

Jerry: My name is Jerry Conti. I'll be the host. I'm going to work with Dave on these questions that you submitted in through your form.

Jerry: Go ahead and hit star 6 until we open up the lines for more questions. Sit back, relax, listen while we're answering some questions. Also, if you want to just mention where you're from, and your name, that'd be great.

dave: I'm here.

Jerry: Are you hearing all the great locations all over the country?

dave: I am. That is incredible.

Jerry: It is incredible.

Jerry: So awesome guys. I don't want to hold you up and I certainly want to make the most of Dave's time here for all of you.

Jerry: Then it's [crosstalk 00:08:38]. Do you save the pitch to them after you walk the house with the neighbor or [inaudible 00:08:44] you've ever showed it, or do you just go into everything all at the same [inaudible 00:08:50]?

dave: Okay. Great question, Marsha. The first thing you'd probably like to do is just pitch it all, get it all done, but the thing is from a standpoint of you on the other end. If you're going to make an offer you haven't even seen inside, it's probably not a deal or a person you want to deal with.

dave: I always bite my tongue and figure out a way to get in touch with the owner, and if I can't get in touch with the owner, then the only thing you can do is reach out to person listing the property, okay?

dave: Let them know that you'd really like to talk to the owner, and let him know you've got a deal and let him know that he'll get paid of the whole deal [inaudible 00:09:42], but the key is self-pitch the deal before you go see the property, because it doesn't show that you're even taking the time enough out of your day to make an offer.

dave: It is an easy way to do it, and you might get away with it, okay? But at the end of the day, I think you want to go ahead and set the table so are the odds are you in your favor.

dave: So that's what I would do, anyway.

Jerry: Yeah, that makes sense. Total sense. Hopefully that was helpful, Marsha.

Marsha: Yes.

Jerry: Okay. Awesome. Here's another question from Marsha, 'cause she's really on the questions.

Jerry: All three questions are for the same scenario.

Jerry: Using your advances strategy of executing an option to buy, and tying up the house at an X price and then getting another buyer on the hook for a higher price, do you share some of that property with the owner or is that just part of the negotiation with them?

Jerry: And then the second part is, and then, do you double close or use a land trust to hide the price you paid from this next investor you sell it to. In addition to using the same strategy, if you don't have the funds to close, do you use a private money lender or borrow same-day funding to purchase it and then sell it the same day? Great question, by the way. Great question.

dave: Love all the questions there. The beautiful part on this, Marsha, unlike going into a regular six and flip, where you only have X amounts of days to execute, maybe you had a 30-day right, right? You have two weeks before. We have a year to [inaudible 00:11:30], right? So the goal is get it under contract, work with a title company and now it's time to go to work and make this a revenue producing model, right? So you're going to make lots of money by management, and now, while you're doing that, you're going to start working with your exit plan, if that's what you want, and exit in about 12 months.

dave: This way you work with a title company, if you have to have a land trust, have to do a double closing, you have to go ahead and find you a lender who will lend you the money for a day, these are all things that are doable and they're easily doable if you have plenty of time. Okay?

dave: So you don't have to give away the property, and no I don't go ahead and share in the profit with the homeowner. The homeowner has agreed to sell it to me at a price. I've agreed to buy it at a price. Right? So that's your option. You're setting the option: This is what I'm buying for, and I'm closing within 12 months, and the reason why you close in 12 months is because you want to get the property performing cash-flow wise so you can then close.

dave: Otherwise, you could be wasting your time. If you find yourself in the process where you're not hitting the number, even if you didn't know the numbers going in, or you're really severely mismanaging the property, okay? Either one of those, you need to go ahead and figure out before you get to the end of your option period.

Marsha: Okay. Sometimes I've heard you say that you do tell the owner of the property that you have other investors and that you're building up the revenue ... It has to be able to sell. So I thought maybe they might ask, oh you can sell it for more, and will I get a piece of that kind of a thing?

dave: Well, yeah. That's all well and good, but that's how we go ahead and we make our profit. If every homeowner wanted to jump in bed with the deal ... And I'm not opposed to it. If a homeowner says, "You know what, I like your deal, why don't we do this? Why don't we just do a 70/30 split and I'll pay the bills, and then when you flip out of it, anything over \$900,000, we'd split it." If they want to do that [inaudible 00:14:08], I am totally on board with that, 'cause now I got a homeowner that wants to play ball and if I can do it with this house, he probably has another one that we can do right after.

Marsha: Okay. Great. Thank you.

Jerry: That was really good. That was really good question and answer Dave. It's interesting, because I've been sitting in these sessions with you, and I was so blown away, because realtors ... and nothing against realtors by the way ... We are investors, right? So we are kind of going to the homeowner directly. We're not going to the realtor in a sense. The realtor takes 90 grand on a \$1.5 million house. \$90,000 in commission. And basically what are they doing? They're listing it on MLS. They're going to open the house up. They're going to show the house, and they make a brochure on the house. They're going to market the house. We come in and cash-flow the house. But we've got to buy furniture. In many cases, we have to buy furniture, we're going to have to set that up as a business and start cash-flowing that house 20 or 30 grand a month.

Jerry: Okay, what is that worth? Right?

Jerry: We're sharing in the profits with that with the owner, and we can get into that more as more prices come up, but basically, that flip money, if we're going to flip that and take all that risk and put our [inaudible 00:15:30] in place to make that happen, we deserve that list price. That's just my point of view. We deserve the difference between their hard cost and what we sell it for.

Jerry: Because remember ... We're bringing the investor to the table in many cases. So it's not the realtor bringing the investor. It's us bringing the investor. Take us out of the deal.

Jerry: So anyway, just thought I would share that. Hopefully that will help.

Jerry: Okay. Let's move on to the next question. This is one from Mark.

Jerry: He goes, "Hey guys. We moved to Indiana [crosstalk 00:16:03]."

Jerry: Yeah. You guys just go ahead and push star 6 for some background noise right now.

Jerry: I can mute everybody, but I do not [crosstalk 00:16:15] proactive on doing that.

Jerry: Thank you. Perfect.

Jerry: So this is a call from Mark, and he says, "Hey guys. We moved to Indiana, and it looks like there are not the best markets around here to sustain luxury rentals. No problem. However, logically speaking, that condenses the market that these properties are

sustainable. Since one of the strategies is to price at 15% lower than the other homes, it seems we'll be competing with many others that are doing this also. So the pricing could be driven down in these limited areas quite easily, it seems. Any thoughts on that?"

Jerry: Great question.

dave: I'm trying to just understand the question.

Jerry: Yeah, it's a pretty good one. So basically saying there are some better areas around the country than Indiana, which may be the case. You have to do your research to look at the areas. I know, Dave, on the calls, you have said many times you want to maybe ... If you see a house renting for \$900 a day, you may want to come out of the gate with a 10 or 15 percent lower rate than them, right, when you're renting it?

Jerry: And then he's basically suggesting if too many people do that, it may bring the whole market down, and we really haven't seen that other than Orlando, Florida. [crosstalk 00:17:36] controlled by Disney and, yeah, go ahead.

dave: I think the reason why we tend to drop our prices so fast is because we're fearful that we might not get enough bookings. Before I invested in any space, I would absolutely get ... go to at least two or three private managers that manage these houses. Take a look at what they're doing. Take a look at their rent book. Take a look at what the asking rates are, how much they're making and if you're not comfortable, it's probably a good idea to walk away, because I don't like to get into a spot where I feel uncomfortable about whether or not I'm going to be able to hit a number.

dave: I know coming out from Arizona to Fort Lauderdale was a big shock, okay? Because when you know a market so good, then you go into some other area and it's totally different, you start scratching your head, saying, "Wow, what did I miss?" Okay? But the reality was what you missed is you didn't do your homework up front, which would have given you clear indicators exactly how to roll out your offer and what to say to your homeowner.

dave: So if it's Indiana that you've got to stay in, I would make sure you interview at least three different managers that have 15, 20 properties. Then you can get a good feeling of what they're making for the type of properties you're going after.

dave: And maybe because it is in Indiana, you may have to lower down what your thought process is. You might only be making 30 to \$50,000 a property instead of 80 to \$120,000.

dave: So take that into account as well.

Jerry: Okay. Great. Awesome. All right. Here's a question from Joseph.

Jerry: "Hi, Dave. I'm a little concerned about the need for a credit report, financial statement and references. We don't have a strong financial statement, nor any references. How do we proceed effectively?"

dave: Great question. My first property ... Okay? And I want to say that my credit was probably in the 4s on my first house, and I had no credit. Okay? And I had no money. So how do you go ahead and get someone to say yes repeatedly?

dave: Well if you put together your portfolio, and you come in as "You are the Expert." And you're working directly with a homeowner, you probably have a pretty good chance ... at least 50% ... that they'll never ask you for those items, because you're coming from the thought process of trying to set a weakness.

dave: If you went to a realtor, the first thing they would say is, "I need you to fill out this application," "I need to pull your credit report so we'll need \$40," and "I need to see maybe a bank statement showing that you have the ability to pay."

dave: Right?

dave: That's what you know you're going to get, but if you go in straight with a lot of conviction and you feel good and the numbers work, be positive. Just roll out your pitch just like I teach you ... And I was really nervous. Trust me. Because no one was teaching me what to do.

dave: All I did was put it together, went in, pitched. The homeowner told me, "I like it. Give me a day."

dave: And when I called her up the next day, she said, "Let's put together the lease."

dave: Do you want to do it or me?

dave: So, not once did it ever come up, "Do you have the money?" Or "Do you have the credit?" Then what was really nerve wracking was, the next step, I had to find the money. So now I'm [inaudible 00:22:16]. Now I have no credit and no money. Now I have to find money within 24 hours so I don't look like a bozo, right?

dave: So luckily for me I had a few people that were on standby that would have the money if I needed it, and that's what I was able to do.

dave: So make sure that if you don't have money, that you have some people around you that might be able to come to your rescue if you need a few thousand dollars just to put down so you can move ahead.

dave: So I hope that helps.

Jerry: Great. Great suggestion. Awesome.

Jerry: All right. This is from Alaina.

Jerry: She says, "Question. You mentioned you can do this from one state and another from home. Can you elaborate on how to do that? I'm semi-handicapped and limited to traveling. I'm currently living in Virginia, but I will be moving back to Arizona within the next year, and I want to find homes in Arizona so I have somewhere to go once I'm closer than my moving date. Unfortunately, due to my work schedule, I won't be able to be on today's live call."

Jerry: So she'll get the recording of this.

Jerry: That's a great question, Dave.

dave: It is a great question.

dave: So here's what I normally tell people. If you're in a situation, and there are a lot of people on this call that are in the same situation, okay, which would like to do it in another state, but just don't have the capability to get up a move, and they need a helping hand.

dave: Well, that's normally when I tell them to come to our boot camp, because our boot camp is a networking tool where you can network with others that are in the same position or maybe a slightly better position or worse, that you can ... There are areas that you might want to work in. So you share their strengths and your strengths, and now you have maybe a business partner you're going into your first property with.

dave: Or, to steer you in the right direction. If I was going into any area and I didn't know it and I couldn't travel there for a while, I'd pick up my best friend. My cell phone. And I'd go to my computer, and I'd immediately pick up the phone and call three or four vacation rental managers, and I would talk to them until I knew the area. I knew the type of profits to be made on a property, until I really felt I knew the different areas and how they worked.

dave: Once I did that, I would go right onto realtor.com, look at those areas, look at how many houses are in that area that are for sale, how many houses in that area are for rent that would generate the types of revenue that I'm looking for. I could even bounce those ideas off the manager, because I've got a good working relationship with them.

dave: Now, once I've done that, okay? Is it time for a trip? Maybe. Maybe it's not. Maybe you go ahead and have such a good relationship and you spell the deal out to the manager, the the manager is willing to go out and give a presentation on your behalf.

dave: Okay? And we go over exactly how to do that in our advanced strategies, so you don't have to always be there.

dave: Now what I've found is you get a lot more properties if you're dealing face-to-face, and it's you that's actually doing the pitching directly to the homeowner, but when your

back is up against the wall, what do you do? Just use the ammunition you have in your hand and sometimes it means you have to work with others and trust in others, and so that's what I would recommend if you really wanted to work in a different area.

dave: That would be the easiest way to get started.

Jerry: Great. Awesome. Hey, I've got another question from Marsha here.

Jerry: It says, "When the house is occupied, Dave, not vacant, and we're offering the homeowner a Done-For-You program, obviously they need to leave the home. How do you broach the topic of getting them to leave ... just offer a monetary incentive?"

Jerry: That's the question. Do you offer a monetary incentive?

Jerry: And if she does, I would think most of the sellers are expecting to buy something else when they left. How do you handle this?

dave: Okay. Perfect question. These are questions that we are faced with every single day, so Marsha, kudos to you.

dave: The first thing you need to do before you even go into your presentation is you just need to figure out the paying point, and what you want to do is ask the homeowner when do they plan on moving?

dave: How soon do they need to leave? Figure out why they're moving, and now we know that homes stay on the market sometimes for six months, a year, two years, three years, four years. What's your plan B? What's your plan B if your house doesn't sell within that timeframe? Would you consider leasing it? You're throwing out that carrot. You're trying to get your [inaudible 00:27:47] whether or not they would consider leasing it, and now they don't get any cash. They just move and they're going to have someone someone pay them a monthly stipend.

dave: So now you know right away if maybe that's an option, where you can now throw in a sale with the twist, right? [inaudible 00:28:08] whatever the case may be. That's how you get your homeowner engaged. If you don't get them engaged in your conversation, it's hard to get them on the same page.

dave: So before you go into your presentation, ask them questions up front so it's a little bit easier to pivot in and then point out those areas so they understand. "Oh my gosh. Yes." Marsha, you're exactly right. This is the model-

Marsha: Hi.

dave: Because it could be reality here in another six to 12 months.

dave: So that's the way I would handle it.

Marsha: Awesome. Thank you, Dave.

Jerry: Awesome.

dave: Okay. Good luck.

Jerry: Here's another question. Here's a great question from Fred.

Jerry: "Hey Dave, you are the greatest. I think you've set me on the right path as to what I should be focusing on in my real estate business. I'm going through your course, and I heard you mention selling properties ultimately to a 1031 exchange investor. Where do I find those investors if I had a property that I controlled and wanted them to buy it?"

dave: Good question. Okay, so Fred, thank you so much first of all. If you want to find people that want to buy on 1031 exchanges, I would reach out to a number of different realtors, number one, and I would actually Google them and put in 1031 exchange. And call them up and say, "Hey, my name's Fred, and I've got a couple houses that may be purchasable through your 1031 program if you run across this client."

dave: He's going to talk to you, and you can talk to him. Now he's going to want to get paid, but to flip a property he makes a couple hundred grand on, it's not that bad if you have to give up 30, \$40,000.

dave: Number two, you can go in ... which is free ... over to [inaudible 00:30:07] and post your property right there to investors and it will tell them exactly what you have. You can put your cap rate in there. You can do all the wonderful things that you want to do to showcase that property.

dave: You're going to have people calling you and you can keep that up until they tell you to take it down, so it could be more of a marketing tool. You might put two or three properties up. I didn't tell you that, but you could. Some people do, and they use it as a marketing prop to get people to call in now. I call in, I say, "Hey Fred. I'm calling regarding that property you have in Scottsdale. The one with 8.5% cap or 7% cap, five bedrooms."

dave: "Oh yes. Let me get your name again."

dave: And you get his name, you get his phone number, and you just go through the process.

dave: "Well, hey, I've got two or three others that might fit because that one just went under contract."

dave: Whatever the case may be, right? And now you've got a [inaudible 00:31:07] 1031 exchange program on your line, so there's a number of ways to do that, and you just have to think a little bit outside the box.

dave: The cool part about it is you've got a year to do this. So you can start building up your own little list, and keep in mind, you have to identify a property within 60 days. They're going to come and go, because they're not going to hang around for a year. Okay? They've got to find another property. They've got to identify it.

dave: So once they do that, and then they close, they are no longer a candidate for you. But you want to just keep them at bay, because they may have more money coming out of the different properties they're selling.

dave: So keep that in mind. Finding those 1031 exchange customers sounds like it's going to be hard, but it really isn't. And if worse comes to worse, come back to us. We can help you.

Jerry: I was just going to say this may not be the appropriate time to do a commercial, but I know all of you have gotten access to our boot camp, and just want to let everybody know our next boot camp is on May 6 [inaudible 00:32:30], and this question is relevant to attending that event, 'cause you can learn how you can partner with us at that boot camp, which is really exciting.

Jerry: We have capital to take out the houses if it makes sense, and so there are opportunities to partner. I would highly recommended you get into a boot camp. The June is almost sold out. We have more space in May than we do in June, so if anybody wants to head to the May event ... I know it's only a week away. What is it, a week or two weeks away? Not even two weeks.

Jerry: So I know a few of you guys want to do that, just reach out to us, and we'll help you make those arrangements.

Jerry: So, with that, let me go to the next question here, Dave.

Jerry: Pamela has a great question. It says, "In the Done-For-You Model, who typically pays the one-time capital expense for E-locks, security cameras, remote thermostats, remote pool heat control and noise aware? Are these typically handled by the homeowner or by us?"

dave: In your negotiation. So, I look at my numbers and I look at what profits are going to be made and I look at how much it's going to cost me to make that happen.

dave: I'm testing by homeowner. If my homeowner is at a point where it's possibly during the deal, I'll offer that as an inventive, okay?

dave: If it's not, if the homeowner ... it's a great conversation when we're going over these things. I just want to know. "Hey these are some of the things that you're going to have to have in place. The good news is you buy them, I put them in." Okay?

dave: And then that works well as well, but you always want to test the homeowner. Someone may not have the extra cash to support it, so then it may fall back on your shoulders,

and instead of you taking 70/30, you might go the 65/35 split. You know, something like ... what exactly you can recoup back all of your money.

Jerry: Awesome. Very cool.

Jerry: All right. We've got a question from Tom. This should be an interesting question here.

Jerry: So, it's a question on insurance.

Jerry: "Dave, I'm buying a house in Scottsdale for FTR, which will be my first B&B property. The CBIZ Policy does not cover for workers coming onto the property who do not have their own worker's compensation. Typically, the homeowner's policy does. C-Biz answer is to only hire contractors with insurance, but that doesn't work for gardeners, handyman, and sometimes cleaning people. How are you managing this? I'd like to avoid having both homeowner's and CBIZ FTR policy concurrently. If the homeowner cancels the homeowner policy, and you're using the CBIZ, how are you protecting yourself and the owner for these types of workers?"

Jerry: Great question.

dave: That is a great question.

dave: Okay, so here's what I do. On any situation where it falls back on the homeowner, okay? I just have to lay out exactly what needs to happen, and I spell it right out to them.

dave: It's their decision at this point, okay what they want to do. If they want to go ahead and cancel their insurance, you made them aware, okay? And that's really where the fault lies. It lies on the homeowner, and you let them know that this is what your policy will cover and this is what it won't cover, so it's always good to get a separate umbrella policy and if for some reason they don't want to pay for it, you can actually just go ahead and get a bid out with their insurance company with their insurance policy to see how much an umbrella policy would cost to protect yourself against those particular things.

dave: But you really owe it to the homeowner just to disclose it, and then it's up to them to make a decision on which way to go.

Jerry: Awesome. We're going to open up the line, so if you guys have any additional questions for Dave. Some of these questions have been absent We will do that, but let's get through a bunch more questions before we open up the lines, okay?

Jerry: All right. This is a question from Lynn. Hi Lynn.

Jerry: "I'm talking to an owner in Scottsdale about hosting his property, friend referral. I wanted to get the links, numbers on VRBO, etc. to take a look at your successful properties that you and the other students have there. Easier than going through all the listings to find them. My other questions are today, what are some mistakes you have

made to avoid? What are the most successful extras that set your property apart from the other choices, set-up, [inaudible 00:38:04], specials for your guests only?"

Jerry: So there's like three questions there.

Jerry: I could probably [crosstalk 00:38:10].

dave: Okay. You want to go ahead.

Jerry: Yeah. The first one, so Lynn we are working on a website that hosts all of our properties and our students' properties. If you guys go to LuxVacationRentalHomes.com, LuxVacationRentalHomes.com, you will see a temporary site up there. I usually don't send people there, because it's not a functional site. It's a behind-the-scenes site. Nobody knows about that site. And it's just basically a mock-up right now of all the properties.

Jerry: But you'll see there's probably listed about 30 of our students' properties, maybe closer to 40 now. You can take a look and you can see some of the properties there, but the new site will be up by May ... the deadline was May 7 to have everything up and functional on all of our properties.

Jerry: You're going to see a brand new site. It's going to be freaking awesome.

Jerry: We're also ... With our students, there's an opportunity to share the properties amongst the students so then when you're part of the network, you can actually barter.

Jerry: You know that you're only going to rent these properties out probably 70% of the year, so you've got 30% of vacant space. If you're leasing the properties, you can use these properties and share these properties with friends and other students. So guys can experience what it would be like to stay in Paris, as an example.

Jerry: So ... and trade up. Some people may want to stay in Scottsdale. Somebody wants to stay in Paris. We'll trade. So we're working on all kinds of cool things like that.

Jerry: So that's that question. I hope I answered that okay, Dave.

dave: Yeah. That was good.

Jerry: Okay, good.

Jerry: Another one is, "What are some of the mistakes that you have made to avoid when it comes to comparing your [inaudible 00:40:03], you're doing a Done-For-You, [inaudible 00:40:07]?"

dave: Well, the mistakes, I've had many, okay?

dave: I think all of us had many. Anyone that says they haven't made mistakes hasn't been in this business, because there are a number of things that you need to do in preparation for your house to go live.

dave: A lot of these mistakes will quickly be shown to you after the first booking comes through, okay? Unfortunately, sad, but true. They will uncover your faults and they'll let you know, and you'll politely take care of it, and it may even cost you a couple dollars, but at the end of the day, it doesn't take long to fix those flaws.

dave: What I would do is make sure you're going on our back office, go ahead and pick out the things that you should have in your house, and then sit back, once your house is complete, spend the night, spend two nights, then three nights with your family. Let them go through it and live the way you normally live and you'll probably pick up another dozen or two [inaudible 00:41:20] that you've missed and quickly get it fixed.

dave: That's what I found is the best school is letting your family or friends stay there and go through everything, and be brutally honest and let you know exactly what you need to do to fix up.

dave: And if you do that, you're going to be on top of your game.

dave: There are things that you can add on down the road, which they don't have to be perfect right out of the gate, but you can add them on over the next 30, 60, 90 days.

Jerry: Yeah. That's really good. One of our partners got his first home, and he's crushing it. He's on track to making about \$150,000 this year on this property, but when he first started, he put ... The house sleeps about 18, and there's enough beds in there to do it.

Jerry: You know how many dishes they had in the cabinet? Four.

Jerry: So think about it. You've got 18 beds, but four dishes. You want to talk about a nightmare-

dave: Four coffee cups.

Jerry: Yeah. Four coffee cups. Four dishes. Four forks. There was just an oversight on their part, and they had to literally drive out to Arizona and deal with that.

Jerry: And they went ahead and spent a few thousand dollars just really setting up the house, but they ended up having to give a partial refund, which isn't a bad idea, and I know that sounds crazy, but sometimes you have to do that. You have to protect your reviews, right? The reviews are the most important thing. And sure enough, he was able to do a little partial refund on that particular booking, and he got a 5-star review, okay?

Jerry: So, you want a 5-star review over a low tax hat you may have to give back because you screwed up.

Jerry: So I'm just going to put it out there like that, Dave.

Jerry: The second part of Lynn's question was, "What are the most successful extras that you set your property apart from the other choices? Like golf times, courses, discounts, specials. Those kinds of things."

Jerry: Do you have any insight on that?

dave: Yeah. I do, and it's all dependent on your area and what draws people to your home.

dave: Is it wine tasting? Is it golf? Is it the beach? Is it the amusement park? Is it to do rock climbing?

dave: Whatever it is, look at the various things that you can do to help, because most of these people are going to do want to do whatever it is that attracted them to that area.

dave: So if it's rock climbing, well, "Hey, I've got 50% off rock climbing. I got private trailblazer. I got ATVs. I got all this stuff that you'll have access to that you get substantial discounts on."

dave: If it's for golf, "Hey you can get up to 40% off on all your booking tee times through my booking," okay? "This will immediately save you thousands of dollars a day if you have all of your [inaudible 00:44:32] set."

dave: If it's for the beach, maybe that we have the boogie boards, we have the umbrellas, your chairs, everything, coolers. We have beach volleyball nets, the whole deal, and maybe we have one of these little cars that you can just drive right to the beach, right?

dave: So whatever it is, you want to go ahead and exploit it, because most others aren't going to do that, and that's going to really help people make a decision to stay at your property or at least tip the hand so if it's 50/50, they're going more towards yours than not.

dave: And you want to highlight those in your follow-up, okay? So when they first inquire, it's one response, and then maybe six hours later, "By the way, we do have complimentary to everyone that comes in and books our home, a list of all these items." Right?

dave: And now it's top of mind, you can even take pictures and send them out that way if they allow you to do it through whatever booking agent that you're trying to book with.

Jerry: Okay. Awesome. Awesome. Awesome. So, Dave it looks like ... Well hold on let me see. I'm going to page two, 'cause we have had so many questions. Let's take a look here.

Jerry: Okay, here we go.

Jerry: This is question from Pamela.

Jerry: "Can you remind me of the virtual staging company you recommend? I wasn't able to find our resources. Also you had mentioned a while back the possibility of partnering with a [inaudible 00:46:24] furniture company to get furniture for our homes. Was that deal finalized, and if so, do we access that company?"

Jerry: Sorry about that.

dave: Okay. First off, your virtual stagings You can do that any way you want, but I use a company called Virtual Phoenix, Virtual Stage, and you can use them. The guy's name is Dave, the owner, but in the Phoenix Virtual Tour.com ... You can Google that. PhoenixVirtualTour.com, ask for Dave. You could do it in many, many ... There's so many people that are out there hustling trying to make money doing virtual staging. You can use it many [inaudible 00:47:26], just ask them for a couple samples.

dave: As far as the ... I use Donna, and I don't want to have thousands of people calling Donna, but Donna is my savior, where she'll come out to my properties and she'll go through from top to bottom, and she'll go ahead and ... it saves you, right? Send me pictures of maybe all the pieces of furniture that will go in there and then send me the film tab. I'll look at it. I'll say, "Well I can swap this out. I can [inaudible 00:48:05] out. I don't need this," and before you know it, I know exactly how much I'm spending. They'll finance a good portion of it with zero interest for a year or two. They'll come and set your whole property up. You don't have to be here in Scottsdale or in Paradise Valley. You could be in Florida, or you could be anywhere else. They're just going to drop ship it out of their warehouse so you can have that done, then they'll work with the local person to set everything up to your specs.

dave: So you can do that, and the name of the company that I get this from is ... Gosh. My mind's drawing a complete blank right now. American Home Furnishings. They've got a couple huge warehouses out in Arizona, but the lady's name who takes care of my customers and all of my students is Donna and she's just wonderful. She's not superman. She'll do the best she can, but she works on commission on sales. The prices that the company has is probably the cheapest I can find. You could probably shop around and maybe save a few dollars, but they're generally the cheapest name in town, okay?

dave: You can always use them, and again, you either fill it with garage sales or just going up to the Goodwill and buy the stuff on Saturdays, 'cause it's 50% off. Just use that for the small stuff you need, okay? The big stuff don't mess around with in Craigslist and offer up if you want to go ahead and buy the used ping pong table or pool tables or something like that.

Jerry: Awesome.

Jerry: Hey, Dave. I got another question from Lynn.

Jerry: This one is, "The forecast of the market in California align with what we've heard in the boot camp. What are some good ways to position ourselves to take advantage? I am

noticing days on market getting longer, prices dropping some, however, I don't think that the sellers are getting it yet. I know lease option is a strategy so I am targeting more motivated buyers. Not sure if they are ready to do an option for \$1 million on a property that they think should be \$1.2 million, and lock it up and make \$200,000 on the back end. Who knows how long it will take to increase? And yes, I realize it is an option, so we are not locked into the purchase, and that also we may be able to sell it based on the NOI."

dave: Right. Okay, so, Lynn. Here's the thing. If you're in a area, wherever you're at, okay? California, you're in Florida, you're in Tennessee, you're in South Carolina, doesn't matter. Start looking at the real estate news. Start printing out articles that talk about real estate flipping, days on market, okay? Average cost of real estate. All this stuff when you see directional arrows going down, put it in your presentation, okay? Because the more you use third-party presentation stuff out of a newspaper, from the web, the better your presentation's going to be.

dave: They understand. Everyone watches the news, and they hear the buzz. If your house is on the market, and you're not getting the viewings you want, you know. You don't need me to come to you and just rub your nose in it. They know it, but by bringing that third-party confirmation, it's going to do a lot, and when you do go to the close, and you talk about, "Why not lock in your profits now?" Make sure you talk about what your plan B is if you need to move and you can't get it sold, because you want to have that in the back of their mind as well. Now it's a whole lot easier to close and talk about what's going to turn the sunshine on your home. Let's lock your rate in. Let's go ahead and put the process in place. By the time someone else might come and put an offer on this, we're closing. Okay? And we're not asking you to discount, so those are the things that I would use to help your presentation go a little smoother.

Jerry: Awesome. Very cool.

Jerry: Hey, we've got a question from John from Canada.

Jerry: Question for you Dave is, "Looking for information on how to work with foreclosure properties. The topic was mentioned in one of our videos. However, due to various questions, it did not get covered."

dave: Okay, so foreclosures. We do have the video that we just put up. Does everyone have access to that Jerry?

Jerry: Yes, they do. Great observation there, Dave. We just added five bonus videos to the member area. This was not included in the webinar, wasn't mentioned in the webinar. [inaudible 00:53:48] and we added it to membership, so under the "Bonus" tab, you'll get to see that, and there's a video on foreclosures. So go ahead, Dave. I'll let you take it away from here.

dave: Okay, so what you want to do if you're looking to work in a foreclosure market, what you can do is go ahead and go to your title company and ask them for 30, 60, 90 day

late, okay? And then you look at three to five bedrooms that are in your location, and those are the ones you would start targeting, because they're late, okay? And what happens after they're late? They start getting notices, and when they get notices, they get a foreclosure, right?

dave: So what I would do is learn the whole process. Go to a title company. Have them write it down for you so you become an expert, and this way, when someone says, "Well, I'm only in this stage," you'll know exactly how long it will be until they get into the next stage.

dave: So every state's a little bit different the way they handle their foreclosures, please go to a title expert, have them walk you through it, take notes, and then now you can become a title expert or an expert on the foreclosing process within 15 minutes.

dave: So do that for your own sake if that's what you're getting into, right? At that point, you want to interview your title company as well. Say, "Can you help me put together this?" "Can you help me put together that?" "So if I do have a client that I'm trying to take over their property, will you help me put together the contracts?"

dave: Of course they will, okay? You just need to steer them in the direction that you want to do go in.

Jerry: Perfect. Perfect. Okay, we've got a question from ... This will be the last question, and then what we'll do is open up the lines, 'cause we got about eight minutes left of the call.

Jerry: So if you do have a question for Dave, just go ahead and unmute your phone. Hit star 6 and you can ask Dave the question in just a minute.

Jerry: So this will be the last question [inaudible 00:56:11].

Jerry: She goes, "So many new rules, regulations and potential laws are going into effect in cities and counties stopping the use of property for short-term rental due to zoning or community complaints. Has anyone come up with new ideas or options to be able to continue this business?"

Jerry: Great question there.

dave: Well I think that the new ideas and new things will only come on foot within time. What we're finding is people are against it, people are for it, you're seeing Airbnb now really open up the laws now and send millions and millions of dollars. You're seeing Marriott, you're seeing all the major players start to dip their toes in the water, because this is our future, right?

dave: And if they're dipping their foot in the water and they're getting involved, they're doing it for one reason, okay?

dave: They can only hold off everybody with their lobbyists for so long, right? And my thoughts are ... This is only me thinking. I haven't ready it anywhere, but they're doing this because they want to get themselves in [inaudible 00:57:26] position, right?

dave: So what do they do? They lobby against it, and then they go behind the back of the scene and start buying up real estate, right?

dave: So, if they're buying up real estate to turn into short-term rentals, where do you think this energy's going? It's going more and more towards what we're doing. You just have to find your hot spot, where you want to be, make sure it's in an area what you're not going to have any issues or not have any immediate issues, always put in the contract that if for any reason the property suddenly becomes not viable for short-term rentals, that you can break the lease without any penalty, okay? Certainly that's not what you want to do, but always have that in the contract just to protect yourself.

dave: At the end of the day, we're doing it for the long-term. We're not doing it for a short-term play, unless that's what your strategy is, but if you just stick with your guns, I think just like Uber, just like Lyft, just like Amazon, these companies came in, they had opposition, they quickly gained market share, and now they're the go-to, okay? You're going to see that. I just kick myself, because I'm staying in a hotel and Jerry was very upset, but I said it's probably the easiest to find me, and I'm paying almost \$400 a night for one bedroom, which is ridiculous. It just really gets me upset when there's so many nice homes around here that I could get for half the price and have more room and not have to worry [inaudible 00:59:13].

dave: So this is our future guys, and if you start looking at it in that way, and the way people are traveling, and when you start setting up your business that way, set up your domain to capture that, because that's what we're going to be. If you're set up now, two or three years from now, you're going to be in a great position.

Jerry: Yeah, and it's a good point, Dave. As you know, we're part of some high-level business masterminds, and I go to one down in Orlando, and up in Clearwater, every quarter. I have a lot of colleagues and friends that go to these masterminds in the business community, and they do these at the Italian hotels like Ritz-Carlton. It was going to cost me and two of my friends \$1,600 to stay there for four nights. That's like \$4,500. We got an Airbnb 1.7 miles down the road for a total price ... get this ... a total price of \$680 for the four days.

Jerry: I'm sitting there like, "You've got to be kidding me." "We just saved like four grand, and what do we got to do? Take like a \$5 Uber over to the hotel every morning. It wasn't a big deal, and it was a three bedroom, three bath right there in Orlando.

Jerry: So anyway. That's an interesting market to say the least. Orlando's tough, because you get a lot of [inaudible 01:00:45] for very little money. So it doesn't really fit in our model. In many cases, you can find great homes in the Orlando area to make 40 or 50 grand on, but try to reap that six figure, it's a little tougher in that particular community

there in Florida. And of course, Disney's controlling that side of it. So you've got issues there.

Jerry: But, anyway. Great questions, everybody. I want to thank everybody who submitted a question. That's the best way to do it. We love when people submit the questions in our back office, 'cause we can go through them as fast as possible and use Dave's time most efficiently.

Jerry: But with that, we have a few more minutes. If somebody has a question that we didn't cover, feel free to ask Dave.

Marsha: Dave, it's Marsha. I've got another question for you.

dave: Hey, Marsha. Did you [inaudible 01:01:34]?

Marsha: Yeah. I'm busy. I'm working it. That's why I got a lot of questions for you, so-

dave: I love it.

Marsha: One question is what do you use or suggest when we start our payment policy and our cancellation policy, and I also wanted to know did you seem to find a difference in Fort Lauderdale and Scottsdale, 'cause you always tell me that you thought the market was kind of similar.

dave: Well, Fort Lauderdale and Scottsdale, I don't know if they're similar, but they ... Okay let's start with the first one. The payment policy?

Marsha: Yeah.

dave: I always deal with it strictly. [crosstalk 01:02:15].

Marsha: 50 percent down first-

dave: Yep. [crosstalk 01:02:16].

Marsha: VRBO. That's what they're suggesting.

dave: Yeah, 50% is good. You can break it up in three payments if you want. I always go with a strict payment policy. I don't believe in anyone booking my place and then canceling it. But if they do cancel it within the first three days, not a big deal.

dave: If they're booking out six months, I don't even care if they cancel within the first two months, right?

dave: Once they've got it, I've just said, "Let's go with the strict." I'm not doing the super-duper strict, but I'm doing the strict for sure.

dave: As far as ... What was the next question?

Marsha: It was cancellation [inaudible 01:03:02] payments, the deposit 50%, but then it was about similarities between Fort Lauderdale and Scottsdale-

dave: Okay, the similarity between Fort Lauderdale and Scottsdale is one of them's desert, the other one you've got your water, right?

Marsha: Yeah.

dave: The pricing here in Fort Lauderdale tends to be a little bit higher than what we're seeing in Scottsdale. Not terribly much higher, but again, the rent rules for the properties [crosstalk 01:03:48].

dave: You can still do pretty good here in Fort Lauderdale if you have one of the nice properties. 1.5 to \$2.5 million properties on one of the waterways is perfect. You don't have to always have the water, but it certainly helps. It's certainly a lot more expensive if you're on the waterways, but you certainly are probably going to generate over 250 a year. You have to factor out your expenses, so it all depends on what you come in at. Is it a revenue share? Is it going to be a leasing model? What are you going to do?

dave: So I think this market is great. We've been here for three days. I think there's probably four or five properties now that look very, very promising out of three days worth of work.

dave: One foreclosure that we're working on that we could possibly make a million, million and a half dollars on, so these are the things that you run into when you work, but again, I'm not as happy with the three days as I normally am. It's because I'm a little bit greener in this area than I am out in Arizona.

dave: Not for the lack of effort, it's just I didn't know the market like I know it now. Now I know it a whole lot better, so I imagine the next five days we'll do extremely well.

Marsha: Sure. Okay. Thank you.

dave: Okay.

Alaina: Hey Dave, it's ALaina from Virginia.

dave: Hey Alaina.

Alaina: How you doing?

dave: Good.

Alaina: My question is, being a new person at this, you said you have a website. So if you don't have any properties to put on your website, what do you do? [crosstalk 01:05:57]

dave: She just told us what we needed.

dave: Okay, what do you do if you don't have any properties?

dave: Well, again, everybody's got to start there, right? So, it's your turn.

dave: So I started there. Everyone on this phone call started without having a property. I just go in there and first thing I said when I entered into the market was, "I'm looking for a house that fits these specs." So that's what I looked for, so when I went on the first appointment, I had five phone calls. I made five phone calls, and out of the five, I had three that I actually spoke with, and my first one that I sat down with, he was going to give me three condos, right?

dave: And the second one I sat down with ended up being one my first ... It was my first property, but it took off, and I made over six figures in less than 90 days.

dave: The other one that I got in touch with ended up stealing my ideas, so they're going to do it themselves.

dave: You're going to find you've got to start somewhere. You don't have to bring up that you just started. Once you feel knowledgeable enough, just go right in there like it's old [inaudible 01:07:25]. You don't need to reference, "Hey, I've got four properties around the corner." You can say, "Our group has over 30 properties here in Scottsdale," or, "Our group has over 45 properties nationwide." Whatever the case may be, use the group as a whole to give you your credibility.

Alaina: Great. Thank you so much, Dave.

dave: Okay. Lots of luck to you.

Alaina: Thank you.

dave: Sure.

Jerry: All right. Who's next? We'll take two more.

dave: Hey Jerry. Before we take one more, what I want to do, because I know we really want to get the May event booked up, what I'd like to do is for the first five that would commit to coming to our May event, I'd like to give them a free half an hour consultation once they come away from the event so we could really get them started in the right capacity, so I just want to throw that out to you, for the next five that jump on and switch to the May event, I'll go ahead and give you a free half an hour so we can really get your business set up and move in the right direction.

Jerry: Wow. That's awesome, Dave. On the May event, we're going to have a very small intimate group. It's going to be about 35 of us, and we love that, because you go really deep. It's a deep dive. The June event, we have closer to 60. So just wanted to give you

guys perspective on that. That's why Dave's doing what he's doing is to try to balance that, 'cause when we do a bus tour, it's a little harder to take 60 people into a property than it is 35, okay? So we would love if somebody's willing to make that shift to May, Dave's [inaudible 01:09:27] generous offer, so that's really cool.

Jerry: So anybody that wants to do that, just reach out to us on the 800 number. If you guys don't have the 800 number, I'll give it to you right now. You can write this down. It's 888-589-7760. I'll repeat it. 888-589-7760, and just leave us a message in regards to you wanting to come to May, and we'll have somebody call you back right away.

Jerry: We still have [inaudible 01:09:58] room, too, but you have to reach out to us directly, because the hotel is saying that the room cost is like closer to \$370 a night. It's very expensive in Phoenix at this time, but our rate is around 2 and a quarter for the hotel. If you want to stay in an Airbnb or another hotel, you're more than welcome to do that as well.

Jerry: We do provide a great VIP experience at the event. You guys are going to have a lot of fun. You're going to work hard, but you're going to have a lot of fun.

Jerry: All right, awesome. Let's take two more questions.

Carrie: Hi, Dave. This is Carrie Fisher.

dave: Hi, Carrie.

Carrie: Hi there. First time, newbie. I got on the call late. I'm sorry. I'm wondering if you answered ... speaking of the boot camps, if you answered my question about the finances necessary to kind of put everything together to get to a boot camp besides airfare?

Carrie: Hello?

Jerry: Carrie?

Jerry: Sorry, I had you on mute. Sorry about that. I do that if my dog walks up to me. I put it on mute.

Jerry: Anyway, so let me entertain your question correctly. So you're cost is your hotel and your airfare in regards to ... We do offer some food. We have a welcome reception on Monday night. We have a lunch that we provide on Tuesday. We do a Tuesday night dinner for everybody in the group on the VIP side. We also have a box lunch on Wednesday coming out of the bus tour. So after that, you're on your own for Wednesday night for dinner and on Thursday for lunch, so we don't serve those two-

Carrie: Okay.

Jerry: Yeah. Just to give you a better perspective-

Carrie: And then the hotel for June is in Phoenix? Is that what you were saying?

Jerry: It's in Scottsdale, actually. It's in Scottsdale. It's not that from there. Probably like 20 minutes, Dave?

dave: Well, the hotel for June is in Scottsdale, correct. From the airport, it's about 25 minutes.

Carrie: And is that the one you said that was \$220 a night?

Jerry: No, no, no. Actually it's cheaper in June, 'cause the prices start to come down in Arizona during the summer, and I think because it's a little bit out there .. You've still got six weeks or whatever to get to the June event, the majority of the people have chose that, which we've never done that before. We've always promoted one event at a time, but this time I felt like it was important to give people a choice, and they did take the June choice.

Carrie: Right.

Jerry: And it was just more, because it wasn't so close, or May is in less than 10 days or whatever it is. 10 days or something, right?

Jerry: So yeah, it's all good. We're good. The May event, like I told you, we're going to have about 35. We'd like to kind of balance it out a little bit, which would be great.

Carrie: Right. Okay, well as I told you on the phone, unfortunately I'm booked to go to Florida in exactly the same time in May, but ... So what are the dates in May, again?

Jerry: It's May 6th to 9th, so you fly in on Monday and then we do welcome reception at 6 p.m., and then it's all day Tuesday, all day Wednesday and all day Thursday. We end around 4 o'clock, 4:30 on Thursday.

Carrie: Okay, well I'll look and see if there's any way I can maybe piggyback one thing onto the other.

Jerry: Okay, great. Well I appreciate that.

Jerry: Any other questions that we have?

Jerry: Carrie, thank you.

Carrie: Uh-huh. Thanks. Bye.

Jerry: Any other questions?

Jerry: All right. Well, I think we're good then. Dave, great job. I know we ran over a little bit, so forgive us for that, but we're excited. I want to just thank the new students that have purchased their [inaudible 01:14:15], and of course our bonus boot camp tickets, just

congratulations. You guys made a great decision, and we look forward to supporting you throughout these calls.

Jerry: So, very excited about that, and we'll see you on the next Q&A call.

Jerry: Thank you, everyone. Thanks Dave.

dave: Thanks, everyone.

Marsha: Thank you. Bye.

dave: Thank you.

Jerry: Thanks everyone.