

# REI NETWORK RK

Episode: 052

## *How To Pick a Virtual Real Estate Market*

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Hey, guys, welcome to the network podcast with me, Gavin Timms.

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All right, let's jump into what I want to talk about today, which is selecting a virtual market. Now, this is something that is literally everyone just overcomplicate this. I get it when you go to the United States is so big that you just don't even know where to begin, where should you even start to look? Because you literally have the United States, as we say, in your backyard. And I get it, it can get confusing. So I'm going to try and keep this simple and give you some clear direction in the way that I need you to start thinking to go.

How do I actually narrow it down? Because you are right. If you are living in L.A. or San Diego, Vegas, and you want to do go virtual, where do you even begin? What do you look for?

So I want to talk about that and hopefully narrow it down to give you some ideas on what I work with, with clients and literally how we how we do it. Right. So make sure we don't overthink this section number one. No, we can do deals anywhere from anywhere in any market is doable markets to steer away from if you've never done a deal. So if you are brand new into real estate and you're trying to do a wholesale deal less cash deal in these markets, and it's like San Francisco, the Bay Area, L.A., San Diego, Phenix, Vegas, New York, places like this, I would start looking around the surrounding counties of them locations. Right. So it's again, L.A., you're going to go inland more. You want to go to the surrounding counties where there's less population, where there's less potential competition and there's competition everywhere.

Right now, real estate is popping. It's happened. It's crazy. And you've just got to get a it right. You've got to be hitting your numbers to get results. And that that goes for everywhere you market in dollars. It's going to cost you a lot more money depending on where you all locate. So can San Francisco. You're

going to have to have more marketing dollars. You're going to have to talk to more sellers. You're going to have to make more profit. You're gonna have to do a lot more follow up, but your checks will be a lot bigger. But the difference is, remember, if you're brand new, you want to win. My goal is I don't care if you make five hundred dollars. I don't care if you make a thousand dollars. If you're brand new, it's all about the proof of concept. Do you believe in yourself and can you actually do it? That's what we need to do. That's what we need to achieve to create them small wins so that we can capitalize on that and actually get better results. Just be thinking about that.

So what to look for in a virtual market? So, again, start in your local market, if you can if you're in and you're brand new and you're in one of the big cities, like I just said, go to the surrounding counties. Oh, we do need to go virtual and don't ever think the word virtual as well because people think virtual wholesale in the E can't be local, of course, because that's the way I started. I started doing deals in Phenix while living in Phenix. We just have to be disciplined that you're not going to the property as soon as you remove yourself, that you are not going to the property, then it will lend you all virtual that that's basically the number one rule. If I'm physically not going there, then why do I need to be down the street or ten miles away? I might as well be in Nigeria doing it if I'm not going to go to the house. So that's how you need to start thinking.

If you're physically not going to show up, then you can be virtual. All right. So doing it again is in the house working for for a laptop, and you can still manage your team from anywhere. So look at the resources available to you. OK, so let's say you're in or you're in a very oversaturated, competitive market like a few that we named. Right. So start thinking of narrowing down places. So where did you grow up? Did you grow up in another the market? Did you go to college in another market? Do you have friends and family in another market? OK, do you know something about a market because of somebody. Right. Close friends and family. They could meet the seller, pick up a car, get pictures and video, put a lockbox on, show it to buyers so that you can do all them things. Plus you can have. Hire a runner or do that, but I'm just done by analyzing the market right now, so you're listening to that might go. Yeah, I used to live in Ohio, OK, but now live in L.A. Maybe Ohio is where we start to narrow down.

So because you know, that market you have, you're going to go in with more confidence knowing that you used to live that way, like the back of your hand, whatever it is, or you've got friends that have moved there and they're willing to help you like this is how you start to narrow down a market. You can't just go with 50 states. You can't just go like 50 states and then go at ten thousand cities and go, where do I begin? You have to come up with some logic of what I'm explaining to you. Right. To give you a little advantage. Right. To say that is I've narrowed it down to at least two or three markets now because I used to live that group of friends. And then we can analyze or you can listen to this. You can then analyze the markets as you narrow it down.

So that's when for me, the market research kicks in. I don't do market research on the whole of the United States. I narrow it down through the things that I've just told you. And then I have two or three markets. Then I will do my market research on them deals because remember, we can do deals from anywhere. So that's how I would do it. So looking around the surrounding counties. Right. And then is is

it a good, good rental market? Meaning you've probably heard of the one percent rule. Now, the one percent rule means absolutely nothing really, other than it's a quick way of analyzing the market. So let's say the property's one hundred grand and it rents four thousand. Now, a lot of investors do want a better return than that, but it gets you into a market where it's a rental market. In a rental market, you can actually buy and hold, fix and flip. So you have multiple exit strategies within that market is good for our finance. It's good for the creative finance or in things where if you go to California, who's going to go buy rentals in California? The cash flow doesn't happen. Why do people in California buy out state because of the cash flow, right? You're not going to go and buy a four hundred thousand dollar house in California. They have a full grant.

Right. So that means that the one percent rule, one hundred thousand to a thousand in Alabama, you could probably get a house with forty five thousand dollars and it rents for eight hundred a month. That great numbers. OK, so four thousand or forty five thousand eight hundred a month, you're not going to find that in these high end markets. So that would be a rental market.

So after you've narrowed it down to two or three, then is it a rental market? If I'm going virtual now, if you're in your local market, you want to have a choice. But if I'm going virtual, that's what I would be looking for, is that is a rental market. Also, I can do flips that because it's cash by market. Also the population, the population. If it's two hundred thousand, no problem. Because guess what, if we start in a small area or small town or small county of two hundred thousand people, we can branch out round further counties as we grow. So I'm not too worried about having half a million people in that area. I'll do it. One hundred thousand people. You can even do it at five thousand people. It doesn't really matter. Is that your concept of making sure you have buyers that right and then reverse engineer it and doing telemarketing? So that's again, something that I would do. But if you look around a population one fifty two hundred thousand, that's a great start for a smaller market. And again, you can them counties around it and you can grow and expand and make money. Right.

So also I kind of just touched on it is looking where the buyers are buying. Right. So you can do searches on lessors or property pulling cash buyers list. How many transactions have happened within this county, within these zip codes, within the city, whatever you pull in within the last year, how much activity? So if we have a thousand transactions that's happened within six months or a year, then we know that that market there's a lot of cash deals, there's a lot of people buy and there's a lot of activity there. So then we can say, OK, we can exactly see where they're buying. We can go after them markets all by having conversations and building our buys that we can then actually start going around that busy area, depending on where you've picked out right now. What you're going to find when you got virtual guys as well is let's say if you were to pick Alabama, it gets rural real quick. So you can actually start with Birmingham, Alabama, but then you get outside Birmingham and it's just rural in the middle of nowhere where you could go and pick Charleston. Right. And then all these counties around Charleston are great because it depends on how big an area that would be like Phenix as well, where the suburbs are still pretty heavily populated to get you a good count. So you have to watch for that. You don't always have the option to go outside in the small areas. It depends on how rural it gets for that market.

So remember, that's. You would look for the buyers. You can also network with wholesalers. You can get a lot of the information that is already out there when selecting a market, by having a conversation, talking, where are they buying, where they have buyers looking to find this information. And then you're going to be a deal, find another deal created. You're going to go and sort out deals to sell to these buyers and these people that you actually network with. And that is how you're going to pick a market.

Right. So, again, there's nothing in that you probably haven't heard before, but just to roll back through it, you're not going to overthink it. You're going to look at where do I live now? Can I start my local market? And if you're in if you're brand new and you're in a busy city, yes. You want to go surrounding counties if you know that area or if you go virtual, do you know friends, family that you go to college, anything that gives you an operand to start selecting two or three markets. Then you go into the market research you find and how many people are buying there? Who's buying? They're starting to network. And then when you get buyer's on the phone, it's how many they buy and where they buy it. Is there anywhere they want to avoid buying? And then you can start to build your zip codes and your counties and things like that. Then you will start the process of actually marketing and going through the fundamentals of this business to actually make money.

So that's when you're going to then start marketing, you're going to start talking to sellers, you're going to start making offers, doing your follow and getting contracts closed. That is what you're going to build onto to get them results.

OK, so hopefully I'm going to keep this one, like I said, short and sweet. Hopefully this makes a lot of sense. There's some clarity to go. All right. That gives me the ability to at least narrow it down and then do more creative. I cannot tell you how many people I come across that are spending hours and hours and weeks and months on research. The market, all markets are hard, all markets are saturated market. So this, this, this and this. Right. So just start doing it by some things that, you know, starting out now, start taking massive action and remember the markets that I said avoid. If you're brand new, once you get the content, once you start making money, you go back into the markets that you know really well that a high end and try and dominate there and then start making your big fees. OK, so I'm not saying you're going to be leaving forever, but if, again, the goal is to get a win, I need you to get a win for you to move forward and do this, you need six months of your life to spend on doing this. All right. That does not mean six months trying to analyze and pick a market. You can do deals everywhere. I have done deals in Maui, which is million dollar homes, OK? I've done deals in Alabama, Louisiana, Florida, Georgia, Texas last year to name a few. And they all come with different price points. They all come. But the concept will never change. The marketing never changes, only the area changes. Your ability to have conversations don't change. Your ability to make an offer doesn't change the offer. Price is change, but that's it. But the fundamentals will never change depending on what market you're in.

So when when you grow, when you're doing deals in a market and you've got it going two, three, four a month and you want to expand to the next market, then you can do that. You take the business that you've built and then you operate in the next market. That is how I was doing eight markets at one point and I hated every second of it. That's why I narrowed it back down again, because I thought I wanted to

grow big. I thought I wanted to be in all these markets. But it's so I hate it because why it took them more people, more people to manage more money, more outgoing, more things to track all of these things.

So you have to get your happy medium in this business. Right. Which is a whole different conversation of what's the bigger picture for you? What do you want to do? Where do you want to be? Where are you headed? Where are you now? Right now, that's what I do with my clients, is to say it's nothing to do with anyone else. Right. You need to start serving you and your family and get on a vision for yourself, not my vision. I don't come and create a vision for you. When I work with clients, I pull the vision out of you and then we execute around that. Right. If you're going to make it, we count. We need to stop and understand, stop creating a job and actually work on building a business. And there's a difference. There's a difference between the hustle, the grind to get there, but the action plan of you getting out the business to work on the business needs to be in place because otherwise you're going to create a job, you're going to make money in this business, and then you've just transferred from corporate into another job of the of the cycle of real estate, of transactional business, where if you're not working, it's not working. And that's exactly. What we can't do without a plan in place, right? You've got to sit in that seat, maybe depend on financial commitment, family then things, but do you have a plan to get out of it?

Because when I started, I was doing 10, 12 hours a day to be a mistake to make this happen. But I had the plan from day one that I went to work on this business and in it, and that's what I created over a period of time by actually putting systems and people in place to allow them to do that. So I had OK, this is not forever this and this. And then you start outsourcing's, right? You marked him first. So it's happening without you. Right. And then acquisition and disposition of business partners on the ground. If you want to do a partnership, I set the business off. I literally run, I guess in my real estate business. I set up three different ways, depending on the market and the people that I work with. So it works. Creating opportunity is what it's all about, creating a win win win, a win win for everybody. So this is a success. OK, so just don't throw that out there. And hey, we have a killer crew right now. One of my guys, Terry, we just started marketing for about a week ago. He contacted me yesterday as I'm recording this and basically said three to three. And I said, what does that mean? He got three contracts in three phone calls to call, calls it a PC. I've never had that before. That is not realistic for most people, but you have to be in it to win it. We're getting killer results, making a ton of money in the group.

And if you want to reach out, OK, this is a six month program. We're going like three to four times a week in a video setting. All right. So this is not just the Web and all saying where you just ask questions. You're interacting with the group. You're seeing people making a lot of money and you see where you need to be. Then we have the new people that are trying to level up. And I'm telling you, this has been an absolute game changer. We have testimonial after testimonial about this. If you're interested, go to [REInetwork.com/join](http://REInetwork.com/join), join another conversation with us. Check it out. And I don't like to give guarantees, but if you're in a week and you hate it and you think it's terrible, I'll refund the money. I don't care. I need the right people in the group to get results. And that's exactly what we're building right now.

So if you want and if you want to plan, if you want a vision, you want to create something of some legacy and make money while you are on vacation at the beach, which I know you do all right. But you don't know how to do it and you don't have an action plan to do it. And that's what we do. We have to put a plan in place. So it's not all about you creating a job if you create a business.

All right, guys, I gotta go. I'm going to leave you. So. Remember, don't overthink picking a virtual market. Let's get out there. Let's talk marketing today. All right. I'll give you a free resource to pull a list in a virtual market and you are ready to take massive action. All right.

Appreciate you. Have a great day, guys. Remember, like and subscribe and I will see you on the next one.

All right. Thanks. Bye bye.