I really wanted to build this real estate business. It was a fairly weighed chase. I think being in coaching and management, you teach other people how to do it. I always knew I could do it well. Frankly, I surpassed my goals here in the last two years. It's been great.

Dan: Nice. Congratulations. Yeah. I mean, we take 34 transactions that you talked about. Thirty-two sides in the brokerage and two flips. We do the math, fifty. Maybe you paid the partner out. I mean, the 30 with zero risk in the brokerage side of the business, it's probably about the balance. Right? It's the number of deals that come across your plate and that's it. There are probably only two flips out of the 34 deals that you have.

I think a lot of investors out here myself included, I've ignored the 30 for a long time. We didn't do anything with them. We tried to reform the agents. We just couldn't get it going. I'm sure there's a lot of fix and flip investors who are listening as well. Who, it's like, we're dead focused, laser-focused on the fix and flip only to the exclusion. Leaving on the table the 30 unsatisfied clients who may be attempted to come to me or to whoever's listening to sell the house. We were

unable to fulfill that need, that niche for the sales piece.

So, I don't know that doing more flips is the great answer in the pedestal to go after. If we're talking 400k, give or take houses on 30 sides. The money in the end is not that bad. Especially for not having to take any risk whatsoever. I'm curious. So you were doing probate leads. You have a nice niche carved out. I mentioned you're doing some advertising for them. Are they expecting you to come out and make an offer on this property in an investor sense typically? Are these people that picked the phone up and said, "Bill, I want you to lease my property as an agent?"

Bill: I don't have the have exact numbers as of now. Of the 32, probably 22 listings sold. Usually, I'm working with a seller or an estate, or an attorney. They're not expecting an offer. They want me to represent the property and sell it to get the highest and best value for the most part.

On the buyer's side are properties I found in my marketing that you didn't list with me. List with somebody else wasn't listed that I found. Brought a buyer in on and said, "Hey, this is a deal I think you can make some money on." I call that paid lead generation because of the 10 buyer sides I have, I think probably 6 or 8 of them would be in listings next year as those investors fix the property up and flip it and bring it back to the market.

I do both sides of that. I don't often get a seller and then offer them the opportunity both for cash or listing. I do that occasionally, but I think that they're calling me an agent so that's normally how that conversation goes once I talk to the seller.

Dan: Got you. That makes sense, yeah. I want to circle back. You mentioned that you did the faux partner showing up with your brother early on in the business. I remember my own first 6, 8 deals, something like that. In my mind, I didn't have money lined up. I didn't have money myself. In my mind, I convinced myself that I had a partner who is willing to come in on the deals. And then on faith, I went out and negotiate the deals. Then, ultimately, did find some partners to come in on certain deals. Ultimately found private money. Ultimately, my partner was somebody that I wholesaled the deal.

For me, coming from a place of like, zero money, zero contacts, not a lot of resources. I had to set the partnership mindset in my head and sort of fake it till you make it. In a sense to go out there and then negotiate in confidence in the faith that I'd be able to go find those partners on the end. So great strategy for me. Doing the fake partner kind of a thing as a mindset early on and just going out there to be the source of the deals.

I want to touch on briefly here. Your brother probably bought properties in a time where the values were cheaper. Not that you could run out and buy \$450,000 houses and rent them out in cash flow today in these markets. But one thing in my own personal rentals and I've only owned rentals for 6 years, let's say. I think I've been in the business for about 15 years, flipped a lot of houses during that time. I feel like when I was buying every one of those houses that I was like paying too much for the houses.

Keep in mind, my frame of reference is buying at a price so that I can fix it up. Then sell it for a profit, recoup all the construction costs. So, I kind of have a discounted mindset typically going in. Every property that I bought felt like I was paying almost a premium. I don't want people listening to think you run out and buy any piece of property. Then eventually it depreciates and you're okay. I think what I'm getting at is there's a certain level of patience for me, where the rental started to make more sense as the rents inched up. Suddenly, the neighborhoods continue to mature. I select properties in neighborhoods that I think are going to mature price-wise. So again, I'm stressing that I'm not overpaying for these. But as the time marches on, I'm amazed at how important the patience and the time marching on part of the buy-and-hold strategy is for it to become exciting.

So in the first 3 years, Bill, I'm looking at these properties thinking I got to get these tenants out of here. Sell it, break-even, get the hell out of these things. These are bad deals. I can't believe I bought them. Then, another year or two years goes by and suddenly they've gone up in value 20%, 30%, 40%. They aren't all going to go out that fast but the rents inched up, too. So suddenly, it went from, you know, \$150, \$200 a month to three or \$400 a month over that same 5-year period.

I just underlined the amount of patience that's needed for that buy-and-hold strategy. Yes, you have to buy right. Yes, you have to manage right. But man, the time has to come in before we get to a point like your brother where it starts to make sense. Right?

Bill: Yeah. I think it's all business. I think the long tail if you can play for long tail, you could come out ahead. We also have to pay the bills in the short run. You have to figure out how do you balance that, or how do you manage that process. For me, I mean, I'd love to do more flips. I'm very concerned about Los Angeles as the market where I live. Every day gets worse. Every single day. Just the depths of the problems of owning a property with tenants scare me more and more. With a lipstick flip, I don't care. As a broker, I don't care. They have to sell at some point. So I'll help them do that. I think that's part of why I haven't done more.

I would say that I look at deals all the time with the idea of trying to find something that's worth investing in but I don't believe I would do. How is there any property you buy today that would run out? I just don't think I would do it today in Los Angeles County. Other states, yes. Maybe other counties, yes. There's nothing here because it is the long-term game. You have to feel good about where you are long run. My brother did well because he picked an up-and-coming area. He was doing financing a lot for builders in new neighborhoods where he could see the good ones and who was buying properties and things like that. I think you're right that you have to pick an area that's rising or growing in the long run in order to survive that long tail. Then, in the short run, you know, quick flips are a way to make some money and income in the short time, but they're not a long-term hold.

Dan: How else does a long tail mindset or philosophy play into your business, Bill?

Bill: I think every investor who I've seen is successful over time. Now, everybody is a genius this past year. Right? Every idiot who borrowed money overpaid, over-improved, and resold a property in a decent market made money this year. They're all geniuses writing books. Incident

coaching companies, teaching you how to do what they did. I've been around long enough to see those people come and go over time. The ones who stay, the thing I noticed consistently, is they're playing a longer-term game. As an investor, what that means is when you go meet a seller today, who might be distressed but doesn't choose to sell today, he might not sell for two years. The average lead is about two years.

Investors that I know, find some way to stay engaged with that person over a longer period of time. Will tell me that they get deals will come back to me a year or 2-years later, 3-years later, 5-years later. That's the real profit. It's that person who knows you, likes you, and trusts you, and comes back to you later, rather than under the competitive environment of marketing. There's nothing wrong with marketing. I do it all the time. But when you're generating leads off of strangers, by definition it's more competitive. They want to compare you to everybody else, who's going to promise me more. Well, this guy says he'll give me an extra \$20,000. I always tell them, "Well, if you call long enough, someone will offer you more than that guy will, too."

So the answer is I feel that with you, it's a relationship business. If you play with a long term, then you also get that business and that's the more profitable business.

Dan: Yeah. I mean, I love direct mail for marketing over digital sources. They all produce leads and we do all of that, right. But the direct mail in my mind is always been this as a savings account in the marketplace. What I mean is like every letter that I deposit is a potential seed that sprouts in the future. There are people who probably got letters for years on end, who finally picked the phone up because they're not ready to sell on day one. When I just happen to think it was the right time to send a letter.

Over time, that momentum builds in a marketplace. I think a lot of new investors might try some marketing. You spend \$10, \$20, \$30,000 and ladders. Maybe not get much, right. That kind of an investment over the course of a 2-year, 3-year, 5-year period. You're going to reactivate people and they're going to get to know your name over time. So it's why I always was a fan of that physical piece of mail. I mean, that can get tucked in with mortgage documents with the estate plan. That letter is written correctly. I mean this has the potential to like you said, kind of have the long tails as far as marketing goes. The newspaper? Trash. A TV ad? It's gone in an instant. A Facebook ad? Scrolled past. Man, you get that direct mail placed in the hands of a seller, it has that potential to hang around for forever.

Bill: Especially if it's funny. I can be involved with different organizations that sell coaching and data. In every single week, I get, "Why aren't you people say?" They're like, "Well, you know, I mailed out. It didn't work." "What did you do?" "Well, I got the list. I mailed it out. I pissed everybody." Yeah, that doesn't work. I tell people you have to have a plan to address that lead for 2-years minimum.

Your return investment can be 200% over 2 years. It might break even in year one. Then all of a sudden you get 1 or 2 or 3 more deals that make the whole thing profitable. You definitely have to have some way of staying in touch with people. Maybe it's just repetitive postcards or various postcards over time. But you can't just mail them once and expect a return. This could build a business over time. It just doesn't work that way.

Dan: Yeah, 100%. So we touched on the LA Market, the California Market. Everyone, in the country, knows it's hot. Can you describe the conditions of that target market that you work in those 6, 7, or 8 counties, where you've done business in Southern California? Average price, average days on market. Maybe who are the buyers on? Let's say the 30 transactions are so that you were involved in

Bill: Well, there are two things. My business tends to skew to fix and flip properties, investors, and lower to middle-lower income. Just the nature of probate, skewers, lower income, lower price points. So my average transaction is about \$500,000. It's a fix and flips buying it. He's going to fix it up and bring it to market for 650 or something. LA, overall, I'd say a cynical point is a strong market. Not as strong as some other ones but stronger than average. It questions the States [?]. This is surprising because our economy is doing poorly. But people love to live here because the weather's good. I think people believe in the long run the that's going to be important. What else?

Dan: Faison Market. How quickly are they going?

Bill: Can I just share my personal philosophy on this? I think this is one of the big lies of our industry. So I started the business and you'll hear people say all the time that anything below three months is a seller's market. Right? That was true in 1986 1990. So the knowledge I like to use is our local Ralph's. Our local grocery market. When we moved here, 20 years ago. Half the market was customer-facing and half the market was back room. Storage, supplies, boxes of stuff haven't been unboxed yet. Every day they add stuff to the front of the office. Once a week, they get deliveries in the back.

Nowadays at Ralph's, 90% consumer-facing. They get deliveries all day long every single day. They turn over the inventory, every 24 hours. I remembered I was in business school. We used to talk about turning over retail clothing in months. My daughter works for Ross' department stores, where they measure in terms of days or weeks. The internet's allowed companies to watch the inventory more carefully, turn things over. The same is true in real estate. It used to be you had an MLS book once a month. Every other week. Then every other week, you got the updated book.

As a realtor, you got the full book every other week and you have updated the book once a week. Then you go through it. Read it and call your customers and show them properties. Well, nowadays customers get pin-down properties before I did. So any house that's on the market for more than 2 weeks, 3 weeks by definition is overpriced, right? So when people talk about days on market, I don't think that just talks about how many people are willing to sell their house don't realize the market shifted maybe. How many are encouraged to come in and overprice their house hoping to get more than it's worth? It doesn't mean the markets. I don't think forty-eight days is different than seventeen days in terms of the market. It has more to do, I think with the realtors.

There were too many realtors per house. Realtors are willing to list anything to generate business. So, to answer your question, I would say days on market or under 30, by about 25 days.

At some price points, it's higher because there are more realtors. They're desperate for listing. So they'll put on the market. You have sellers there that say, "Yeah, sure. My house is worth a million. If you will list it for 1.2. Yeah. What the heck?" How could it hurt to list the property? Just don't put sign up. I'm not going to an open house that kind of thing. I think that's just more about the marketing than the actual market. Overall, I would say that homes are selling pretty quickly. I look at the statistics. It says that the average offer per house is about two. Right now which is historically high.

Still, there are stories of people who will get 20, 30, or 40 offers or more when listing. That's just the listing agent who is able to create an auction environment by listing the price low. I've done that. If you know you have, let's say a property's worth \$500. I have an investor who pays for \$504. I might go to sell and say well this is listed for \$300. My guy offers you \$500. Everybody will see the house and offer on it and we'll get fifty offers. You have buyers who will call and cry, "What was all that about? I offered for \$350, it's over list price." You know that property is an auction. It's not really a listing.

So again, you need to look at your terms and your data. To answer your question in the general market, homes are selling within 2-3 weeks the price is right. If they're not and the prices are still going up. Just more slowly than we're a few months ago.

Dan: Yeah, it's interesting to hear the price point and behaviors that you described in the California market. So we're talking for four, five hundred thousand. These are like, this happens. What you just said. You have 300k listings and people are crying. That happens on your market. That's like a strategy I guess for some agents, right?

Bill: Yeah. Yeah. Yeah. The buyer's agents don't properly explain to the buyer. Look, this house is much lower than everything else for a reason. They're going to auction off and they're looking for 50 offers. So you're just offering the list. Price isn't enough. Just wanting it isn't enough. It's a competitive environment that you have to compete in.

Dan: Yeah. It's interesting because with a 500K, almost the median price point that you described. A 300K listing is like a very magnetic anomaly. If I think I'm in Chicago, I'm in Atlanta, I'm in Philly. So I look at comps and we do a ton of business and all three of those markets. We're also with a foot and Phoenix, not doing very well. Phoenix is behaving more like you're describing and we haven't gotten our legs there because the models are just different.

So, for example, we're probably median home prices if I had to guess around \$250,000 in the Atlanta market. We're probably closer to \$300,000 in Chicago and in Philadelphia across the board. So it's significantly lower. If we were to do this price-it low strategy, the low pricing is not going to be 60% of what the markets going to be. We're going to come in. I don't know 10%, 20% under the cash. So like if everything is selling for cash for \$90 or \$100. It's going to need a 100K rehab. We probably could list that at like seventy. We're going to have that kind of auction environment, but like throwing it any lower than that it's going to be almost, there's no need. You're still going to get \$10, \$20, \$30 offers even if your prices at low.

So it's interesting to hear that strategy. Have such larger numbers. We have days on market in

Atlanta. We'll say like a renovated property, right? So it's Apples to Apples to Apples in Chicago, Atlanta, and Philadelphia. A renovated property in Atlanta is probably sold within 4 or 5 days. It's kind of odd if it's on longer than 5 days. A lot of them are sold in 1 or 2 days. To me, it's an agent who didn't do their work right. They are probably to pocket buyers. They didn't really let it run to the market as they should have and handled their sale correctly if it was sold in a day or 2 or 5 days, the agents know what they're doing in Atlanta. They got I would consider being a market price in real-time.

Now that market still is flying up. I don't know about it as we speak. But certainly, over the last 6 months and a year and a half, it's definitely flown up. Even the last 3 or 4 years Atlanta. If we take Chicago and Philadelphia, these are much more constrained marketplaces. The fluctuation, inventory, and migration patterns are not going to increase the values dramatically. We still saw a run-up in pricing. A renovated house outside of the City of Philadelphia is probably about the 10-day market cycle. Maybe a little less, maybe 14 days. If we're in the city, there's so much renovated product that comes on that. We're probably 14-30 days on market in the city.

Then when you get to Chicago, it's kind of the same thing. Suburbs are going to be 2 weeks or less on a renovated property. Then in the actual City of Chicago, we're going to be thirty days give or take. It's funny to see this. Maybe, FHA, driven City buyer has a lot more options. There are so many more houses to choose from in the inner city. It's interesting just to kind of hear the snapshots of California, and then put it into the context that I'm so used to here now. Phoenix has been exactly what you're talking about in California. That's going to be the putting in 650K price on the listing that probably should have been offered at 450. That seems to be. It doesn't make any sense to me at all, Bill.

One of the things that seem to have happened has COVID sped up the migration rates. What I mean by that is you have people in California who probably have high incomes who are now able to work remotely. They're like, "You know what? I'm done with the taxes. I'm going to Phoenix. I'm going to Austin. I'm going to Atlanta." It's the same thing with people from New York City, from Philadelphia. I had half a dozen friends move in the last 18 months from Philadelphia down to Florida. I could probably pick the same half-dozen from Chicago, to Florida. Probably tax reasons.

When you look at that redistribution of let's say, probably higher incomes that occurred. Maybe it justifies the quick jump in prices as higher incomes migrated into these areas right to sustain a lot of these secondary slightly lower price markets. Let's say, New York City or Los Angeles, right?

Bill: Well, when I move from LA and saw a house for a million eight. By similar-sized newer nicer house in Boca Raton, Florida for five hundred thousand. So if I pay five-hundred twenty-five and I get it, what do I care? It's a different business. It's a different life. I think that's part of it is the numbers that change these things. The local agents can get frustrated with their local homeowners. As part of the difference.

I also think, with spaces that, when it's sold in 3 days or 5 days, you have to compare apples to apples and how business is done. I could take a listing. A lot of the agents will take a listing and

then not market it for 10 days. They'll do their photos. Look at the marketing stuff, all ready to go. They'll pre-announce to their database they're going to have an open house. They have a pre-open house for their friends and family, and whatever. The market day one. That's I think more serving the agent than the customer. I was taught people, once you decide to sell your house. The more people know about it, the higher price you're going to get, period.

All this off-market preparation stuff. Again, it helps the agent, I get that. It doesn't help the customer for a dollar for where I see it. So, usually the shortest I can see a house selling. I was taking a listing. I list your house today. I can shoot photos of my iPhone. I have iPhone 13. Great camera. But you know if I'm going to mark it a retail house and what top dollar, I'll send a photographer in and set up a video thing in a 360 and all that. That cost about 300 bucks. So you'll need me to schedule that a day or two out. I'll get him back a day or two later. Then, we'll schedule you might say, "Well, we're not really to show it yet. We would tighten everything up. Give us till the weekend or the next weekend before you went away start showing." So there are about seven days to 10-day periods before the showing. That normally a customer wants you to wait for the day to sign the contract. They choose me. We agree on a price, we grew in the strategy. There are about seventeen days for the customer kind of get ready and for me to get the stuff ready.

If I do that off-market, it makes my stats look better. My day on market is shorter. It doesn't help the customer. So I've had numerous listings where I listed it on day one. We said no showings until a certain date. We had like the highly motivated buyer, highly qualified, all-cash comes in and says, "Look, you list this as seven-hundred. Here's an offer a seven-hundred forty. I'll cash. All we need to do is walk through the property with all contingencies." I call my client. He's like, "Sure let him do it." Little, we have the offer in our hands before we even have it available to the public scheduled.

So, I think that sometimes there are numbers that can be a little misleading. Each market has a way of doing business. But I think like a buyer of property individual, you look at a property. When you see it on the market for one day, you know they had that buyer lined up ahead of time. That's just all that means. You have to have a strategy to be that person if that's the property looking to buy.

Dan: Yeah. Fair enough. You really had a focus on probate. Can you describe the evolution of your business toward that end?

Bill: I left management three years ago. I had to go back to production. I sat down with a great coach, Don Hobbs, who's my sponsored eXp as well as a president of Success Magazine. He has a great video on YouTube on the Brand Is You, for real estate brokers and agents. And the importance of a niche and a brand. I said, "Well, I have an idea that I went to probate. I knew the business, I'd done some. I wasn't an expert by any means." We sat down and implemented kind of it. He has a vision of that.

So all my lead generation of probate, all my marketing, and probate. I think sometimes agents and investors fear that if they brand themselves as one thing they miss out on the rest. You hear Ross didn't even say why to specialize in first-time homebuyers investors, senior housing, REO,

shorts. I specialize in everything. Well, you can't. It's interesting that because I specialize in probate, consumers assume I can sell their house because of its kind of being a brain surgeon. They assume I can handle the common cold because of a brain surgeon. As a realtor, they assume I can sell their house because I'm a probate expert. I do the volume of business that I do.

So it's been great for me. I started to lead generation in probate by going to court every day in LA county. I met wholesalers, investors, homeowners, attorneys. I marketed with them. At COVID a year ago, March 2020 that stopped. No. Yeah, they closed the court. I had to move online. So I do online. I do two video calls a week. I do want real estate investing for whole sellers investors called RealEstateInvestingZoom.com. It's Tuesday's 3 PM. Pacific Time 6 PM Eastern. I do probate weekly, Thursdays, 4 PM. Pacific, 7 PM. Eastern. Those are my primary ways to meet people. All those two Zoom calls where I meet people. We talk about real estate investing or probate real estate. So that's been my focus on my marketing. Mostly businesses probate, but I get attorneys to refer my business. I get states that don't probate as well as a result of all that.

Dan: So what is probate? Why are probate leads so promising for both real estate agents and investors, Bill?

Bill: So my good friend, Tanya English, taught me that probate is when you die, you suing yourself. Then whatever crumbs are left over to go to your heirs at the end. You would avoid that. So, in most states, I'm in California the most litigants state. The most detailed probate laws, but they're also cumbersome in most States. I've done this in New York, Florida, Illinois, Michigan. I haven't done as much in Pennsylvania.

What happens is when somebody passes and there's nobody else on the deed. How is a property go to its heirs? If Mom and Dad both passed, how does the proper get passed down to the son or daughter? Generally speaking, you have to even have a will. That's the big miss no more. In most states, a will won't transfer the title. The will has to be probated or executed in court in order to be effective. So you want to avoid that. If you own property, you want to sell it, you won't have to go to court to get that approval. Then if there are multiple heirs, multiple siblings. Maybe dysfunctional, family. They're fighting, then they had to hire attorneys. It gets litigated and gets expensive.

In California, to probate a million-dollar house, you can have \$7,000 of a mortgage against it. The fees will cost you ten-twenty thousand dollars or more. Just to go through the process. Whereas if you had a living trust, you avoid probate in most cases. The living trust is like a neutral entity. You put your title in there. It has instructions on when to pass, give the property to so and so. That gets handled outside of the quarter ounce of the probate business. So that's kind of an overview of the process. It is complicated. So it's hard to do in realtors is almost by definition. Most of the time, the property is sold.

Now, sometimes heirs get property and they grew up there. They want to keep it as a rental. Sometimes there's a tenant in there. They want to keep them or a family member they want to keep it. The vast majority, somebody was living it and died. It's not suitable to keep oftentimes the condition of the property. Older people tend not to take as good care of it. It's worn over in

the down and needs to be rehabbed. That's why flippers get involved. Just in general, they want to sell the properties because they don't have a use for them.

Dan: Yeah. We don't, I mean, I guess we do, actually do probate marketing. But it doesn't seem like many deals come from there. As much as they probably did 5 or 8 years ago when we first started. Probably an indication of the competition. People know about probate deals and the kind of their go-to fit was Real Estate Investors. A lot of times, Bill, what we find is we didn't like do probate marketing. People approach us and they've inherited the house. Someone passed away and it's like this tangle of issues to get the probate done.

So we end up actually doing probate on these deals that came from some other variety of channels, right? Probate deals in general, right? The same way you say it, like the estate house. We really love being part of taking that house to the next chapter. I think I know when I got in probate, it's like, "Oh my gosh, this person just lost their mom. They lost their dad. I'm just a 26-year-old kid. Both of my parents are alive." It was like a heavy emotional business. I mean you have a lifetime of memories that took place in this house. Now, you the investor, you the real estate agent you have the nerve to now send me a letter. There can be some like, I don't know.

There was trepidation for me. Even ones like deal with that. We recognize the emotional gravity now of helping to close the chapter for the family. Then not only that, there's a new chapter for that house. I want people when they sell the property through our company, Diamond Equity Investments. I wanted to feel good about it. We like to email out photos of the property after the renovation. They kind of get to see the transformation. It's bittersweet for our sellers to see that. It's like almost for me, my childhood home was renovated when it was sold and renovated. It went through foreclosure to the guy that we sold it to. He passed away. Went through probate. Then it was bought. I guess it didn't go through probate. The bank took it back. Someone bought it, they renovated it. The house looks nice, but it's not the house that I grew up in. So there's this bittersweet feeling of the house full of memory that's then renovated.

But I think overall, most people realize that we're not going to hang on to this house. We're not going to renovate it and move back into the house as the heirs a lot of times. We know it's going to have to go on to the next portion of its journey through time. For us, it's been very rewarding to be a part of that process. Now, a lot of these processes and probate the deals end up dying. The litigation can never get through. It's stuck in litigation. And the heirs can't get on the same page.

Basically, the problem I'm going at, Bill, is probate deals take forever. Have you found any other tricks besides the living trust to avoid probate? Are there any other tricks that speed up the probate process that you've discovered in your focus and career?

Bill: Yeah. I mean, I think I would say that's number one. I promote that to my clients, other agents, and investors to promote to themselves and their loved ones and clients. The second I would say is that it might be stuck. I can't speak in Pennsylvania. In California, in LA county specifically, it might be stuck for you but I know how to unstuck it. I think that's the difference between professional and some new comes across once while. I don't mean to be disrespectful. I'll give you statistics. When I pull the data, we had the filings of probate cases in Los Angeles County. There's about eight hundred a month. When I sort them by an attorney, 95% of cases are

done by attorneys who've done one probate or less in the last 12 months.

So my way of looking at it, 95% of probate cases are handled by attorneys who know less than probate than I do about probate for sure. I noticed this because I would go into court. I would see what looks like a smart guy. He probably is smart. He went to a good law school. He went to law school. He got his law degree. He's a smart guy. He passed the bar. That there's a big world of law. It's kind of like, in Real Estate legally, I have a license so I can sell houses, retail buildings, and the Golden Gate Bridge. How do I deal with that Golden Gate Bridge? I would never sell it. I would bring it a partner and refer it or something.

Attorneys will take that case because it sounds like it's easy. How hard can probate be? I learned that law school. The answer is very technical. It's not hard. There's a lot of little details. It's kind of like in the mortgage industry, VA loans. It's not the VA loans are all that hard. They just have their own little detailed pieces of paper. If your processor is not a VA loan processor, and that's all she or he does, you're screwed big-time in most companies.

So as I was saying, probate, the key is to find an expert who knows that county's procedures and knows that States laws. Then make sure it's not that is to see if it's stuck or not. Because I just see all the time if that's why to specialize in. This case has been in court for 2 years and then so really hates the attorney now. The heirs are all fighting. They're fighting because they thought the house think it's sold and they will split up. Pretty thing the fundamental mistake two years ago and it just goes on and on and on and on.

I find in fortunately trains are very smart people but very poor at taking advice from anybody else. As a general rule. I think attorneys as a general rule sound great when they know nothing. Think of politicians, they're all attorneys. So all politicians sound like they know everything when they know nothing. That's the key about probate is I'm saying to you. You make sure it is stuck. It might not be. Find someone who's an expert in that county. That's in that probate space. Just make sure it sucks because I've come across playing deals, where I would say, "Maybe just step aside. I can solve this problem for you."

Dan: Absolutely. So is that an opportunity for you? You're almost on the hunt for probate that was what filed and is still open and active in the courthouse for a long period of time? This seems fine?

Bill: Love it.

Dan: Okay.

Bill: Also, when you everything else in real estate. When it's brand-new, they feel like it's a beauty pageant. They're going to interview 20 realtors and pick the one that makes them feel the proudest to have their listing. After a year and a half of struggling and watching the attorney and the agent not perform properly. I walk and say, "Well, here's the mistake he made. Here is the mistake he made. Here's a mistake he made. Here's the mistake on the market. Here's the mistake on the documents on the probate side." They're like, "Wow, where have you been for a year and a half?" Well, a year and a half ago, you thought all that mattered was the commission. Now you

realize you can't sell the house without me. That's where being an expert I think is the difference.

Dan: So you step in on stuck probate. How fast is it that you resolve? I mean, you mentioned this quick audit of the mistakes. Are you solving the problem in a month? 2 months, 3 months? Could it still end up being another 6 months or 12 months? The problem is that sticky. I mean.

Bill: They're all different. I'm handling cases where I went to court and was continued for 4 or 5 months, through COVID denied at court. I said to him, "Look, I'd like to represent you in getting the commission. But let me tell you what you have to do." He just re-filed the paperwork and sold the property within 2 weeks. Waiting for confirmation. Other ones that take longer because it's now you have hardened feelings of both sides. It's hard to get everybody lined up because that's all I do, it's worth it. Even if it takes 2 years to unwind, there are attorneys that I get to meet. There are other vendors I get to work with.

So for me as a business person, I'm fine if it takes 2 years. It's not about. I don't just get paid on that transaction. I think that's the other thing, I would say. The way my first coach was Zig Ziglar. He said, "You can have anything you want in life if you help enough other people get what they want." So if I help you in this transaction and it does take 2 years, I don't get paid for 2 years or I never get paid. Somehow, I could paint on the next deal. It just works out though. So I hear what you're asking. It's a fair question. I would say to you, "Don't get caught up in how soon I get paid. If I help solve that person's problem, then I'll get paid somewhere down the road."

If it takes them 2 years because if they create such a big mess that takes 2 years to fix. Nothing really should take. There's no reason why anything should take 2 years. Unless the litigants just want to battle it out. Now, the truth is, if litigation could be like a war. People want to go to war for 2 years. There's not much you can do about it. But absent that, usually there's a reason why people don't want to litigate. If you can help solve the problem, then that will. For example, the case where a man dies. Nephew is the administrator, but this woman claims to be his wife. There's no record of any ceremony. No record of any documents not legal, but she wants to litigate. Anybody can sue anybody for anything.

We got them to agree, at least to sell the property and put the money into an account. So they're not accumulating a mortgage and property taxes, and all that. The money scene [?] account waiting for them to settle their litigation. So at least it's that part of the problem.

Dan: Yeah, it's funny. It's eerie to hear you describe the hunt for the problem. Probate properties. So we deal with the same thing. We make a deal. We line up our expert probate attorney, which may or may not be the expert. I'm going to dig into that later here on the heels of our conversation to see how much of an expert they are based on volume in the counties that were doing business. Each county is different, but the dance begins the contract to sign everyone's on the same page. And typically Bill, a lot of these deals end up shaking out like we're fronting the \$458, \$10,000 probate attorney fees upfront to be recouped at settlement. Then no matter what our positioning is on the front end, the value of the service, the loan, diminishes as time goes on.

Now there are more and more aggravated because we haven't been able to perform. In their eyes, we screwed them because it's taken so long. It may only take 3, 4 months, 5 months anyway,

based on the court and as fast as we could possibly get it through. There's always, I mean, I want to say always. There are some sellers who we're doing business with and they stand by their word and they're pleasant to deal with through the entire time. There's a certain percentage of the difficult ones that kind of behave and act as you did. Suddenly things are just evolving and falling apart and everyone's probably over there calling them saying, "You got a solution for me on the other side? Someone in our county that's kind of feeding it in their heir. That's a big problem, how do we handle it?" I don't know.

But I guess that whole setup for me, observing that truth is to ask you this. Is there some way that you're managing expectations on probate that is a 6 or a 9-month kind of a scenario? Like, how are you holding it together if you will during a probate process that you can't get it done in 2 weeks?

Bill: Are you asking if I promised them 2 weeks, how to hold together for 6 months?

Dan: No. You can't get the probate clear in 2 weeks, right? It's going to be a 4 or a 6-month or whatever. So, in months 2 or 3, what are you telling your seller to keep them engaged in the process? How are you managing this relationship over that time?

Bill: I mostly just tell me how busy they are. I smell offers and they can't respond. We can't text back or email back. I laugh because they have a core of the business that I have. I have today 5 pending S-grow. I have 6 listings that are active. I got a new listing contract in and closing tomorrow. Yet I contact every seller every single week and tell them what's going on. Sometimes, just no change. It's a quick phone call and then I'll either text or email them a line of choosing what's going on?

I just managed, that's just a minimum standard is every we come in contact with them to where they go to build on top of it. I won't have to worry about it, number 1. Number 2, generally, it takes longer than it should, because somebody's not doing their job. I'll give you one free tip that will save you. If you spend \$48,000 in legal fees. On standard probate, you can use a service called easy-probate.com. They're kind of like the Legal Zoom but they focus on probate only. For my money, they do probate faster, better, quicker, easier, and cheaper than any attorney I've ever met. They charge 654 for a do-it-yourself package, which some realtors will help the client fill the paperwork. Or 1250 and they called concierge level.

For my money, that 1250 is better than the \$10,000 attorney. Now that doesn't cover filing fees. It doesn't cover the advertising fees of the property. So in LA county, it can cost an extra thousand dollars. Even the filing fee, they can file for the waiver of the fee. If the person is indigent. For my money and they'll take a credit card. So you are only really out one month. In most probate, you'll make some progress pretty quickly in that month or two.

So, for my money, those vendors are a critical piece of the puzzle for me. Now, if attorneys are friendly in business, different story. They are not referring to the business, being able to get that service. They move faster, better, easier, and cheaper than an attorney work and they work in all 50 states and almost every County in America.

Dan: Nice. That's easy-

Bill: probate.com. I actually interviewed the founder on my YouTube channel. My YouTube channel is Bill Gross EXP. Byron Batres is the founder. I interviewed him and he goes to his whole program on my interview. I did with him twice. He's fantastic.

Dan: Nice good stuff. While we're on the topic of probate leads and probate data. What are the best sources of those, Bill?

Bill: It really varies by County. I'm in LA, which is the most competitive most data source. So I would say, check very sources on my website, TheLAProbateExpert.com. I have a link to data resources. I have about 12 vendors identified there. I would say in your area, contact them and check your county because every county is different. I'd also urge you to go to Google search the county name probate. You're looking for the Probate Court. Most counties have a resource that has rules and have maybe a calendar on it. Maybe they'll list the case, some cases.

So there's a lot of free resources usually at certainly bigger metro counties for sure. So I don't know where you are, exactly. You mentioned several different states, but the bigger counties all have a good resource for the agents or investors. Small counties do not as much but what they do have is viable. I encourage people to go to their County Probate Court website.

Dan: Yeah, absolutely good stuff. Is there a book or two you'd recommend? Not necessarily probate. Just real estate Fix and Flip or real estate agents. Is there a book or two [?] you recommend to them?

Bill: First thing I recommend is alltheleads.com is a website. alltheleads.com. And they have a weekly, YouTube with a weekly mash mind and a monthly roleplay. I tell people that they offer more free coaching. Anybody gives you what you pay for. They also have a paid program, which I took is great. Recommend that for professionals. For books, if you go to Amazon Probate 101 by Kevin Sayles.

If you go to probatedaily.com, again on my website I have a link and probatedaily.com. If you buy their data and use a promo code that will give you a discount. I'm not an affiliate. I'm not getting money for it, but they give anybody who uses my code gives 23% discount. They'll give you a copy of the book for free. So it's actually foreclosures daily as the vendor name. They have probate department foreclosuresdaily.com. If you use promo code, BG3005, they'll give you a discount. Then also give a copy of the book for free. As far as books, I would say Probate 101 by Kevin Sayles.

Dan: All right, cool. So as a wrap-up question here, the crown jewel of wisdom, Bill. If you could go back and tell yourself back when you were having that faux partner lunch with your brother. If you could go back and share the crown jewel of wisdom. Everything, you know now, go back and tell yourself this. What would that be?

Bill: Play for the long game. That means, build your database. Build relationships. Every person you meet is yours is a future asset in your business. So play for the long game.

Dan: Nice. Any additional contact information website? Anywhere people can go to get more Bill Gross.

Bill: Probably weekly.com is my weekly product call for free. The register there or The LAprobateExpert.com is a website. Then on YouTube Bill Gross EXP is my YouTube channel.

Dan: Alright, sounds good. Hey, I appreciate you blocking out distractions. Give of your time and wisdom so freely. Thank you for coming to the show, Bill.

Bill: Thank you so much, Dan. I appreciate it was a lot of fun.

Dan: Low cost of capital is the fuel of any volume real estate investment business. As a real estate investor, I am sure you're well aware of these two facts first. First, your business is driven by access to capital or starved from a lack thereof. Two, you make more money when you reduce the cost of said capital. Whether you're looking for hard money loans to fix and flip houses, rental portfolio loans, or even a line of credit. Lending home offers the most competitive rates in the market. Currently, as low as 6.49%, which is good for Fix and Flip single-family loans.

I pay 10% myself at fundrehabdeals.com to my private investors. So at 6.49%, if you like that interest rate, go to REIlineofcredit.com. Even if you're not currently in the market for a loan at this very minute, I encourage you to still go through that one-minute sign-up process right now. So you can get on the email list. That way once you're ready and you have a deal or a few, their name is top of mind. Plus as a bonus for signing up through reilineofcredit.com, you'll receive a free iPad when you close your first loan. That's reilineofcredit.com.

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So in 2020 my house flipping business, Diamond Equity Investments, bought and sold 283 houses. We've done 291 so far this year with another 5 or 6, maybe 7 or 8 weeks still left to go. Well, most of the houses are a few were apartment buildings. We currently have another one hundred and fifty-seven more deals in our inventory. Either under construction or awaiting close.

I share that, share this. There are 3-ways that you and I can do business. Number 1. If you are interested in having access to real estate deals that you can buy Fix and Flip for profit. Go to accessrealestatedeals.com. Put in your zip code and sign up for your local buyer's list now.

Number 2. If you are an accredited investor who is seeking double-digit returns, you can sign up to receive my private mortgage investment opportunity emails at fundrehabdeals.com. This is how you join my network of private lenders to potentially fund my projects.

Number 3. Are you interested in a fulfilling career with Diamond Equity? The nation's premier real estate investment organization? We currently have several openings available throughout the US. If joining a winning team with high expectations and high earning potential sound exciting? Go now to diamondequitycareer.com to check out the open positions.

We are at the conclusion, my friend. Next up. We have Drew Wahlgren joining us to discuss the sale-leaseback strategy. Why does he believe this is the safest best of return available in the commercial real estate market? I'll catch you and Drew next time.

Man: 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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