

Speaker 1: Welcome home.

Speaker 2: Perfect.

Speaker 3: Hey there. This is Jake Nash from LA.

Speaker 2: Hey Jake.

Speaker 3: And I had an Airbnb rental for a little over a year, but my landlord just gave me a notice to shut it down. I have two more weeks for it.

Speaker 2: Okay, well I'd like to know a little bit more about that and see if there's ways that you could have medicated that.

Speaker 3: It's like a studio, it's a pretty small rental. I've lived in it since I've learned about this/ I kind of want to scale up, obviously, in a bigger place.

Speaker 3: It's under the RSO, the rental, it was issued an ordinance and I guess Airbnb's or short term rentals are illegal for those types of units.

Speaker 2: So it all depends on the area too, for sure.

Speaker 3: And I know that Airbnb in LA is cracking down, or LA is cracking down. November 1st you have to register your short term rentals. It kind of requires a lot of things. So I'm [inaudible 00:01:12].

Speaker 2: Okay. [Crosstalk 00:01:19]

Speaker 4: Hey, welcome everyone to the Q and A call. We are excited to be back. We've got Dave and myself and John Humphrey, one of our partners here had been away in Europe looking at the markets in Rome. Very interesting stops. But we're back. We're excited to be here again with all of you. We've got a great full house. I went back into my emails to see who submitted questions. We only have a few that were actually submitted. So Dave, I'm going to go ahead and we're going to kick this off. How's that sound?

Speaker 4: Okay. Hold on one second here guys. Let me just pull up any questions that may have been submitted. Let's see here. [inaudible 00:02:05] Okay, so this is the question from Brock. Dave, are you there? You Ready?

Speaker 2: I'm here.

Speaker 4: Okay, sounds good. So this is a question from rock. It says, "My goal is a 'Done for you'. Please review the best sources for finding homes. If it's listed properties for sale over 180 days or homes for rent or some of both, do you approach the listing events first as a courtesy. If Ethan is not open minded, you then go directly to the owner."

Speaker 2: Brock, that's a great question and in typically what I like to do is on a 'Done for you', you can go ahead and approach landlords that are actually trying to lease their properties out. Get in touch with the realtors as well that specialize in rentals, because they do know when properties are coming due and those could be a great way to go ahead and get involved before they come on the market and work directly with the homeowner so you can get a 'Done for you' program.

Speaker 2: Now as far as converting a property that is for sale. Okay. Now that is I believe why you were asking for 180 days on the market, if the property is on the market for over 180 days, they might be a little bit more open to taking a look at what I call a plan B effect, which could be a 'Done for you' or straight lease. This way you can work directly with the homeowner and come up with an alternative solution with maybe even an option to purchase after you've got the performance up to the level that you're looking for.

Speaker 2: So to answer your question, there are many, many ways that you can you get a look for the 'Done for you's'. But I would start with the rental first, and also maybe look at existing rentals that are short term rentals, and reach out to homeowners that are underperforming. Okay? You can look at the pictures on a lot of the ads that they have on Airbnb, VRBO go to other competitors sites. You can quickly see if their counters are being booked, what the pricing model looks like. And once you learn to identify the problem child, it's easy to start reaching out to them and having conversations which lead to ultimately taking over and doing a 'Done for you' deal. Okay? So hope that helps.

Speaker 4: Perfect. Perfect. Thank you Dave. That's great.

Speaker 2: No problem.

Speaker 4: let's go ahead and open up this for some questions. If you guys have questions, you want to submit them in the back office I will receive them right now. And then we have sometimes, a lot of shy people that don't like to ask a question publicly, and if you feel like that's you, you can go ahead and fill out the form and I'll read it out for you. But if you're here and you want to open up the lines, I'm going to be aligned by hitting star six, if you're not speaking, I would definitely hit star six to mute yourself so we have a clean call. But if you have any questions for Dave or myself, please feel free to ask them now.

Speaker 3: Yes, Dave and Jared, this is Jake again from LA. I was just talking about my rental that my landlord wants to discontinue. You guys have any ideas to navigate through that or do you just think LA is not the most ideal place to regulations or what do you guys think?

Speaker 2: Well, that's a great question. There are areas in LA that you can work and can make lots of money. You could actually move out to Anaheim, it's a little farther out, but not too much farther. But there are pockets that are conducive for short term rentals. So what I generally do if I started to get a little uneasy about

the area, I started interviewing the sources, which are the rental experts in the area and start learning the law, really get to understand what area we can do this in and which ones we can't.

Speaker 2: And if you don't want to take any risks with, I definitely don't like to take the risk, then I go ahead and reach out to those homeowners that don't care and are going to do their own thing anyway. And I would reach out to those individuals and talk to them about taking over their marketing so they don't have to do any work, and they can reap all the benefits where you're doing all the dirty work, where you're getting putting in place in a marketing program that's going to bring in better results and put more money in their pockets. So that's the way I would approach it if I was going to stay in a certain area that I didn't want to take on the [inaudible 00:07:39].

Speaker 3: Okay, cool. And as far as Anaheim goes, I actually looked it up and don't they have a cap on how many short term rentals they can have in Anaheim?

Speaker 2: [Crosstalk 00:07:53] you have to register your home. So you certainly need to do that. That's why I always say you need to work directly with the jurisdictions that you're working at and make sure that's legal and follow their rules. A lot of them won't make you get a permit for the home, you're illegal and they can go ahead and tax you, that's the whole goal. The whole goal is to try to figure out a way so that they don't lose revenue. So many people are doing it illegally and not paying the taxes that they feel like that's only way we can really monitor this is just shut everyone down or make it very, very difficult for someone to keep it up and running. So if you do it right, I think you'd be extremely happy.

Speaker 2: If you can't get a permit because there are too many in an area, definitely you want to go ahead and look at the approach who is out there that really needs help? And that's a quick search on Airbnb and VRBO. Open up your calendar for the next 30 days and look at all the homes that aren't being booked for the next 30 days [inaudible 00:09:07] in that area. Those are the homeowners that need your help because they're not making any money. They're going 30 days without any income.

Speaker 2: So that's the quickest way to really get the ball rolling. And you can do that on Airbnb, VRBO or any other booking sites you go to. This way it says all the calendars are linked anyway, so you can quickly see the players, the ones that are making money and the ones that aren't, and the ones that aren't are the ones that need to be reaching out to.

Speaker 3: Okay, cool. That's great. Great info. Appreciate it.

Speaker 2: Take a look.

Speaker 4: LA has changed. Jake Elliot changed some of the ruling recently in certain areas and it's definitely caused some problems because we have some people in that

area. You just have to look around and really do your research. There's plenty of platforms they can tell you. There's one that we use called [inaudible 00:10:02] D-R-O...

Speaker 3: Okay.

Speaker 4: I don't know if you're familiar with it, but it's a great tool. Let me get you [Crosstalk 00:10:11] It's called Vroilio, V, R, O, I, L, I, O Dot Com. If you go to Vroilio, they've got a search feature on regulations there. Not that it's 100% accurate. You may have to dial in a little bit deeper. It could give you some areas of where not to go, where's questionable and where's legal.

Speaker 3: Okay. All right, sounds good. And really the last little bit on this. If my landlord sends me a notice to either stop doing short return rentals or you have to move out, should I just try and get out of there as soon as I can or do I have rights to kind of keep it going for a little bit. [Crosstalk 00:11:01]

Speaker 2: If you're in a tight spot and it's illegal and your landlord's asking you to get out and you only have two weeks on the lease anyway, it's probably in your best interest just get back to him and say, "Look, I've got a couple of bookings and at the end of August I will be out."

Speaker 3: Okay. [inaudible 00:11:28]

Speaker 2: It'll be easier that way. No one wants to fight.

Speaker 4: Dave and I have a property in Scottsdale and an NHOA community. It's just one of really not that many NHOA communities because they usually traditionally try to avoid that but this particular NHOA allows short term rentals. And then recently we got a note on the door saying that they changed their HOA ruling. So we went ahead and assessed further because we've got bookings on this thing for the next six months, right? Or more. And we don't want to lose those bookings, right? So we went a step further and looked into the regulations in that community from the town. Dave, do you want to elaborate on what you did there? [Crosstalk 00:12:11]

Speaker 2: Some of the things we did and the reason why we moved forward with the property in the first place is, we kind of covered our [inaudible 00:12:19]. Before we even closed on the property, we went ahead and worked directly with the HLS and verbally got them to agree that we could do short term rentals and there was no pending litigation to dissolve it.

Speaker 2: And then we went further. Not only did we really interrogate them before we did it and recorded it and let them know we were recording it. We also have them send us with proof that there was no [inaudible 00:12:52] we couldn't move forward. So we really have them in a trick bag because now they're coming back and saying they're telling us that seven years ago they amended

this and said that when there was no that we couldn't do short term rentals. So there they are really in a really bad spot because we've got all the ammunition that we need. But again, do you want to go into fight. So what we're doing is we'll probably end up sticking it out for another three months, four months, and we hate to lose out because the property is at that point really [inaudible 00:13:36] a big profit center for us.

Speaker 2: But you've got to do what you have to do and sometimes it's easy just to walk away.

Speaker 3: Okay. Great Info. Awesome.

Speaker 4: Anybody else have any questions for Dave?

Speaker 5: Dave, I've got a quick little two-parter. One is, is there any advantage in any of these situations and any areas that are requiring, in other words they're not shutting it down, but what they are is they're raising the bar. Are any of them requiring short term rental certifications? Number one. And number two, even if they're not, is that still a good idea to be certified as a short term rental?

Speaker 2: Okay.

Speaker 5: Especially?

Speaker 2: Well, in my opinion, it's always good to have a third station because it just gives you more credibility in the eyes of a homeowner. You come in and have a certification that you're in license and you've got this and this. People just look at you on a different level. Right? So having that is the plus.

Speaker 2: In Henderson, I believe I read that they are now allowing short term rentals as long as you do get them registered. But they also had a comment that they're going to have you go through the certification process.

Speaker 2: So I think it's going to get more and more to the point where you have to have it. I always say hey, let's go ahead and get it done. It gives your client a lot more reasons to deal with you as opposed to anyone else because no one else is certified. So it's going to let them know, hey, we're one of the only two that are certified in this state. Don't you think that might be an advantage for you?

Speaker 5: It tells me, in terms of how I present myself, that I'm not just somebody with a house that's decided he wants to rent something out. It's like I'm a professional at this and I know what the rules are and I abide by them and blah, blah, blah. So it's helped me a great deal.

Speaker 4: Sure.

Speaker 2: I think down the road we're going to see that certification come into play and I believe that Henderson is one of the first areas that maybe is actually going into effect.

Speaker 5: Yeah. I can understand that because actually I got certified at the Southern College of Nevada for my certification.

Speaker 2: Great. Jim, thanks so much.

Speaker 4: Awesome. Who else has a question for Dave?

Speaker 5: Oh, one more thing. By the way, it's an easy thing to do, all right? And it only costs a couple hundred bucks. So look into it. My last comment.

Jack Florida: Hey guys, it's Jack in Florida. Can you guys hear me? [Crosstalk 00:16:41] All right, very cool. Hey, I haven't talked to you in a while, but I have a question for you. I know we have a general where we want to have a market that's not depending upon what I'll say is seasonal type occupancy. And we've run a deposit on a lesser expensive property where we can kind of figure some things out. And we do have certainly a much higher growth in season, which lasts about three to four months and then we can pretty much cover once a month burn rate on all the other months, which puts us ahead. It may not be the most favorable situation where you've got like a winter and a summer season or spring and a fall season.

Jack Florida: The first part of the question is, I want to set that up by telling you that, but the first part of the question, does it make sense for us to, in your opinion, look for something like that? And the reason for the question is that we're in favorable market conditions where we're seeing days on market going much higher.

Speaker 2: My thing is, if I understood the question correctly, is you're looking to go into areas that have high demand, but most seasonally.

Jack Florida: Correct.

Speaker 2: Is that right? So the way I would approach it is, it would happen to be more on a "Done for you" basis or go in there and lease the property for a six months period. Okay? And not a traditional one year. But I don't really like doing the six months lease because you're just getting into stride and then all of a sudden you're going around.

Jack Florida: Right.

Speaker 2: But I like the "done for you" model so much better where you go in there and you get a bang, knock it out of the park for four months. If it's just contained to market during the off season and let the clients know you're going to still bring in some income and revenue. But it won't be nearly as much where if we're

looking to hit a home run during the peak season, and we're looking to hit little singles during the off season.

Jack Florida: Okay. Got it. Cool. All right. I like that. Good idea. Thank you.

Speaker 2: Okay.

Speaker 4: Dave, I've got a question from [inaudible 00:19:18] There's a question that came in through the email. How do you get the FPR check list paid and how do we get the realtors paid with the listing?

Speaker 2: Great question. So a number of different ways you can do this. But that's the specialists. The short term specialists could be the realtor and the same. And it's depends on what offer you're putting together.

Speaker 2: If you're doing a straight lease, they generally get paid by the owner because it's like rent pays whatever their fee is. And it's agreed upon. And if you put an option in then they would get paid again. If you close on the option a year from now, two years from now, they would get paid at that point. So you let them know and then there's another option you could throw in that if they go ahead and bring you a property, you could pay them, and that was the acquisition fee of let's say, three to \$5,000. So this way, you can have people working for you and then they're not working for free. Because they're working to get paid. And they can line one of these homes up for you. So it's a lot better to have a bunch of bird-dogs working for you bringing in property that you can pick and choose from than trying to go out and do it all on your own. So hope that helps.

Speaker 4: Perfect. All right. Who's next? It's going really well, by the way.

Speaker 4: [Silence] All right, well I'm going to take a minute while you guys [inaudible 00:21:17]

Mary: Dave, this is Mary. I Apologize for the background noise, I'm on the L. I was wondering how do you find who the owner is if all you have is listing that you're working with?

Speaker 2: Okay, great question. There are a lot of different services out there. If you got the address, you can go ahead and subscribe to a number of different location services. You could use White Pages, you can use Spokeo. If you just Google reverse look up, you can find a number of different companies out there that will do it. And you generally pay for the month, or you might pay \$25 a month, \$40 a month, and then you can just put in the address and it'll give you homeowner's name, it'll tell you the birth. It will give you their address, their phone numbers, their email addresses and it will give you a plethora of information. Plus we'll give you the neighbors information.

Speaker 2: Now not all of it's not a hundred percent, so you'd have to use that with a grain of salt too because they may not give you a five, six, seven, eight different mobile phone numbers and two landline numbers, so you might have to make a few extra calls before you actually connect, but I've had pretty good success. If you utilize one or two of the services then you're going to go ahead and get about 70% of the individual's information.

Mary: Okay, great. I was worried that I might have to use the tax records. I wasn't sure out how accurate they'd be.

Speaker 2: Tax records are a way too, but then you still have to go ahead and do a reverse look up to get their phone numbers.

Speaker 2: And sometimes it's easier to use one of these services and you can go ahead and just get them done. What you might want to do, Mary, is if you have a budget, higher someone on Fibber. F-I-B-B-E-R dot com, and spell out what you want them to do and give them a list of addresses, and then have them go ahead and do that search for you and put all the numbers and names and everything in a spreadsheet. So all you need to do is go there and start making the phone phone calls or mailing out letters or whatever you want to do to reach out to them. This way you can probably get 40 hours worth of work for \$200 and not be spending your time doing all that tedious work because, if you're like me, if you've got tedious work and the phone rings, that tedious work gets pushed off until next week, right? And before you know it, you've got two weeks that past and you really never got the information you needed to really make the calls, which ultimately is where you're going to make your money. So [inaudible 00:24:47] for \$100. That way you're able to do what you need to do and then once you have the information started making those phone calls yourself.

Mary: Good advice, thanks. I don't want to be a question hog but can I ask you one more?

Speaker 2: Sure.

Mary: Can you tell me what you put on on Your Business Cards? I was about ready to get some made.

Speaker 2: What I put on my business card. Interesting. Right. I don't even touch them. What do I put on my business card?

Speaker 4: We basically just put your basic information on there, but we do use metal cards. They're quite expensive, but they kind of have a nice little look and feel. We have the logo on there. We have our basic information on there and a tagline, but generally speaking, what we do is we have metal cards and they're kind of made out of brass, so they're pretty expensive, like \$280 a hundred. But

they're kind of like something that won't be thrown away. It can't be shredded and you can use it as a weapon if you really need to. No, I'm only kidding.

Speaker 4: They're nice cards.

Speaker 2: I don't want her to chase you away [inaudible 00:26:09]

Speaker 4: We have paper cards as well, but for networking purposes you use paper. But when you meet with that homeowner, we use the metal card and it's just a statement piece. But I'll give you the person that we order them from. I'll give you the email address. His name is Frank, and it's frank@metalcarguy.com. So it's M-E-T-A-L-C-A-R-D-G-U-Y dot com. But he can make beautiful, beautiful metal card. So they're quite nice.

Speaker 2: Absolutely. And it does make a statement. I'll tell you, when you go and meet with a homeowner, you hand them a card, they'll grab it and they'll look at it. They'll look back at you, they'll look back at the card and in their mind, and they'll also say, "Hey, that's a nice card." You know? So if you're going to do it, do it right, because you're making a good for first impression with telling them, hey, this is someone that's a little bit different.

Mary: That's great. Thanks guys.

Speaker 2: Okay.

Speaker 4: Cool. Who else has a question? [Silence]

Speaker 4: Okay. While you guys were thinking of a question to ask Dave, I will just put it out there. Is there anybody coming to the San Diego event? We have our next boot camp is coming up on August 26-29 right here in North County, San Diego. So it's in [inaudible 00:27:59]

Speaker 4: We are going to be shutting down, the hotel was almost sold out. So the group rate that we have at this particular hotel is coming to an end next week, early next week. So just wanted to let anybody know if you guys were coming to get your rooms booked ASAP because it will be sold out probably by mid-week, next week.

Speaker 4: Just wanted to put that out there, and hope to see you guys if you haven't already been through our bootcamp. We always bring new and fun and entertaining data to the table, so it's going to be an extraordinary event. We're going to have a really great group of entrepreneurs coming. It looks like we'll probably have between 40 and 50 attending this event in San Diego. [Crosstalk 00:28:44]

Speaker 8: I'm sorry. I just want to let you and Dave both know, I'll be there. This is Cam, San Diego.

Speaker 4: Oh great. [Crosstalk 00:28:52]

Speaker 8: Okay.

Speaker 4: Perfect. All right. Anybody have any last questions or we can wrap up the call early. All right Dave, you've done a great job.

Speaker 2: Okay.

Speaker 4: Fabulous.

Speaker 2: Well guys, thank you so much and I look forward to our next call. We have what, in two weeks then? 10 days?

Speaker 4: Every 10 days we do a Q and A call. So we'll check in with you guys.

Speaker 9: Quick question. Your GNA, is that something you're still using a lot or do you like to use something else now?

Speaker 4: Oh no, no. We use their GNA quite a bit, but we combined the Air GNA with some other check points. Right? Because we only get so much information from them.

Speaker 9: Okay. All right, cool. Thank you.

Speaker 2: Perfect.

Speaker 9: Take care. [Crosstalk 00:29:55] [Silence]