

Automated: Welcome to the Lux ... This conference is being recorded. There are 14 callers already ...

Jerry Conti: Everybody's talking at once, no big deal. It's part of the process. Welcome, thank you, we have lots of people coming online here, so we're super excited. Dave and I are thrilled to answer all your questions, because I know a lot of you have been going through the profit formula course and you have lots of questions. And Dave is going to be with us any minute here.

Dave Bynum: I'm here.

Jerry Conti: Are you on? Okay, great, you're on. All right, awesome, Dave, let's kick this thing off, because I know there's a lot of eager people on the call that have questions and what I'm going to do is, I'm going to try to ... I think if you hit star six you'll get to mute yourselves and then when you want to come one and ask Dave a question, just go ahead and hit star six again. This way we keep the line as clean as possible.

We are recording this, so for all of you, back in your membership, you'll see this recording available and we also transcribe the calls. Sometimes it's hard to go back and listen to an hour call, but you can quickly print it right in your back office and print it out and take it with you and on lunch break or whatever, you want to read it, you can read all the questions and all the answers that we provide.

So again, welcome everyone. My name is Jerry Conti and Dave Bynum is here with me from Lux Home Pro. So Dave, I'm going to turn it over to you and we'll start with the first question. Who's got a question? I'm going to look up some questions that were submitted online as well.

Callers: This is Tia. Hi, how's it going? I am working on the new property that I just made a deal on and Dave, I was wondering what the name of that ... not real estate, the insurance that you use for charging somebody the non-refundable insurance? Or not insurance, but in case there's damage.

Dave Bynum: The CBIZ. It's David Brown, it's in your back office.

Callers: A copy of it. I know you can, like if you're on HomeAway, you can like send that to them after the fact, is that how you do it?

Dave Bynum: When you say HomeAway, I guess I don't understand, why are you sending anything to the guest? What I do is, I put it in as a line-item charge for and I put in the fee, larger houses it's 299, on smaller homes it's 199.

Jerry Conti: Dave, you got cut off because people were coming in. 299?

Dave Bynum: I charge 299 for the larger homes and 199 for the smaller homes. And it covers their entire stay. I know that you could take out the additional insurance through HomeAway and have the client pay 59.79 or 99. And I opted to not use that insurance because it's not as comprehensive. And I don't make any money on it. I'd much rather have a good all-inclusive comprehensive policy that I pay \$300 a month on, but it covers everything.

So if anything were to happen at your property, even when someone's not there, you're covered. So that's why I have it, it's an all-inclusive comprehensive coverage that covers everything from the structure, to the contents, to the loss of income, to the liability. So you're covered all the way around and you just have one master policy and your guests share in the cost and to keep it simple, I charge the 299.

So if I have six different guests checking in for a month, I make that six times three, basically \$300, \$1,800 it cost me \$300 and I netted a profit of \$1,300 in a month.

Callers: Perfect, thank you.

Jerry Conti: Any other questions you have?

Callers: No, that's good.

Jerry Conti: Awesome. Who else would like to ask? Don't be shy. I'm going to pull up some questions here for you Dave in a minute.

Callers: This is Pam Sterling. Hi there. I'm new to the program, loving it and super excited to get started. You talked about finding a short-term rental specialist essentially, a realtor plus a short-term rental specialist, where do you find someone like that?

Dave Bynum: What I normally find it's easy if you just put vacation rental in your Google Search tab and you'll find the ... I mean the way Google works, they give you the stuff that's the closest and you'll quickly find a vacation rental specialist in your area. A lot of them are realtors, so you may not need more than just a simple realtor, but the key is you want to start engaging and learning as much as you can through the experts, without having to go ahead and try to do all the research yourself.

Because these guys work in the business on a daily basis and it's their job and they're licensed to ... which protects you as well, because you're utilizing their expertise to give you the right information and steer you in the best places for you to be looking for good properties.

And if you play your cards right, they'll pull out, they'll take you to some of their homes, that are really doing well or some of the ones they manage and you can

quickly get a good feeling for the area, for how much money the houses are bringing and how much it would cost you to rent something like that or to lease it or to purchase it.

Remember, our whole course is designed to control real estate and not buy it. So that's one of the things that we really try to emphasize, just control it. Right now is the perfect time to be controlling real estate.

- Callers: So when I look, I'm focusing in on Palm Springs and the people I look at, vacation rental specialists, companies that are already doing like [inaudible 00:07:53].
- Dave Bynum: Someone's in the back. I can't really hear.
- Jerry Conti: It's hard to hear, let me see if I can ...
- Dave Bynum: You want to ask everyone to mute themselves if they're not asking a question?
- Automated: This line is now muted.
- Jerry Conti: Mute yourself that'd be great, I could do it, but I don't want to be mute you, Dave.
- Dave Bynum: Jerry, can you hear me now?
- Callers: You have to do star six to mute everybody.
- Automated: This line is now unmuted.
- Dave Bynum: I'm back, I just did star six to unmute myself.
- Jerry Conti: You're back.
- Callers: Can hear you hear me? You can hear me, okay, the second question was when I look for like vacation rental specialists in Palm Springs, what I'm coming up with primarily are property management companies. Is that the same or different?
- Dave Bynum: Property management companies that specialize in short-term rentals, it's two very big distinctions, because one's generally 12 months plus and they take care of the move-in and move-out and collect in monthly payments. The ones that do real property management that do short-term rentals, that's on a daily basis. They dispatch cleaners, they do everything. Those are the ones you want to talk to.
- Callers: I want to talk to full service, all in one, they dispatch the cleaners, the handyman, all that. And then ultimately, are we contracting with them to have them manage all that?

Dave Bynum: It's possible that you'll work in some capacity, but right now your job is to find out where you're going to be working, if your area is even worth working in and then at that point, I don't know exactly how you'll be working with them. You may find deals and refer them deals. You may use them for certain aspects of your business. It all depends on what direction you go.

I know that a lot of times, when I find someone that I just can't service, in an area that I can't service in and the deal is too lean to make any sense for our students, I'd like to refer them to somebody. Why not refer them to someone that you're engaging with and getting knowledge from? It's a way to reciprocate.

Callers: That's awesome, thank you.

Jerry Conti: Great question. Dave, I've got an online question here from Barbara. She says, I'm in the process of purchasing a property. I'm buying it as a rental property. I am trying to get insurance and they are wanting a rental property manager. How can I get around that at this point? I'm scheduled to close on 12/11, I'm going to the Orlando seminar this Monday. So welcome Barbara and very excited to meet you in person when you get to the event on Monday.

So yeah, what do you say, Dave?

Dave Bynum: So you were in the middle of the question and then you kind of bleeped out, so do you-

Jerry Conti: I'm sorry. She's in the process of purchasing a property through our hard money lender, she's trying to get insurance but the insurance company is basically saying that they want to know who the rental manager is. But in our case, it's you. And so she's asking how to get around this point, she's scheduled to close on 12/11/

Dave Bynum: You're buying the home, Barbara's buying a home and she's using a hard money lender and the hard money lender is asking for the property manager's-

Jerry Conti: Insurance company.

Dave Bynum: If you're buying a home with a hard money lender, I don't understand why the hard money lender is asking anything about the vacation rental. Because they're generally looking at the numbers based upon the spread of the equity. And they normally don't ever ask anything about property manager, because there's no reason to talk about that.

But if they do, I would go ahead and contact CBIZ and talk to David Brown or some of the other agents that are over there. This is what they do and you would be the property manager, because you're the one that's going to be

managing it. You're going to be the one taking care of the property, unless you're going to outsource it.

So you want to put that on there because that's going to be your job, is to take care of the property. So I would coordinate all of that with the insurance company and make sure everyone understands, this is your business.

Jerry Conti: It sounds like the insurance company is the one that is wanting to know who the rental manager, the property manager is, but in this case-

Dave Bynum: It'd be Barbara, correct.

Jerry Conti: Barbara, are you on the line? I know you submitted this electronically, she may be here and may not be here. If you are, just unmute yourself and you can dial in.

So hopefully that answered the question and why don't we move to see if somebody else has a question. Sorry, just unmute yourself by hitting star six and then go ahead and ask a question to Dave. While they're doing it, I'm going to look for some more questions online that were submitted.

Dave Bynum: Certainly.

Callers: Hi my name is Brad and I'm from Washington State and unfortunately, I won't be able to attend the meeting on the 3rd. Will it be recorded by any chance?

Jerry Conti: No, the event won't be recorded, but we have another event that would be scheduled in January. You can attend that event.

Callers: Thank you.

Jerry Conti: You're welcome. Any other questions for Dave and I? This is your time to ask Dave questions, anything on locate, negotiate, setting up your home, any strategy whatsoever, we teach them all in the course and this is your opportunity to get your questions answered.

Callers: Hi, it's Charles Walker in Houston. Hi there, continuing on from his question, if we can't make the ... I heard you say January, will there be any others upcoming anytime next year?

Jerry Conti: We have a January on the books and we have a February on the books.

Callers: Great, awesome, thank you very much.

Jerry Conti: January will be in San Diego and February will be in Palm Springs, California.

Callers: Palm Springs, California? Great, thank you.

Jerry Conti: You're welcome.

Callers: Can I make a comment? This is Linda Moore, I'm a realtor in Florida. And I work in a resort area, so the comments to the person earlier, I would just suggest that when you contract an agent that you don't look necessarily for a short-term rental person, look for a regular realtor that knows the area well, that you want to find something in. It just specializes in sales, because otherwise they're going to look at you as competition. They may not be so apt to work with you.

I mean I realize Dave, you may have had other experiences, but I've specialized in residential sales for 14 years, so I'm just breaking into the rental side after about 14 years ago. And so I am really looking for this as another source of income, but a lot of agents don't want to get into the rental business and they can help you locate the properties.

If you go with a short-term rental person, they're going to they're looking to make in 15%, 20%, 35%, it's going to eat into your commissions and your income. It may not make that property that viable for you.

Dave Bynum: You're absolutely correct and if you go through the course, all we're trying to do is establish viability and whether or not this in the areas that you're looking or good areas to run a short-term rental. So when you are reaching out to the specialist, I've reached out to specialists, because I want tons of questions answered. And if you're in the back office, I have like 35 questions that we ask. Most realtors won't know those answers and that's why we go and seek out a specialist one that's currently managing properties.

Right now, we are interviewing, we're not guaranteeing anyone a position. We're asking them to give us some advice, we're looking at the area as possible investment opportunity. That's all we're trying to do right now. And we're trying to pick their brain, have them take us out to some of the homes that they currently manage, let's see how they run it as a management company. Because the more you understand what they do, the easier it is going to be for you when you start your own business.

I was just down in Florida, in Orlando and they run their properties totally different than they run them out here in Scottsdale, Arizona. I was a little bit taken aback because they don't have any amenities. If you want soap, you want shampoo, you want paper towels, you want plastic trash bags, you want any of that stuff, you got to the store and buy it.

Here, every home if you didn't have that stuff, you would get a three or four star review. People expect to come here and get five or six rolls of toilet paper and shampoo and in every one of the bathrooms, plastic bag liners for the trash cans. I mean this was crazy.

So it led me down this rabbit hole, I said, let me go ahead and interview a bunch of different people out here, is this the norm? And everyone's saying, yeah, this is what we do out here.

So get to know your area and I don't think the realer necessarily will always give you the intel that you're going to be looking for. And that's why I always say, reach out to the experts, the ones that are managing. It doesn't hurt to reach out to a realtor and ask for their advice as well. But I'd much rather ask to talk to two people than just one anyway, to get their ... I mean you're comparing notes, at the end of the day, you'll feel a whole lot better with your decision.

Callers: I'm not trying to teach you anything new on your end at all, Dave. Please understand that, I've been on all sides of this and just another thought would be to reach out to the cleaning people, especially people that have multiple units and they specialize in rentals and they're the ones too that can probably answer, I'm going to look for the questions that you said you've got in here and see what you're asking.

But I think that's another way, the cleaning people can be helpful to answer-

Dave Bynum: Yes, this is what I call reverse engineering and marketing. I go over that in the course a little bit, talk about how to find good cleaners and how to find good properties and how to take over and be a co-host of properties being referred in by your cleaners. And if you do it properly and you set up your business that way, you're going to find you're getting more properties that you don't take any risk on, zero capital and zero credit in.

So those are some of the strategies that we do use and we try to teach them and not everyone takes all of our advice, but you can only do so many things at a time. So I suggest pick out the one or two items that you like to use and then build upon them. Over time, you're going to find that you have 10, 15 strategies working for you to help grow your business.

Callers: It sounds like you've got a lot of good information here. I'm looking forward to learning something.

Dave Bynum: Likewise.

Jerry Conti: Who else has a question?

Callers: I have a question. This is Ron Hillman. The one and only. There must be another one somewhere. What happens when the market is kind of full when it comes to rentals and the only action you can seem to get is a purchase or a lease purchase and that's even tough and how much does it cost, in your opinion, what's the right offer to lease purchase a house if you can't find rentals? Because essentially, they're full.

Dave Bynum:

That's a great question and I don't believe it, but let me answer it.

I went on an appointment today and I had a couple students I was working with and we went to a home and the home was being sold and the first thing she let us know, that she wanted an offer. And she didn't want a lowball offer. So immediately, the homeowners want to put up defense, so we went through the whole procedure that I go in and when I talk about negotiation and you need to control the negotiation, as you go through your whole walkthrough process and dig out the pain.

Now once we got into the conversation about 10 minutes, you could see the whole dynamics of the conversation start to turn. And by the end, she told us with under no circumstances did she want to rent, that she wanted to cash out. It was clearly evident that she not only wanted to rent that home or do what we call a done for you deal. But I'm thinking that she has three other properties, we'll be able to do the same thing with.

So this all started from a door knock. So don't be, just because you don't see a good rental that's on the market, those are the worst ones to get. Because rentals are notorious, they don't have upgrades, these are the worst of the worst, not saying all rentals are bad, but they're not homes that people are trying to sell. Ones that people are selling are the ones that are upscale and we're selling luxury, we're in the luxury space.

So if you go and start talking to homeowners that are trying to sell their properties and you go through the calculator and the calculations aren't exactly how we position ourselves when we go through, you're going to find that 50% of those homeowners, you're going to be able to turn into a straight lease or a done-for-you strategy, where it costs you nothing out of pocket. And you don't have to use your credit.

So this is the message, I'll read it to you. It just came in. The woman I spoke to, she said, Dave, spoke to the realtor and I'm taking down my listing on 12/15. In the meantime, can you send me a sample of the type of contract that is written up, beyond my sample MoU? I need the details on how our lease would work. Who's responsible.

This was a woman that didn't want to lease, that wanted to sell and not only did I get her to agree, but to give me a great price in the house. So now with this particular transaction, there will be a double-sided transaction. One, you will be able to flip and sell for about \$150,000 cash and then lease it back and make in this particular house, we'll do about \$250,000, \$260,000 a year in income.

So all I'm trying to tell you is, there are deals out there that you would never think were deals and all you need to do is talk with people and figure out exactly how to structure a deal, so it makes sense for them.

Callers: Dave?

Dave Bynum: Yes, sir.

Callers: I got a house.

Dave Bynum: I love it, Ron.

Callers: It happened today, we got our house.

Jerry Conti: That's awesome, love your persistence, Ron.

Dave Bynum: Congrats, buddy.

Jerry Conti: Let's move on to another question, great job run, who else has a question for Dave?

Callers: How much does it cost to get virtual staging?

Dave Bynum: You can get it virtually staged if you have pictures and you know exactly what you want for about \$20 a picture. So you can either start or remove stuff.

Callers: You start with empty pictures?

Dave Bynum: If you have good pictures but you want the furniture removed, they'll remove all the furniture and then they'll stage it for you. So if you need that, just let me know and then we'll-

Callers: Virtually. They take the furniture out of the pictures if there's furniture in the picture that you don't like? They remove the furniture virtually?

Dave Bynum: Yeah, virtually. The picture is only going to come out as good as the quality of picture that you send them. So if you send them a really good clean picture and all they're doing is removing stuff, you'll get a good quality picture. If you're sending them a real hazy looking picture, you're going to get a hazy looking picture back.

Jerry Conti: Dave, we have 30 people on the call. And I was just wondering if maybe you can give some of the people some context around virtual pictures in general. Like why would you do that and how do you do that around VRBO and how do you ... what disclaimers you put on the sites and stuff like that when you use virtual pictures. Can you touch on that a little bit, just so everybody's aware of what we're talking about?

Dave Bynum: Here's the reality, when you get yourself your first listing or your second, doesn't matter which one it is, first thing you want to do is get your listing up and if you don't have pictures, because the house doesn't ... you just can't get

good pictures because there's too much furniture in there, you need to do it virtually.

So you would either have a photographer go in and take pictures of it with all the furniture in there and then they'd come out and they would take all the furniture out then they can virtually stage it. To do that, that will cost you about 40 bucks a picture, now they're taking pictures and they're removing and then they're virtually staging.

You do this for a number of reasons because A, you want to have that listing up as quickly as possible. You want to start getting bookings ASAP, you don't want to wait until you have all the furniture, because that normally takes a month or two. And if you do it right and you set your contract up right, you're not taking ownership of that property for two months. So you want to have your marketing in place in two or three days after you sign that lease or that done-for-you strategy.

Because now you have 60 days to make money and by the time you walk in that home you might have already generated \$30,000, \$40,000, \$50,000, \$60,000. Now you're starting on the right foot and you're not starting off behind the eight-ball. I have some that will come in, they just are so eager to get the first deal, they'll sign it and they'll be moving in, in a week.

To me, that's the kiss of death because you're starting day one behind the eight-ball. You want to give yourself plenty of time to get lots of ... build up the revenue, get your listing perfect, get your furniture in order, don't stress about everything, take your time but do it right. If you do that, your chance of success is extremely high, if you do it the other way, you're going to make silly mistakes, you're going to cost yourself a lot of money and your lease payment in the hole.

Because by the time you get your Airbnb and VRBO listing up and you get everything in order, you'll probably look in 30 days and you just paid for one month and you didn't have anybody stay there. So always try to push it out 60 days, if at all possible, get 90.

Jerry Conti: Very cool. I hope that helped everyone. I wanted to put some context to what Ron was asking and i felt like because there isn't a course yet, you would probably be confused about what that was all about with the virtual staging and everything. So great, thanks for that, appreciate it.

Anybody else have a question for Dave?

Callers: I have another one, Ron Hillman.

Jerry Conti: I'm going to hold off on you Ron for just a minute and see if anybody else has one.

Callers: Sure.

Callers: Hello? Can you hear me? My name is Joe.

Jerry Conti: Hey, Joe.

Callers: How are you? I have a quick question, I'll tell you the truth, I came on a little late but I want to make sure I understand. I've been listening to him for a long time, a lot of watching videos and things like that and I'm trying to understand, I'm up and running, several houses but I don't understand how can you raise funds, because all these companies take the money, they only give it to you after you're hosting the guests. So how can you possibly get the money up front?

Dave Bynum: It was Joe, right? Joe, right now when we first started the course, it was very simple, this is a little over a year and a half ago when we first started. VRBO was the company that I was working with and HomeAway and it was very simple to get advanced booking, paid on advanced bookings.

Now you have to go through a check process, so VRBO still does advanced bookings but they have to approve you and it generally could take anywhere between two and six months. You can do a couple other things, you can go ahead and get your own merchant process in place, you can use PayPal, you can use PayStand, you can use ... what's the other one that we use, Jerry?

Jerry Conti: Stripe or Square.

Dave Bynum: You can use others that will pay you direct. Now if you can work with the VRBO and collect a deposit, you collect their balance. Your deposit generally will be the taxes and the VRBO fee. And then you go behind and you as the owner are collecting your own and you process that right through your merchant processor. So that money then would go directly into your bank account.

So you can do the things of that nature or you can tie it directly into your site and have people book directly through your site and manage your properties that way, where all the money then goes directly into your bank account, generally within two to three days after it's processed.

Does that make sense?

Jerry Conti: Joe may be on mute, I muted some people, just star six, Joe. Joe, hit star six and you'll get on if you need an answer. That's great, Dave.

Callers: Am I on? Everybody's screaming, no problem, thank you. I'm sorry. So you were explaining and I heard something that you were saying, so you were explaining that there is a way to do that, but I'm trying to understand, Airbnb would allow it?

Dave Bynum: No, Airbnb, what they do, Airbnb they collect all the funds and until the guest checks in, they will not release the funds.

Callers: So with Airbnb we don't have that option.

Dave Bynum: Airbnb now offers a program, where you can get paid upfront, it's through a third party and you can, I believe it's three or four months out, that they will go ahead and give you advance payments and they charge you a fee for that. Not exactly sure-

Callers: What needs three, four months? Let's say somebody books June 1st, so three months later, they're going to allow me to get the money?

Dave Bynum: No, let's say someone comes in and today is November 28th, 29th, correct? So they go ahead and book for December 28th through January 1st. They would qualify to get advanced payments through the third party or you could get that, but you have to get approved and you can do that directly. You call up Airbnb and talk to them about the advanced payment plan.

They started doing this-

Callers: That's what you're saying, you mean you're saying that they started a couple months, that's what you're saying.

Dave Bynum: Yeah, they started about two, three months ago, so the rules are kind of ... I don't know the exact rules. I have never done a ton of business through Airbnb, most of it has come through-

Callers: That's also a question that I wanted to know. I'm bumping in to that question, do you think that throughout the 50 states or whatever, you think certain areas have more VRBO or Airbnb?

Dave Bynum: No question about it, there are some areas that are more ... like states are more Democratic than they are a Republican, you're going to have more people that are booking through Airbnb in certain areas than there are in others. It just so happens on the higher end homes out in Arizona, most of the high-end homes are being booked through VRBO.

And it doesn't mean all of them. Just 15 minutes before this call I got a big booking that came through Airbnb.

Callers: Happy for you.

Dave Bynum: You don't know where they're coming from.

Callers: I had some success and it's part of what you don't even know. But I started just literally like about two months and I had just November, I didn't even remember it so much. I think we did like 15 bookings, it booked like 99% from the month.

Dave Bynum: Congrats.

Callers: I'm hoping, I want to listen to you more and of course, whatever programs you got, what I wanted to ask you, let's get back to the thing that we were talking about, the money, so you said the other systems like HomeAway whatever, they do have still that option that you can get the money.

Dave Bynum: Correct and whatever channels you're going through, you always want to add more because I'm a firm believer the more eyeballs I have on anything, I don't care if it's real estate or if you're selling yo-yos. The more eyeballs that are going to be looking at it, that are looking for yo-yos or for properties, the more bookings you'll get, it's just the fact of nature is you get lots of people looking, you get lots of people booking.

Callers: Wonderful, what do you think when somebody has a review, what do you think is it that makes a much bigger chance that people will book with you and spend more money?

Dave Bynum: No question, you want to do everything to level the playing field or actually not level it, but put yourself on the top of the hill. You want people booking your property.

So the few things that you can do to really make a difference, A, reviews, pricing pretty much in line with everyone else, don't be the highest guy, don't be the lowest guy. Have great pictures that stand out, that make people want to see more. Certain areas, you can put on a video. If you don't have a great voice, you can hire someone that could just go over the property details and why you need-

Callers: Talk about the amenities the house has and everything.

Dave Bynum: Absolutely, get pictures of the outside, the golf courses, all the food around. I mean once you can really dive in and get in the guest's head, you're going to start dominating that market. So if you know golfers come, try to cater it towards golfers. If you've got people that come to get out of the city and they want to hike and do all this stuff, cater the hikers.

Callers: I tried to ask the people. That's what I'm doing. I'm trying to ask as much as I can. I don't want to mix into the business, but I'm trying nicely to listen to them and ask them the reason they came and it's so interesting that literally in a month's time, I had like I would say maybe 10 different reasons why everybody's coming.

Somebody came for hiking, somebody came for apple picking, somebody came to shop, everybody for different reasons. A wedding, so it's very interesting that people come for everything.

Dave Bynum: Think about this, you have five questions, you've asked every one of your people and you go over and you visit with each one of your guests. You pull out your phone, your iPhone and you ask, do you mind if I get you to answer five questions? And now you have those five questions broken up, you can turn those into videos. You can go on Fiverr, send them to a fiver person and have the question, what did you like best about this property? In just that segment, you can have like 10 different answers by 10 different guests.

Callers: What would the Fiverr person do, what do you mean by that?

Dave Bynum: They'd break up each one of those questions and put them in their own little segment and then you can tie each question together and it's almost like when you're trying to put all your pictures together, what do they call that? A montage or something? I don't know.

Now you have these top five questions why people want to stay at your house and then they hit play and they just hear all these different people going over-

Callers: So they can hear the voice from the person, we should record them?

Dave Bynum: Absolutely, that's why you're taking the video.

Callers: So we record them and then we take a Fiverr person to put that all together in a video. So not only they see a review from wording, they literally can listen to a video.

Dave Bynum: And the thing is you start doing things different like that, you're going to see results, even if that only improves your conversions by 20%, that's the difference. It's easy to do, it just takes an extra step.

Callers: Wonderful, let me ask you like this, I don't want to hold off too long, a very important question that I want to understand, do you think that there is only certain areas that can carry ... I'm like very close to New York City, let's say about 30 miles from New York City. So do you think that you have to go to a vacation area or do you think anywhere wherever there is a need?

I'm trying to understand a little better, because I understand you saying that we can make a lot of money from one house. I'm trying understand, does it have to be nice villas? I watched your videos, you showing beautiful houses that looked like Florida, beautiful mansions with nice pools and hot tubs and everything.

My question is, if I have a simple colonial house and I make that and I put in all those amenities, like let's say a hot tub, a sauna and I make sure there's a nice

game room, fitness, does that increase like crazy the property? Can that bring up the house to a vacation rental? Or it has to be a particular house?

Dave Bynum: That's a great question. I have some homes and Jerry tells me every day that they're not luxury but they still make a ton of money. We fight over what luxury is.

Jerry Conti: Because we all define it differently. We define luxury differently and our sweet spot in Scottsdale, for example, is between 750, a home that's usually valued between and 1.3. It's the ideal sweet spot for location. That's going to be different here in San Diego, it's going to be different in Florida, because it depends on where you're at.

We are not getting into the mega mansions of the \$20 million, \$30 million or \$40 million homes, hopefully one day we'll get into that space, but right now we're right around the million-dollar range, on average. And some of these homes are absolutely spectacular.

The home that Dave is referring to, one of his properties, I wouldn't call luxury, but it's really nice to stay in, I stayed in it-

Callers: The question is, do you have to look for only a kind of property like that or could you take a typical colonial that cost 350,000 or 400,000 and put in all the amenities and make it look good?

Dave Bynum: The answer is probably not. Your income really coincides with property values, so it's hard to get \$800 a night from a \$300,000 property, even if you have a pool and a hot tub. And I say that because if you look around, I would pull up VRBO to answer the question and I would quickly put in \$700 a day and for the area that you're talking about and see if there's any other home in that area that's going for \$700 a night.

Callers: There's very little, there's only like two, three that have that \$700 to \$1,000.

Dave Bynum: Compare that home with yours, are they comparable? If they are, then you got a shot. If they're not, if one of them looks like 1 million, 1.2 million and yours is 300, you're probably not going to do nearly as well as you might hope for. But if there's only a couple, it's probably not an area that I would want to take a risk, just because I don't know the area and I don't like taking a whole lot of risk. I like to take educated risk, where I see competition and I know if I do the things that I talk about, it will be one of the top ones in that area.

Callers: I'm sorry, so you're saying you discourage me in a certain way that I should not really continue. If I want to make the house ... make a lot of money from a particular house, one house itself, there's no way that I can really take out that amount of money from ...

Dave Bynum: I'm trying to be realistic. I don't want people on the call to think I could turn to a house to a \$700 or \$800 a night B&B. The odds of that happening are probably slim and I want to be realistic with everyone, if you're going to reach for an \$800, \$900 or \$1,200 a night home, make sure that there's other homes that you're going to compare yourself to, that are bringing in that type of money. And you're giving something equivalent.

Don't try to go into a million dollar area.

Callers: I understand. So you're saying, I was thinking like the basement has a few nice rooms, I was thinking if I fix up those rooms and I put in a fitness room, maybe I hot tub in one room and like a few of game rooms, things like this, making it look good, you don't think that a person is going to book and see they have all these amenities?

Dave Bynum: If the going rate for your style home in that area is 300 and you put in all these extra amenities, you might push it to 400, but it's highly unlikely that you're going to start reaching an \$800 a night. I'm just trying to be realistic.

Callers: I learned from this house but I'm thinking, am I in the right spot, should I take other houses like that? Do I need to go to a higher, more expensive house? I'm trying to-

Dave Bynum: You're doing absolutely the right thing. I mean you start off slow, you're working your way up and that's exactly what I did. And I found myself where the light bulb just went on and I said, oh my gosh, this is ... once you get it, you get it.

And then back to one of the earlier questions was, well, you don't always have to look at what's for rent, because if you only look at what's for rent, you're probably going to be disappointed because the good ones are taken immediately and the ones that are not so good, you're going to have to settle for. And that's not what this whole course is about.

It's about leading the charge and leading the way to get the property. That's why I don't really get any of my properties on Craigslist. It doesn't mean I don't look, but most of the properties that we get now are the ones that are for sale, that are higher-end, that I don't have competition with because most people don't know how to negotiate from a sale to a lease or to a done-for-you model with a purchase twist. They don't know how to set it up.

And because they don't know how to do that and structure it, it's a little bit easier for me. And that's what you're going to become after you've done this and you've taken the course and you've practiced, you're going to be able to do it and then you're going to be able to dominate your areas as well.

Callers: What was the number you were saying? Let's say a million dollar house, how much would you say can you possibly make from something like that?

Dave Bynum: It depends on the area, it all depends on the viability of the area and you look at the value of the property and you look at what's going on in the area and what I do is, I look at the viability of the area before I look at anything. And once I see that the area is conducive for short-term rentals and people are spending \$700, \$800, \$900 a night consistently, then that's an area that I start waking up to.

Callers: And you need to have a lot like? How many would you say, let's say in a typical area or town or village or whatever or in the county, how many houses would you say have to be in that range, that you should say this is the area?

Dave Bynum: You look at their calendar and see how booked they are. If they've got three homes in that area and their calendar has a few bookings on them each, it's not an area I want to work. If they have 20 homes in that area and no home really has their calendar booked, probably not an area I want to work either.

Now if they have 20 homes in there and I'm looking at their calendars and 60%, 70% of the homes have most of their calendars filled up, that's an area I want to jump into.

Callers: What would you say money-wise, about how much, just throw a number, how much you think of a million-dollar house, how much would you be able to net, like literally net, take away?

Dave Bynum: Every one is different, the house I went to see today was 1.5 million. I negotiated it down to about 1.3 million and that house will probably do about 250, 260 a year.

Callers: 250 gross or net?

Dave Bynum: It'll be gross.

Callers: But I'm talking about net, I'm talking about what you can take away.

Dave Bynum: I spent on that one, it will be probably \$135,000, \$140,000 thousand a year, so I'll probably mad out a little over 115,000, 120,000 a year.

Callers: A little over 100,000.

Jerry Conti: Just real quick, we've got only three minutes left to the call and I wanted to get back to Ron's question, but I also-

Callers: No problem. I appreciate it. Let me ask one last question, the question is if I feel that I can get a smaller house, let's say [inaudible 00:56:35], would you say I should rather get tiny houses and make 50,000 or get five nice big houses and make 100,000?

Dave Bynum: I can only say for myself.

Jerry Conti: Can I answer that, Dave? Do less and accomplish more. My whole philosophy would be do less and accomplish more. If you can manage one property and you can make that kind of money, would you rather do five small ones and-

Callers: It's more risk and it's harder to get to those big ones.

Jerry Conti: This is what we teach, are you coming to the conference next week?

Callers: What is it going to be?

Jerry Conti: December 3rd in Florida, Orlando. Are you registered for that or no?

Callers: Which day is that in the week?

Jerry Conti: Monday, Tuesday, Wednesday and Thursday. You should come.

Callers: I want to come. Monday, Wednesday, Thursday you said?

Jerry Conti: Monday, Wednesday, Tuesday and Thursday. Evening.

Callers: Where can I see all the details and the fees and everything?

Jerry Conti: Joe, just go ahead and email me at J-E-R-R-Y, jerry@luxhomepro.com. Just go ahead and email me.

Callers: Send me all the information, wonderful. Really, thank you for your answers tonight, I appreciate your time.

Dave Bynum: No problem, thank you.

Jerry Conti: You're welcome and just so everybody knows that if you want advance bookings there's a company out there that also does it for Airbnb it's called Payfully, I was looking it up online, so it's called payfully.com. P-A-Y-F-U-L-L-Y.com and they do advance payments on Airbnb bookings up to five months. So if you're booked out five months, they'll give you a percentage of that money up front.

Callers: They advance the money before, I got you.

Jerry Conti: The company that does that. So is there anybody else that has a question and then we'll go to Ron. Anybody else has a quick question, because I know we kind of went on a long time there.

Callers: Hey Jerry, with Dave, you were talking about the deal that you did today, what are the primary sort of benefit points to the person who's trying to sell their house but then you come in and say, hey, that's going to be better for you to lease? What are the benefits that you highlight that enable her to kind of change her mind and flip?

Dave Bynum: That's a great question. What I do is I go through the whole dynamics of the process and I first go over what she would make if she got a good offer from her realtor today, this is how much you net. In her case, she was going to net about \$235,000.

And then I went over our program, what I would pay for the home and she would net out exactly what she would net out from a good offer from the realtor. And I said the only difference is, I do a leaseback that goes into a purchase. So I'm going to stop your bleeding, you're moving out the end of the month and you're possibly going to have this house vacant for six, seven, eight months and you're going to pay all the bills, this is not an inexpensive home, you've got a mortgage on it over almost a million dollars.

So her carry on, this was tremendous. And it didn't make any sense. She's downsizing but she's still going to carry this \$7,000 a month payment. She's not in a good position.

So then we started talking about the lease and talking about the done for you and I can bet dollars to doughnuts, when I pick up the contract on the 16th, 17th of December, it will be a done for you with a price at \$1.3 million. And I won't have spent a nickel on the furniture. I won't have used my credit and I won't have used a dime out of my pocket.

And why do I know that's the way it's going to be? Because I know what she's looking for. I could read right through her, she had no interest in talking lease, no interest in talking rent, she wanted cash, but when I showed her what she could do and how this would benefit her, it was like the whole conversation switched. She said if you want, you can still use my gardener, the koi pond, here's the guy you're going to need to call so he can take care of it.

She had already made that decision, it's done. When people start telling you the people that you can now use to take care of the property, it's like, okay, I didn't even have to close it, she closed it for me. And we went through it and the light bulb went on in her head and she said this is what I want.

Callers: The reason she's going to make 35 in any case is in you're done for you deal, you're doing a 25% or 30% fee?

Dave Bynum: There will be a done at 30%, so that will net out probably around \$75,000, \$80,000 a year in income and it didn't cost me anything and I'll probably have a buyer for that property within six to nine months.

Callers: She's making a balance of, the 75 to 80 is only 30% of what comes in and the rest goes to her.

Dave Bynum: The rest goes to her, she takes care of all the bills.

Callers: And then on the other side, you're also saying because of your connections and because you're connected, people who want an investment property you're able to provide a buyer at 1.3.

Dave Bynum: 1.5. And that's where I come in and make the \$150,000, \$200,000 on the flip.

Callers: I see, you find the buyer at 1.5 and you're getting the 150,000 to 200,000 back out of that sale.

Dave Bynum: Right, because that's the agreement. My option is for 1.3.

Callers: I got you, okay, so you're looking to sell it for as much as you can but you're guaranteeing ... the deal is at [crosstalk 01:04:01], I got you.

Dave Bynum: Most homeowners, if you pitch it correctly, they're going to look at you first puzzled, then they're going to come back and they're going to say, Dave or whoever, you're going to put the real estate agents out of business. Because this is such a better deal. And I don't want to put agents out of business, I just want my fair share, just like all of us.

Callers: Thank you for going through that. I really appreciate it.

Jerry Conti: The good news is for those who are coming to the event next week, you're going to get some hands-on training on this. So our whole experience in the boot camp is to really put you into work and put you into action, so you really understand how to have these conversations, how to search for the property, how to negotiate the deals.

So we're just looking forward, Dave and I couldn't be more thrilled to meet all of you who are coming to the December event. It's a sold-out event right now, so we have no more room in the event. So if anybody is on this call and they want to come to one of our Lux Home Pro B&B boot camps, come to the January event. It's in San Diego on the 14th to the 17th or if you can't make that one, you can come in February on the 25th to the 28th. We'll be in Palm Springs, California, which is a very hot market for what we do, especially on the luxury side.

So with that, we are out of time. Ron, we're going to have to handle your question next time, but we thank all of you for being here. We are five or six minutes over time, so I appreciate everyone joining us today. We had a full house of questions, so thank you, thank you and Dave, once again, you're a rock star and we appreciate you and your wisdom and knowledge and experience in the space.

So until we talk again, folks, have a great weekend and we'll see you next week if you're coming to the event.

Dave Bynum: Thanks guys.

Callers: Thanks so much.

Dave Bynum: Take care.

Callers: Thanks you.