

ABANDONED HOUSE

\$ E C R E T S

MODULE 1

GETTING STARTED WITH ABANDONED HOUSES

TRANSCRIPT:

JP: Hello and welcome guys to Abandoned House Secrets. I am so glad to have you here. Congratulations for being a part of this with us. That's me, giving you the clap, the applause that you deserve, because we have some exciting stuff in store for you over the course of the coming modules. Sean, Tracy, you guys, are you ready to get this party started?

Sean: Ready to do it.

Tracy: Absolutely.

Sean: Let's do it.

JP: All right, all right, so I want to start by just kind of giving everyone kind of a quick overview of what's going to be covered in this first session and then I am going to head off to you guys. So let's do that real quick just to kind of give them a sample of what's ahead here. And I think the best place to start is of course the beginning, right? So, what that means we are going to start with who in the world Sean and Tracy are and why you should even be listening to them, because I think that's important if you didn't catch enough of their story before now or maybe you are not familiar with them.

You need to understand their back story to understand why they are worth listening to, just the rich history that they have behind them, the good, the bad and the ugly. And they are going to be very candid about that. You also need to understand what the real estate investing business looked like before Abandoned Houses and what it looks like today. I want to look at why Abandoned Houses is such a unique and potent opportunity right now for you to take advantage of and we will take a quick glance of what's ahead for you in the future modules just to kind of quiet your appetite.

There will be a little deal; they will take a look at there as well. We are going to hand you the Abandoned Houses secrets checklist. And bottom line, you are just going to walk away with the right mindset and the essential groundwork effectively laid for the awesomeness that is ahead. And that will be what you will walk away at the end of this here first module. So having said that, Sean and Tracy, I am going to hand off to you guys and let's get going. Let's do it.

Sean: Sounds good. So my name is Sean Flanagan, and let me see, in the picture there is my beautiful wife, Tracy Flanagan. Who the heck are we? That's who we are. Let's talk a little bit about real estate and our real estate business where we are real estate investors. A husband and wife real estate investing team, we started real estate investing back in 2000, late 1999, early 2000. People say you can, I guess it's tough to start with no money and no credit. I know there are a lot of real estate courses and stuff that say you can do it. A lot of people haven't had that luck. We are one of the successful, maybe a few who was able to start with really no money and no credit.

I started with \$200 in our pocket and I almost kind of stumbled into real estate back as worth kind. I'm just trying to find a house for my wife and I. We had our first child in the way and I had no money and no credit and \$200 in my pocket and we kind of found a way to make it work. So it is possible, I am not going to go too much in the detail right now about exactly how that worked and how that happened for the sake of time but it's an interesting story. We will make it for a later day. In the beginning, we used to focus more on creative real estate deals probably than we do now. We are 16 years on the road now.

But when we first started, again no money, no credit, no real know-how, just relying on how-to courses and books that we could read in Barnes and Nobles, so we kind of had to focus more on subject-to, owner financing, lease options, that sort of things. As a matter of fact, our first deal we ever did, was a, I stumbled into a lease option and turned around and wrapped the mortgage and sold it to somebody and made a pretty good chunk of change, or thought it was a good chunk of change at the time upfront and got some monthly cashflow on it too. So again, 16 years ago, things have changed a lot since then substantially.

Today our business mostly focuses on generating bigger chunks of cash, not as much on the cash flow side from subject-to type of things. We do mostly fix and flip rehabs now. As a goal, we try to close on about 2 per month. We did just 23 to 25 last year. So again, about 2 a month. Our typical profit that we look for in each deal is going to be a minimum around \$40,000, net profit. That's kind of our number that we look for going into these deals. We focus more to the lower-end, minimum to the lower-end neighborhoods.

And of course, we are in central Florida here so everywhere is going to be different price range, but ours tend to be at \$150 to under \$200 range. As far as the way our real estate business works, we do have our own funds. We fund some of our own deals. We do not fund all of our own deals. We have 3 funding partners actually that work with us. Pretty good deal that we have set with them and we kind of split our money at the end. We also use hard money lenders on some of our deals that we have too much out. That's usually our last choice just to use a hard money lender, but we do it from time to time at least for now.

We do have a full rehab crew that works exclusively for us, we keep them busy pretty much 24/7 and in the weekends. We usually have a pretty good pipeline of houses waiting for them, most of those coming actually of the abandoned houses that we are going to talk more about a little bit later as we're getting to these later modules. But we do have a full rehab crew that works exclusively for us. Occasionally, our real estate business, we will wholesale a deal. Again, we've got 3 funding partners right now. We've got our own funds and we have hard money lenders that we work with occasionally too, but sometimes we just, our pipeline gets too deep.

It just doesn't make sense for us to keep filling it and we will wholesale a deal to actually squeeze some quick pocket cash as well, so we occasionally wholesale deals. We also routinely cherry pick the keepers for us and it's kind of how our business runs in it. And as far as the keepers and backup, I meant, what I mean is that, we, my wife and I, Tracy, we find lower-end houses, lower to mid-level income-type houses, blue-collar neighborhoods, inexpensive homes, typically 2-bedroom, 1-bath, block homes. A lot of times we only have central heating air and we pick them up around here for \$25 to \$30,000 on pop.

And we put a couple of thousand dollars into them and we rent them out with \$700 a month so we have positive cash flow on those deals. That's part of our retirement plan. We typically, I would say on average, we've been picking up one of those every 3 months in this current market, not quite as easy as it was back in the '08-'09, 2010 time when we were, we could buy those things all day long. They are harder to find now but we do still find them and so we are building a nice portfolio of those as well for our retirement. And last but not least, Tracy and I are the creators of a program called Lucky Buys Yucky Houses.

A lot of people heard of it, so if you have it, if you have it, what it is it's a marketing campaign designed exclusively for real estate investors to use in different markets across the country in their own personal markets. Lucky Buys Yucky Houses - the marketing program is TV commercials. We have an infomercial. We have postcards. We have everything done for you. It's a done-for-you marketing campaign using that random slogan, "Lucky Buys Yucky Houses." We have a vanity phone number that goes along with the 822-LUCKY. We have an advertising group that helps us to buy TV time for real estate investors and pick up that TV time typically for pennies on the dollar compared to what you would pay or I would pay if we get some walked in off the street and try to buy TV time.

And TV is proven to be a really good way for us and a lot of other investors across the country to get their name out and generate lots of leads in a very short period of time and surprisingly cost effective way as well. So Lucky Buys Yucky Houses, that's a program that we put together, that I built long away when abandoned signs and postcards and all the traditional techniques for real estate investing sort of dried up in our highly competitive area in Central Florida. It was

something that I did out of necessity and it really pole vaulted our business above and beyond most of the other investors in our area.

JP: So a couple of quick Snapple fun facts about Lucky Buys Yucky Houses for anyone who is interested. Did you guys ever see the commercials there in different markets all across the country, the guy up on the roof with his arms out stretched saying, "I don't know, Lucky Buys Yucky Houses," or something like that, whatever it is that you said. That was Sean, so the guy with the really super broad shoulders standing up on top of this roof that he almost fell through.

Sean: That was actually the commercial. It was so crazy. It's easy to get. Actually I was, Tracy was the one on the roof.

JP: Oh, really?

Sean: And Tracy was, she likes to make fun of me and say, I truth be told didn't want to get on that roof because I am 230 pounds. And actually taken through that pic, that was actually an abandoned house that we got. The roof didn't look so good, so I deferred to Tracy and let her go up there. I was out there doing nice things to do. We tested it to make sure she wasn't going to fall through first, but yes, she was actually and she is up there screaming: "Lucky Buys Yucky Houses."

JP: And the other...

Sean: Great outrageous commercials and they really make it fun.

JP: They, yeah, they really, they are a lot of fun to see. The other Snapple fun fact I have in mind is that if you see the version that has the person saying: "Lucky Buys Yucky Houses," that's Tracy.

Sean: Yes.

Tracy: Yes, yes.

Sean: You would never know, but it is so. That's her bedroom voice.

JP: That's right, that's right. So just to clarify, Lucky Buys Yucky Houses is a powerhouse marketing tool. It is one of the two biggest discoveries you guys have made. And the main focus just to everybody super clear, this program is on the other pillar, the other powerhouse deal-getting strategy of abandoned houses. So the secrets that you're going to be learning ahead in the future modules are going to focus on some really super ninja tactics that until I had recently reconnected with Sean, I have never heard of anybody doing before.

That's, I am super excited of getting into it, it's just going to really help a lot of people begin to get these abandoned house leads on a regular basis that nobody else has access to. So go ahead, back off to you guys. I just had some fun factoids swimming around in my head on Lucky Buys Yucky, so I wanted to drive them around for fun.

Sean: Absolutely, feel free, try them anytime. So two key realizations that we have along the way, my wife and I had along the way. Number 1: we've got a knack for doing things uniquely and outside of the box and I think actually what we just talked about is probably one of those things, Lucky Buys Yucky Houses. That whole program is outrageous and off the wall kind of stuff. And we always try to do things uniquely. I always think if you kind of follow the crowd, you're probably doing a wrong thing.

We are good at absorbing other people's ideas, tweaking them and making them even better for us, using them as a roadmap and find what's good and make it even better, and really build the top of things. I guess you could say kind of when others zig, we usually want to zag and that has worked very well for us in our business relationship and I would say in our marriage as well. Realization number two and excuse the goofy pictures here, this was out of the box having it, having a lot of fun.

JP: I like it.

Sean: So realization number two, we can work awesomely together as a team and still be happily married. I don't know if everybody can do that. A lot of people say they can't. We've been able to do it successfully. We've been married for 19 years now. We have a very successful business and it's had a lot of ups and downs. But we have made it well together and worked well together as a team

business-wise and husband-and-wife-wise and parenting-wise and best friend-wise.

So it can be done, I hear a lot of people saying it can't, but I think that's a, that's been a big secret toward our success. However, this business can definitely be done individually so well. It is, it's a simple, we'll give you a simple road map to follow, so whether you are a husband and wife team or individuals, I think you are going to be just fine. A little bit about myself and then we will go back and talk about Tracy. I am more of a thinker. I kind of figure things out before we go end of the run, I wouldn't say I am a mastermind but...

Tracy: Yes, you are.

Sean: I like to think things through. I am a strategizer, and I like to use leverage, use other people's money, a lot of things. You guys had probably heard in other real estate courses and I think it's very true: leverage is the key. Tracy is my doer. She implements things, gets the ball rolling. She rolls up her sleeves and goes in it and gets it done. She also teaches me in line. Again, whether you are doing this business individually or as a husband and wife team, you will hear us talk a lot how we do things. It's a 2-person team, but rest assured, flying solo, you can easily adjust and adapt for one person program.

Not a problem at all, we are going to give you very simple road map to do just do that. Little bit about the life that we enjoy today. I am a person that hates to brag. We've been through a lot of ups and downs, but I do want to let you know, I do want to show kind of where we are at today based on the real estate business that we built because I think it shows a lot of the freedom that we built. Real estate investing can be a way to really build a lot of freedom and we've done just that. I think we are a good example how it can work, so this house that you see right here is, I don't know where it is, kind on the center screen, only house on the screen. It is our house that we live here today. We've actually been here for 11 years now.

Tracy: 11 years.

Sean: Gated community, 5 bedroom, 5 bath, million dollar home, big pool in the back, beautiful house.

Tracy: Acre lot.

Sean: Acre lot. Wooded government land on each side so nobody would ever build next to us. Very nice area, we have nice cars, probably not quite as nice as we used to. I am taking more of the approach of saving a lot of money now instead of putting them into the cars and nice Rolexes and that sort of thing. But we don't have a problem with that, like we could do that at any point of time. Private schools, our kids, we have 3 kids, and 2 of them go to private schools. Our 3rd is our 10-year-old daughter. She actually home schools, but she will be starting private school next year as well.

As you can see from a lot of these pictures here, we do a lot of traveling. Let me go through quickly. Well, for example, we spent a whole entire summer, last summer on the road. Just actually, my middle son and I, and then towards the end of the summer, a nice family vacation in Colorado. Our kids wrestle. We're very, very into sports. Kids sports has kind of been our passion outside of real estate. Real estate has been the bridge or an avenue that has helped us to be able to give a lot of opportunity to our kids in sports. All 3 of them are wrestlers, even our daughter.

You can see our 10-year-old daughter there in the picture with the little thing coming out of her nose and the trophy. That is a trophy that she won in Tulsa, Oklahoma this year at the girls' nationals. She plays 3rd in the country. She cracked her nose a little bit and got a big bloody nose. That's why she got the white thing there in the picture. But we do a lot of traveling, as I was saying, we spent the whole summer on the road last summer, not in the most exciting places, in Ohio, Iowa and Colorado.

The picture you see down here in the bottom-left corner is of my middle son. That was us this summer and he was with the, that's the Iowa wrestling team there and a couple of the coaches as well. Took him and spent part of the summer in Iowa. He was able to... An expensive trip. That was an expensive week for us but he got to have an experience toward. He got the full training with the whole Iowa team, lived with them for a week, wrestle with them, get private lessons from the head coaches of the college, all kinds of stuff.

Those are things that might not be as big of the deal with some people but they are expensive and they are a big deal for our kids. And the reason why I am pointing it out is the real estate has helped us to be able to provide our kids with these opportunities. The picture you can see there, actually over this on the far right, that's my son wrestling throwing somebody through the air. I thought that was really cool.

JP: He is about to put the hurt on, whoever that is.

Sean: Whoever that is is not going to feel good in about a 10th of a second.

JP: Right.

Sean: And picture there in the middle is us having dinner, having fun. Those are our 3 kids. Our kids are kind of our life as you can see. Bottom middle picture is me surfing. I spent a lot of time surfing, blown out a couple of knees, so at this point I don't do it quite as much as I used to do it, but that's a picture from a couple of years ago. And we spent it a lot of time at the beach. So a lot of time at the wrestling matches, a lot of time at the beach and a little bit of time working. More time playing than working at this point because we kind of systemized everything. Bottom line is between all that houses that we own, and the deals that we do, money is not a big concern anymore.

Obviously, it was at one point, but we live a pretty good lifestyle as of today. I guess you could say we enjoy running a true lifestyle business. It gives us the ability to do what we want to do and when we want to do it. We call our own shots. We enjoy life, like I said; we do what we do and how we want to do it at the same time. I attest to it just a minute ago. We are probably a lot more frugal now than we used to be. I mention that, that's why I made that little comment about cars. I drive a nice brand-new pick-up truck, but it's a pick-up truck. It's not a BMW. I had the 740 IO or LI. At one point, I had Lexus. I was on all of these fun toys, Rolexes...

Tracy: I had a Hummer.

Sean: My wife had a Hummer.

JP: Nice.

Sean: We had all the toys and we chose to live our lifestyle not nearly as flashy as we did at one point and I am getting to the reason why in a few minutes, but we've been through the ups and downs of the market. We made our mistakes as well. Bottom line for us, it's not about the money anymore for us; it's more about the freedom over our time and the choices that we made that allow us to enjoy our life. In my opinion, the way I see it, and I thought really that this is real; money is just a tool that lets you enjoy your life. If you are a slave to money and working all the time, you don't really get a chance to live your life. Typical day for Tracy and I, I have just been, the first half of the day, in Starbucks working on my laptop, and negotiating deals, working a little bit in our real estate business, keeping things going. Tracy eats some days a lot.

Tracy: Oh, that's terrible.

JP: Tracy's breakfast of champions right there.

Sean: That's exactly right, you see that macchiato? She does a lot of that and...

Tracy: Yeah, my typical day is I of course get the kids ready for school and I enjoy the drive to school every morning. It is at least a 30-minute, if not 40-minute drive, which I do enjoy. They're stuck in a car with me so they have to talk to me, so I like that. And then I come home and home-school our daughter. Basically, just kind of check the e-mail, just to see if everything is going on. Usually it's not. And I kind of handle the phone calls with our rehab crew. So basically if they call, we might go look at the house and see how it's coming along but I am almost like a housewife really.

Sean: Good.

Tracy: I all do a whole lot, so...

Sean: She, Tracy, actually does the, she handles more the rehab crew than I do, it's funny. I am more in acquisitions, finding the houses, handling our marketing, handling the lead generations, getting the deals on the door, going outside, signing the deals up, putting together the money to close on the deals. And Tracy

is the one who deals directly with our rehab group. She really, she really enjoys that. And she has the vision of what these houses should look like, yeah, when we are done. I mean, we start with the...

JP: You know...

Sean: Yup.

JP: Well, sorry, I am struck that I really enjoy about this kind of snapshot of your life and the snapshot of what you guys are doing in a typical day and the lifestyle that you've created and how your business is set up to serve that life. I like it, because yes it's inspiring, because probably a lot of people who are dialling it with us right now and this are going, "Yeah, I want that life." That's why I got into real estate was that kind of a picture. But it's not just a picture of it's all about the Benjamins, and glitz and glamour. You guys live a very rewarding life, but it's also based on values. Values that come from some really shaping experiences that you've been through. So I think, I like that a lot and I just feel like I want to draw that out a little bit, because I know things weren't always this way for you.

Sean: No, things have not. There's, Tracy? That's a... No, things have not always been this way. Outside, and what Tracy paints a better picture probably sometimes than I do and this is probably something better when she said it, but we've been through our own ups and downs. We felt it hard during the market crash, not harder than we should have but I'll let her kind of explain.

Tracy: Yeah, we will never forget what it felt like. It was supposed to be our biggest month ever when the market crashed. We had at least 20 houses at that time. Most of them were subject-to. So, we just basically had taken over the mortgage payments on these houses. We were doing a lot of wholesaling at the time. That's actually when the Lucky Buys Yucky Houses was huge for us. We did a lot of TV, had tons of leads, had a big business going. Our 20 houses, we had maybe 50 to 70% out of we owed on all of them.

Sean: Tons of equity.

Tracy: Tons of equity. We did have a couple that we actually owned free and clear. We had tons of savings.

Sean: We had \$2 million almost in equity; I think we did.

Tracy: Yes, we did. Many conversations about how solid we were, because we knew the market was going to be crashing at some point. We knew it was coming. But we thought, we are fine. We will be fine, but then, the market crashed and we went outlined. We crashed along with it. As a matter of fact, the month that the market crashed was going to be our biggest month ever, but every single deal that we had died. It's just, that was it. We had over \$160,000 in profits that we should have been making that month. It would have been our biggest month.

Sean: That was mostly on wholesales and right?

Tracy: Yeah, it was on wholesales. Just... I think we had a couple of sales in there.

Sean: Rehabs.

Tracy: Yeah, it was rehabs that were set to close. We were a week away from closing. So, yeah it was all gone. Everything just that month, it didn't close, it died, and it was all just flushed away. So we went from basically the high life to pretty much completely broke overnight.

Sean: And that's when we had our own BMW and Hummer and lots of, we had a lot of money going out each month.

Tracy: Yeah, so we did think we were still going to be okay. We figured we won't be able to make it through. We figured, because we had enough in savings. They say you should have like 6 months for the bills in savings. We had way more than that in savings. Again, we were fully prepared. So again, we thought we were going to make it through. And we knew, all right, so we will just run through TV and we will do this, we will do that. We figured, we will make it. But it didn't happen.

Everything just stopped working. Everything. The TV, the bandit signs, the postcards, it was like the deals just weren't out there. People were sitting in their homes. They knew they could sit there, so they did. So we eventually ran through all of our savings, it was about almost a year down the road. We had to pick and

choose what bills to pay and what not to pay, so we asked ourselves what do you do when everything that used to work, it just doesn't work anymore.

And we knew the answer, we knew, because it was our entire business, why we've always been so successful, we knew that we had to do something different. But unfortunately, we were out of cash. So we had to find a way to market for free or very inexpensively, but it has to be very effective. So, how the heck do you do that? Who can go out and market for pretty much nothing. We finally figured it out. That's when we discovered the abandoned houses. So basically, simply put, abandoned houses are, they are off-market, and they are hidden gems that most investors will never know about.

Sean:

They are literally diamonds in the rough. I mean, abandoned house, and that's why abandoned house has worked so well for us during this time when we stopped finding everything else. They just kind of hit us like our life would go off. They are off-market, and it sets our off-market hidden gems. Most investors will never know about them. They think it's too hard to find, too hard to find the owners. There's very little competition with abandoned houses. It's not as easy to find as foreclosures or pre-foreclosures. Nobody knows about them. It takes some drive to drive around; it takes a little leg work.

The people, but that being said, the people that know how to find it, if you know how to find them, and that's not on public records, they are an absolute gold mine. Competition, typically the competition is focused on everything else. And like we said, when everything stopped working, nobody was focusing on abandoned houses. We started focusing on abandoned houses and we started making an absolute killing with it. Another thing about abandoned houses is frequently the profit margins in them is going to be higher than what you will find with your REOs, with your MLS properties, with your postcards deals, with your home out-of-state owners, that sort of thing.

Typically, we found that the profit margins with abandoned houses are going to be a lot higher. Another thing with abandoned houses that we found is that there are a lot of obstacles that stopped other investors from finding them, from doing them. That luckily didn't deter us. We figured out some really cool things when it comes to abandoned houses and how to find these owners. But there are plenty of obstacles for investors when they are trying to find, locate the

owners of these abandoned houses. How do you get abandoned houses leads in the first place? How do you locate the sellers? That's a huge one. That's a big problem. We've solved that.

I don't know if anybody else has solved that. We have solved that problem entirely and you are going to learn more about it in the coming up modules. How to find the sellers you don't want to be found again? Again, that's something that other people hadn't been able to figure it out. We have already figured it out and it's been a tremendous benefit to our business. You'll hear a little more in the coming modules as well about your own limiting beliefs and fears when it comes to these abandoned houses. Investors have a lot of limiting beliefs and fears. We literally obliterate every one of these obstacles for you that get in other investor's ways. You are not going to have to deal with these anymore.

Why abandoned houses? Often these deals are easier to negotiate. Sellers are not as emotionally attached to the property, so we found that it's a lot easier to negotiate with these sellers once we find them and again that's probably the hardest part. But once we do find them, they're not emotionally attached to the property. So if you can put a few bucks in their pocket, they are typically, they are good with that, which means more money for you in the end. A lot of times, these sellers have cold enforcement harassing them, so they are even more motivated to sell. They want to get rid of the problem. We can solve the problem with cold enforcement. We can solve these owners' problems and make their headache go away.

A lot of times these abandoned houses will have lapsed insurance, which is actually a liability for the owner. Again, we can come and we can solve that problem and we can make money in the process, so win-win situation for everybody involved. A lot of times, these houses have even vagrants moved in. That's something that other investors a lot of times don't want to deal with and trying to really get a good luck dealing with that. I can show a lot of little tricks on how to make a lot of money out of a situation like that. A lot of times, the abandoned houses we've found with the neighbors help as well.

Neighbors are always happy to see you coming and will even sometimes help you to get the house fixed up. So abandoned houses are a great opportunity for everybody. The market for abandoned houses is always resilient. People always

abandon houses for whatever reason. There are so many reasons that people abandon houses but it's a lead source that's probably will never dry up. And that probably it will never dry up.

So what we are to do up next, I guess it's what you are uptight. I'll little bit tell you about the deal that we have here. And actually what I am going to do, this one was a deal that Tracy and I did together, but I tell you she was more the, she was more the doer in this one, so I am going to let her tell you all about it. And again, I didn't want to have to do with this house. You look at into it, it's definitely a junker and it was also a little bit away from our house.

Tracy: I love it.

JP: That's funny that the guy who founded Lucky Buys Yucky Houses didn't want this house.

Tracy: Right.

Sean: Yeah, it was that bad. You don't see a picture of it right now, but the back, the pool is black and it looks like a swamp. There were frogs living there. Our kids had to play with giant bullfrogs in the back of the house.

Tracy: After the pool was cleaned...

Sean: Yeah, after we renovated the whole house, pool was cleaned; the bullfrogs didn't want to leave. They came back and they kept living in the pool and didn't let us sleep.

JP: So renovation project/home school science project.

Tracy: It was, absolutely.

Sean: It was. And that's what we do with all, not to get too far on track, but most of our deals are, we take our kids and get them involved in all these things. I think it gives them a good education. But anyway, so Tracy can tell you about this, the rehab.

JP: We heard that word Tracy. It's like a sound that an old-timey car horn makes, Ah-hooga.

Tracy: Ah-hooga. Yes. So this house, the second I saw it, I fell in love with it. I could see that it needed my touch for sure. The roof, the problems.

JP: That's what you said. You said, "This just needs a woman's touch."

Tracy: Yes.

Sean: That's all.

Tracy: Yes, I loved it. The roof, you see the trusses, they're falling in. You can see it's actually broken. It was actually broken because a tree had fallen on it. The city came and actually removed the tree, and cut the tree and took the tree away. That's why you see all of the stuff going across the driveway there, the shavings. But that house, we actually purchase for, gosh, what was it? \$17,000 I think.

Sean: \$16,500.

Tracy: You are right, \$16,500. We got the house for \$16,500. It was worth just over \$100. It obviously needed a lot. We had to get a GC. We had to have an engineer to do the drawings for the roof, because you had to replace the trusses. They had a, the trusses were getting dropped off, was neat. I was able to see how all of that works. But, it was a really good deal. Basically, we just drove by and knew nobody wanted to deal with it, and I did. So will explain later in the course how exactly we went about getting the information from the owner and being able to purchase that house.

Sean: And something to add here to just so everybody who is listening knows. This is not, and we deal with some pretty ugly and yucky houses. This probably is not a typical one. This was one of our biggest renovations that we've done. We took this thing all the way down to the studs basically and the foundations almost on it. We added new rooms in this. So when you hear Tracy talking about getting engineers and drawings and all this stuff, most of the deals aren't this way. This was a particularly nasty deal but we bought it with \$16,500 and we sold it \$118, it was?

Tracy: Something like that.

Sean: Something like that. And we put, I think we put about \$30 or \$40 into it. So, it was a really good deal for us but they're not listening to her right now, that can be a little intimidating having a deal with drawings and engineers and architects and all the stuff. Most of them aren't like that.

Tracy: No, most of them are just paint and carpet.

Sean: Cosmetic rehabs for the best. Anyway, so let's get...

JP: Well, a couple of things before we go on. I think it's worth noting, just to clarify for everyone, that the abandoned house strategy is about acquiring these gems. Like you said earlier, Tracy, that most investors don't even know about what your exit strategy is, is really irrelevant to it, when it comes down to it. You guys have had various exit strategies as you said. Sometimes you wholesaled more back in the day.

Now you wholesale a little bit. You do a lot of rehabs, you keep a few. Your exit strategy doesn't matter at all. What really matters is when you find these extremely motivated or "I am just phoning it in" type of sellers and that's what we are going to be laying out here. That deal, I think is a fun deal though, because it got so much kind of shock and awe to it. I am just looking at the picture for those who maybe have never experienced anything like that. And you guys made what? I am trying to do the math real quick in my head. You guys made like \$45 grand on that or something?

Sean: No, we made more than, let's just say we put \$40 into it. I had to get into our...

Tracy: Yeah, it was about \$50.

Sean: And a little bit, I think we did a little bit over \$50. I mean, we had a realtor and we only had...

Tracy: 3%.

Sean: We only had 3% by it. We only used one side. So yeah, a little over 50.

JP: Yeah, and over about what timeframe? So it was rehabs, so you guys waited for a little, for a few minutes, right?

Sean: Most of ours were typically in that not on within around 90 days. We found ourselves a lot having to wait a little bit when we sell to FHA buyers to get passed that 90-day rule. This particular deal was such a big rehab that it took us a little longer. We were out of this when we probably 6 months or so.

Tracy: Yeah.

Sean: It was a, and also, we don't. It's a few hours from our house, that particular deal. So that one took longer than most of them usually do, but our average deal were around 90 days. I always tell our money people, we shot to be out in 90 days but it could take a little bit longer. We always tried to this a few days.

JP: All right, keep going guys, sorry. Thank you for let me open in there.

Sean: Yeah, no problem. I think much quick go to what's ahead and go through these modules real quick and then we back it up.

JP: Yeah, that's a good idea just to kind of give everybody a look at where we are going next.

Sean: Yeah. So we just went through, what can I do here? Okay, here we go. So we just went through the "The Getting Started with Abandoned Houses," that's what we just did. Module 2 is "Getting Your Head Around Abandoned Houses." What is an abandoned house? Why do owners walk away from these abandoned houses? We will touch a little bit on that? We are going to go real deep in that, so you would understand different types of abandoned houses to be aware of. There are some good, some bad, some ugly. Extremely important things that you must understand before you start doing abandoned houses deals. There are some important things that you guys want to understand before you go leaping in. It can save you a lot of time and headaches.

Module 3: "Nailing Your Abandoned Houses Opportunity Market," we are going to go through specifically which kind of sellers that you should target, and this is very important. So you don't want to waste time with 2 types. There are 2 types of ideal sellers. We are going to tell you exactly what these are, what type of areas that you should be targeting. That's very important, and you could waste a lot of time and money. Time is money, so you can waste a lot of both if you don't understand what areas that you should be targeting for these houses, exactly how we would select an opportunity market to focus in for abandoned house deals and a whole much more. That's Module 3.

Module 4 - "Abandoned Houses Marketing Secrets," this is probably my favorite one. This is the secret sauce right here. This module is worth its weight in gold and you are going to hear about something that you won't hear about anywhere else right here in this module, Module number 4. Best way to find abandoned houses quickly and which ones you shouldn't bother with. There is a few that you shouldn't bother with. Our secret 3-step Abandoned Houses Marketing Blitz, very cheap, insanely effective. This is awesome, nothing sure but awesome. You are going to love it. In short, this is where the magic happens, this in Module 4. This is my favorite.

Module 5 - "Abandoned Houses Seller Mastery," how to find a seller, again more magic. Maybe not as cool as Module 4, but how to find the seller is one of the most important things that you are going to learn when it comes to making money with abandoned houses. And that's even ones that don't want to be found and there are a lot of them who think they don't want to be found. However, once we find them they are happy to accept some money, good deal for everybody. How to take the seller calls, how to take to them.

We are giving you our scripts, framing, positioning, subtle negotiating tips, everything that you need to work a deal with the seller and to feel comfortable while you are talking to them, to take the fear out of talking to sellers. Gaining the seller's trust, how to make them trust you, how to make them feel at one with you. Abandoned house sellers are unique. They are a different kind of seller and this module is going to help you masterfully handle them. Module 6 - "Crucial Due Diligence for Abandoned Houses." This process is critical and it starts before you even have landed the deal. You are going to learn exactly how we make sure our abandoned houses deals are safe, secure, and profitable and

come away with no unexpected surprises. Hopefully, no unexpected surprises. That's the plan.

Module 7 is "Abandoned House Deal Case Studies." This we're going to show you how it all comes together. We are going to get into the nuts and bolts in some of our deals. We are going to show you everything that you need to go A to Z on how our deals have worked and how you can structure your deals the same way. You are going to see how it all comes together in real-life with cross section of real stories from our increasingly big pile of abandoned house deals. There are a lot of them. Don't forget, there is an amplifier session, downloads, resources and bonuses included with this course.

So we are also going to give you abandoned houses investing checklist. This kind of, it's a checklist. What else can I say? Probably you're going to be working on it about 3 to 6 hours a week doing this system. You are going to need a computer for research and due diligence. You are going to need a mobile phone; that's a no brainer. I would hope that everybody on this show has it, has a mobile phone and if you don't, get one. It's time to get with society, time to get with technology. We are going to give you some basic low-cost marketing supplies.

Again that's detailed in Module 4. I mentioned that's gold. We're giving you our time-tested, proven, step-by-step system to follow, basic understanding of how to profitably buy a house. You are going to have a basic understanding of how to profitably buy a house. Anyways, by the time we are done with this, you're good there. With the checklist, you will have the ability to contend with your own fears and limiting beliefs. Again, I talked about them a few minutes ago. Investors have limiting fears and limiting beliefs. Not just investors, everybody does.

So why not be the most exciting thing in the world, you do need to go. You need to know how to get positive, especially if you are a solo investor. I have my wife here to hold my hand, not everybody has that luxury. I've been there, so I'll go there as well, and we'll show you how to do it and get pass it. Basically our own understanding of your opportunity market, you are going to need kind of understand your market. I would imagine most people will this call probably do. You lived there, and you got a good sense on what is going on.

You are going to need a commitment to take action and that's the same with anything in life, not just abandoned houses. Anything you want to do and be successful at, you are going to need a commitment to take action. A good mentor/coach to shorten your learning curve. That's where there's weight in gold probably times ten. That's it, that's a wrap for Module 1. Up next, actually I will let JP tell you what is up next.

JP: Next, is "Getting Your Head Around Abandoned Houses." So now we've got the foundation kind of laid. We've got your head sink up on why abandoned houses are such a good opportunity. Who the heck the Flanagans are and why they are worth listening to? Hopefully you are chomping at the bit, so it's time to get down to the nitty-gritty. I want to give you guys a quick call to action. That is to engage with us and the best way to do that is to shout out with a comment. If you look on the page here below, there's an area where you can put comments and questions and what-not.

And I want to strongly encourage you to do that over and over and over again. I have seen with our training programs that the people who get the most out of it are those who: number 1 - go through all of the training modules from start to finish and don't just jump around and skip around. But you go through them in order and you go through them systematically. But number 2, the ones who engage with us, who ask questions, who even just comment with "Here's my thoughts on this module."

So please do that. Tell us: number 1 - why you're here, why you even joined and became a part of the abandoned houses secrets training program. I really like to know. We really want to get to know you a little bit. And number 2 - tell us what you hope to accomplish with abandoned house deals in your business and your life. And just shout out and say hello, okay? Because we are here, we are paying attention and we would like to hear from you. So after you've done that, go ahead and shout out with a comment below, and then proceed to the next module. Thanks guys. Thank you, Sean and Tracy. I appreciate you guys rocking Module 1.

Sean: Love it.

JP: Looking forward to Module 2. Let's do it.