

**JONJASNIAK**  
LAND INVESTOR, ENTREPRENEUR

# BUY AND SELL LAND BOOKLET

Jon Jasniak



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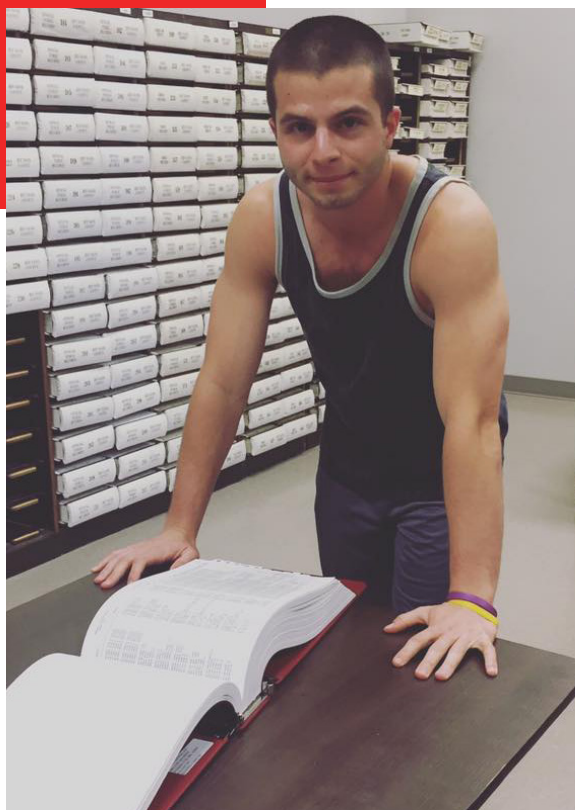


## INTRODUCTION

If you want to learn how to increase your net worth and monthly cash flow with ease, you're in the right place. My secret is land, and they are not making any more of it. Although many do not find it sexy, I think it is one of the most overlooked assets in the world. Banks look down upon it, realtors and brokers won't "show it" to their customers, and nobody knows how or where to buy it. All of this creates a massive opportunity for those who are willing to put in a little time and effort to understand this asset category and how to buy and sell land!

My name is Jon Jasniak and I began buying and selling land in late 2016. Fast forward to 2021 at the time of writing this and I've created over 4.5 million dollars in net worth, all through self-funding my own company named Jaz Land. At the age of 25, I quit my job as a Petroleum Engineer where I was making more than \$150k per year to run my land company full time. I've bought and sold over 4500 acres in multiple states while living in Texas, proving this can be done anywhere no matter where you live. In 4 years, I've done over 350 deals ranging from 1 acre to over 600 acres. Diving headfirst into the land business is probably the best decision I've ever made, and I'd love to teach you about how I did it.

People love to ask me what I do for a living. I've narrowed that answer down to "I buy and sell land. I have my own real estate company". Most do not believe that you can make money doing this. Most people will also think you need to be licensed as a realtor or a broker (you don't!). The truth is you can make more than just money.



Doing deed research in the county clerks office in 2017. In some areas you cannot find documents online!

I've narrowed that answer down to "I buy and sell land. I have my own real estate company". Most do not believe that you can make money doing this. Most people will also think you need to be licensed as a realtor or a broker (you don't!). The truth is you can make more than just money. You can create true wealth.

There are levels to this business, and you can achieve whatever level is right for you! From just a few extra bucks a month to massive amounts of money and net worth, the possibilities are endless. For myself, I could not settle for just a little spending money on top of my engineering salary. Growing up in Michigan, I always had a vision to go elsewhere and do big things. That is what pushed me to Texas to study petroleum engineering. That was an adventure but after graduating, the real world hit. Going to an office every day and working a 7 to 5 job (much longer hours than typical 9-5!) left me wanting more yet again. Just one year after entering the workplace straight out of school, I started to hate my lifestyle as an engineer.

Workdays were extremely long. I would get midnight phone calls from the oil rigs where it was my responsibility to handle the situation before morning. Call me entitled because I was making \$150k as a 23-year-old, but I just couldn't help but think this wasn't for me. Personally, it has always been about the freedom and the respect of being a master at your craft, not just the money. For these reasons, I knew I needed to search for a way out.

I never read books in school or studied anything outside of Petroleum Engineering. After 6 months on the job, that changed. The first book I read was Choose Yourself Guide to Wealth, James Altucher's financial edition of his best seller Choose Yourself. To this day, that book remains my favorite I have ever read. It opened my mind to an entirely new world in regard to money and mindset. I've always been very entrepreneurial by nature and I couldn't envision working in the corporate world until one day, it just happened. Shortly after came The 4-Hour Workweek by Tim Ferriss, an all-time classic. I was reading about a book a week, something I still do and highly recommend. I tried many things, including stock trading (I still attend Tim Sykes' conference when he has it), product development (World Patent Marketing took some of my money!), and blogging. I would listen to over 10 hours of entrepreneur podcasts a week on my way to the corporate office or to the workover rig site in Catarina, Texas which was an hour away from the field office I worked out of. There was a lot of anger, stress, tears, and sleepless nights in there. It was by pure happenstance that one day I listened to a podcast with Mark Podolsky, the LandGeek, and discovered the land business model. For those of you who



are interested, that podcast is the Side Hustle Show by Nick Loper Episode 108. It instantly fascinated me. I always loved flipping stuff and finding deals, so why not do that with land? I then spent a couple of months researching the business model and going through the LandGeek and Land Academy courses. When I felt confident enough, I just went for it and pulled the trigger on my first deal. The rest is history! Looking back, I wouldn't change a thing about the journey because without it, I would have never discovered this business. Everyone's journey is different but what's most important is you embrace yours and get started on the action you want to take TODAY.

My goal is to make this book clear and concise to demonstrate how you too can create net worth and cash flow out of thin air by buying and selling land. You too can create your own land journey. No BS and fluff will be found here. At times I will get a bit technical, talking numbers while providing examples of real-life projects and possibilities. At the end, I will provide a detailed notes and resources section that encompasses everything I think you need to know that will be helpful to your journey. Why would I help other people try to understand this if I've made so much money doing it? The answer is because there's enough opportunity for everyone and most importantly, because it makes me feel good being known as the master of my craft. I know I can deliver unique insights on this subject that no one else can and help a ton of people, so let's do it!



After teaching many people how to flip land, I can tell you the main characteristic that separates the winners from the losers is taking action. Too many people get paralyzed and do not get offers out the door. They never end up buying any land, thus they never end up selling any. This business is really easy and just requires a little bit of focus! Most of my students only work on this business about 10 hours per week. However, the more you put in, the more you will get in return. Whether you're married, have kids, a full time job, or whatever your situation is, I guarantee you can figure this out. Avoiding shiny object syndrome and staying focused on the niche will propel you to the next level!

-Jon



My favorite thing about land is how easy it is. Anyone can buy and sell it! For the most part, it just requires a deed which is often a single sheet of paper. Typically, there are no third parties involved. Land has no tenants, contractors, or work on the asset itself from your end. My first deal, which happens to be one of my worst, demonstrates this better than anything else. It was a 53 acre piece of land deep in West Texas, out near El Paso. I had just gotten through two educational programs detailing raw land. These were the Land Academy and LandGeek courses, basically the only educational information for land at the time. I was at my day job sitting in my dumpy little office with no windows surfing Landwatch.com for land deals. In the LandGeek community, I remember hearing someone say they had sold a 53 acre piece of land in this specific area I was looking at for around \$15k. I found a listing for 53 acres in the same subdivision for \$10k. This is a solid margin if everything were to go right, but it never does. So, I picked up the phone and called the seller, a middle



aged foreign land investor who lived in Florida (bless you Rashed!). What the hell was someone in Florida doing with 53 acres of land in Texas anyways?! As I mentioned, anyone can buy and sell land from anywhere you want. He was simply an investor. Rashed picks up the phone and we begin to haggle over price. It was obvious he didn't know much about the land itself and had definitely never seen it in person. Imagine this 23 year old kid, fresh out of college, working his big time engineering job with his office door closed during work hours negotiating with some investor 1500 miles away over a piece of land neither of us had ever seen... Not only should I have been "working", but I hardly knew how to negotiate a deal at that point. I knew nothing about business or vacant land. It was my first deal and I was nervous! After a few calls back and forth, I was able to get Rashed down to \$8500 which is \$160 an acre. I agreed to sign a purchase agreement and wire him the money. I was sweating bullets, imagining a foreign prince somewhere on the other end just waiting to scam me out of my \$8,500. However, next thing I knew, he had a deed prepared in my name and I was a landowner. I didn't expect how much easier it would get from there.

Shortly after buying that 53 acres, and I mean like days later, I bought some photos of that area from another investor. This 53 acres was already subdivided into five separate 10.6 acre tracts. I took those photos and created a listing on Facebook buy and sell groups in El Paso, TX and the surrounding areas. Without even seeing the land myself, I had 3 of the 10.6 acre pieces financed out to customers in 5 days at \$100 down and \$100 a month for 36 months EACH! That's \$10,800 in notes receivable over 3 years,

which already covered my cost of the land and then some! Shortly after, I ended up selling another 10.6 acre for \$2400 cash.

From the looks of how fast this sold, I knew I had greatly underpriced it. Eventually I was able to make it out to this land personally and fell in love with the area. West Texas will always hold a special place in my heart, so I decided to keep the final 10.6 acre piece for myself. In late 2019, about 3 years after the purchase, I ended up selling the final 10.6 acre piece for \$4,750!

What happened here? In total, I bought a 53 acre piece of land for \$8500, which was under market value. Within 2 weeks, I ended up selling one lot for \$2400 cash and 3 lots on “terms”, or monthly payments to customers creating “land notes”. I created \$10,800 in notes receivable over 3 years with \$300 per month in cash flow from these 3 notes. That’s a solid car payment! Finally, I sold the last piece 3 years later for \$4,750 in cash. In total, I walked away with \$17,950 over 3 years from an \$8,500 investment, over doubling my money.

You can do this too. Anyone can do this. Land is so much simpler than you’d think. The process is as follows:

- Buy the land
- Market and sell the land to a buyer
- Manage any customers and land notes

I break this down into 3 simple steps: buy, sell, and manage. This makes it look really easy, however there are more details that go into the buying and selling side. These include finding the right place to buy the land, finding a deal in that area, and doing the due diligence on the buy side while becoming a wizard at online marketing and sales on the sell side. The truth is land is very straightforward to

Here I am exploring my first land deal in West Texas in early 2017. This was my first land visit ever...

I didn’t actually go see this land myself until after I had sold some of it. I bought those photos from another investor and didn’t want to wait. Money loves speed. In this land business, it is extremely important to get stuff moving QUICKLY. If you can help it, never wait for the right documents, photos, timing, etc. Just post the land for sale and watch what happens!

This land was more than 5 hours away from where I was living at the time in Midland, TX. On top of working my full time job, I couldn’t exactly line up a visit with ease. In most instances, you won’t need to see your land personally on a smaller purchase. If you can line up a visit, try to do it when you have multiple deals in an area. One trip will get your videos and marketing material for them all!






understand, but there will most definitely be work involved. Nothing worth having in life comes very easily. With some hard work at the beginning, it will become a lot smoother later on!

A couple of the best aspects of land is there are essentially zero holding costs, and it always sells! The market for land is gigantic. In 2020 because of the corona virus situation, civil unrest in the cities, and ungodly low interest rates, there has never been as many people looking for land. Land websites are receiving record high search volume. A lot of this market consists of the everyday person like you and me who are looking to get away from the city. They want to own something that is theirs with their name on it. It gives them freedom and security. Depending on the market, it offers people the flexibility to hunt, shoot, have fun doing recreational activities, put alternative housing out there, just hold as an investment, and so much more! It surprises most people the number of reasons why someone buys a piece of land. It's one of the most common questions I get asked by friends and family, "who buys that stuff?!". To this day I still learn of new reasons why someone is buying. Recently, a customer bought from me to create a shop to build guns and test them. Before that it was someone who wanted a place with little light pollution to see the stars. I guarantee you the market for land is bigger than you can imagine!

Taxes and any HOA/POA are the only costs on raw land, and you don't have to deal with any people to take care of those. Just mail in a check to the appropriate office and consider it done. Also, the land itself is never going away! Someone will end up buying it for some price. With the internet, it is so easy nowadays to sell a piece of land. E-commerce is growing at an alarming rate, and I've personally seen real estate move heavily towards the internet. This is especially true if you have a solid brand and credibility. Truth be told, although I over doubled my investment on my first deal, this was one of my WORST deals! Right then and there is when I realized the power of buying undervalued land and the ease of selling it with today's marketing platforms.

I am always blown away by the stuff I find on my land. On this piece I had under contract, there was an old tractor right in the middle of it. I always take advantage of these situations by getting cool content for my social media. People often ask me if getting this junk removed is a cost associated with raw land... NOPE! Nearly 100 percent of the time I leave that up to my end buyer. They will remove any junk or items on the land if they want. Be careful though because sometimes that junk has some real value!



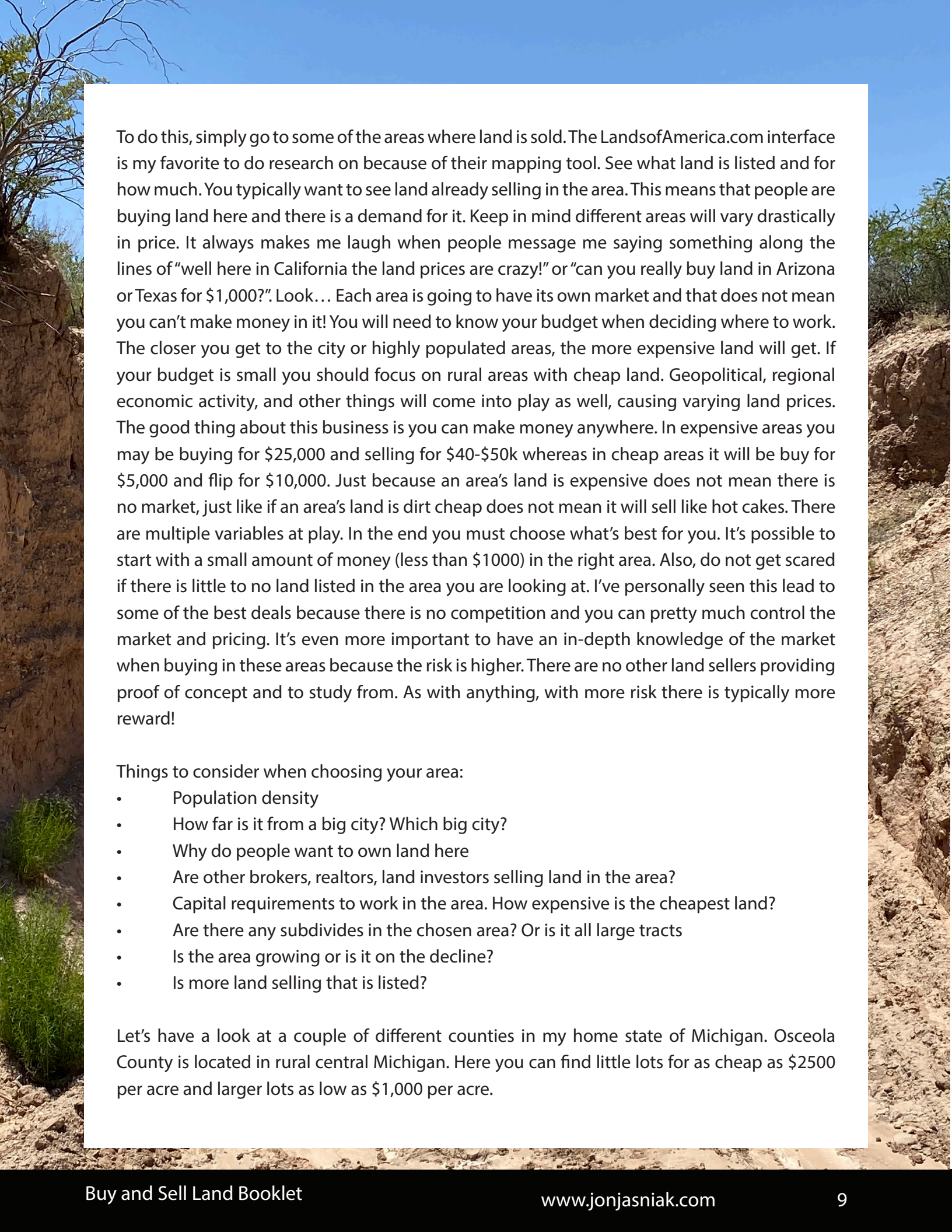


You see, most people spend their money on stupid things. Cars, toys, clothes, homes... the list goes on and on. That's the reason why according to a 2020 first capital bank of Omaha study, 49% of Americans expect to be living paycheck to paycheck. Other studies put that number much higher. People tend to buy depreciating assets and they do so at FULL value. People need to focus on buying assets that can appreciate, but most importantly at a fraction of the market value. This is how you get an instant net worth bump! For instance, if I buy a piece of land for \$4,000 that is worth \$10,000, I essentially just created \$6,000 of net worth like magic. Imagine doing this with tens of thousands of dollars and instantly creating tens of thousands of dollars in net worth. Imagine learning how to buy and sell land to create monthly cashflow instead of relying on your 401k or puny dividend yields. This is what people need to be doing instead of blowing their money on stupid stuff and instead of making horrible investments in stuff Wall Street is pitching you. The quickest way to real wealth is buying undervalued assets that cash flow, and in my opinion, a simple way to do that is with land.

## Finding Your Area

If you're serious about buying land, the first thing you must do is choose the right area to buy! This is easier than ever with all the resources at our fingertips on the internet. The first step is to choose a county, or two or three counties, that interest you. Land buying and selling is largely broken down into counties within the states because they are the gatekeepers of tax and ownership information on property. The reason it is beneficial to potentially choose a few counties within an area is because it will broaden your reach and lead to more deals while maintaining similar market conditions. Cost per acre, the features of the land itself, buyer demand, reasons people want the land, and more will all be similar. I always recommend trying to start close to where you are living, but this is not necessary. Some of my first deals were in Mohave County, Arizona and I live in Texas! Hell, even my first deal in deep West Texas I did not see the land. If you do get familiar with an area near your home, it makes it easier to get boots on the ground, take photos, and really get a sense of familiarity of the county you want to buy and sell in. This will limit mistakes. It also makes it easier to sell the land for those who want to meet you to make the purchase! I will go more in depth on the selling process later, but a lot of people will want to meet with you in person before you attain an online presence and credibility. This is also a perfect opportunity to get video testimonials!! To get your business reputation to skyrocket you MUST get testimonials from your customers. In the end, all counties, cities, and areas have land that can be bought and sold. This can be done ANYWHERE, but we must narrow our focus, especially starting out. Choose an area and become extremely knowledgeable about it. The more knowledge you have about a specific market, the more money you stand to make.





To do this, simply go to some of the areas where land is sold. The LandsofAmerica.com interface is my favorite to do research on because of their mapping tool. See what land is listed and for how much. You typically want to see land already selling in the area. This means that people are buying land here and there is a demand for it. Keep in mind different areas will vary drastically in price. It always makes me laugh when people message me saying something along the lines of "well here in California the land prices are crazy!" or "can you really buy land in Arizona or Texas for \$1,000?". Look... Each area is going to have its own market and that does not mean you can't make money in it! You will need to know your budget when deciding where to work. The closer you get to the city or highly populated areas, the more expensive land will get. If your budget is small you should focus on rural areas with cheap land. Geopolitical, regional economic activity, and other things will come into play as well, causing varying land prices. The good thing about this business is you can make money anywhere. In expensive areas you may be buying for \$25,000 and selling for \$40-\$50k whereas in cheap areas it will be buy for \$5,000 and flip for \$10,000. Just because an area's land is expensive does not mean there is no market, just like if an area's land is dirt cheap does not mean it will sell like hot cakes. There are multiple variables at play. In the end you must choose what's best for you. It's possible to start with a small amount of money (less than \$1000) in the right area. Also, do not get scared if there is little to no land listed in the area you are looking at. I've personally seen this lead to some of the best deals because there is no competition and you can pretty much control the market and pricing. It's even more important to have an in-depth knowledge of the market when buying in these areas because the risk is higher. There are no other land sellers providing proof of concept and to study from. As with anything, with more risk there is typically more reward!

Things to consider when choosing your area:

- Population density
- How far is it from a big city? Which big city?
- Why do people want to own land here
- Are other brokers, realtors, land investors selling land in the area?
- Capital requirements to work in the area. How expensive is the cheapest land?
- Are there any subdivides in the chosen area? Or is it all large tracts
- Is the area growing or is it on the decline?
- Is more land selling that is listed?

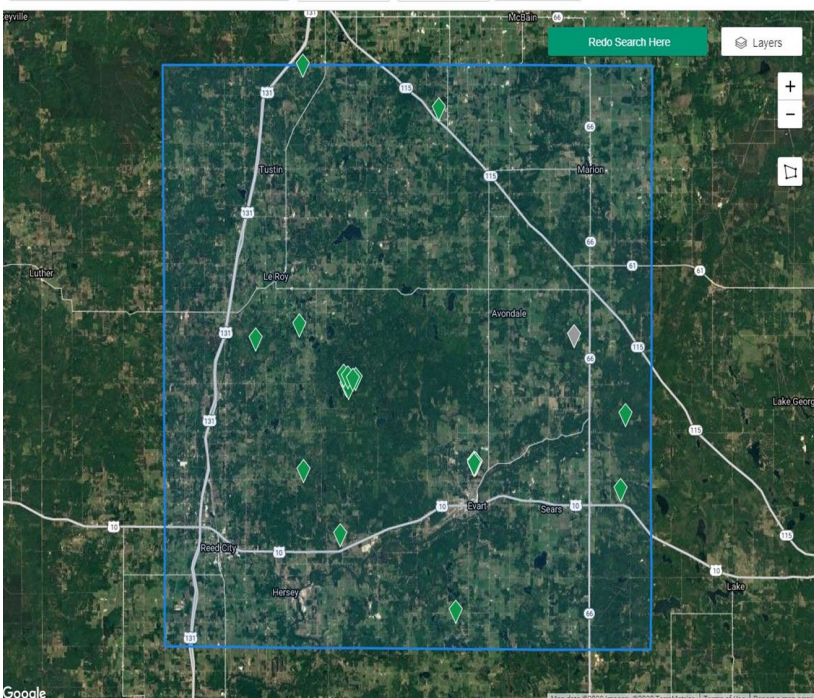
Let's have a look at a couple of different counties in my home state of Michigan. Osceola County is located in rural central Michigan. Here you can find little lots for as cheap as \$2500 per acre and larger lots as low as \$1,000 per acre.



Lands of America

Buy Sell More Sign In or Register Add a Listing

Osceola County, MI x Enter another county Price Acres More Filters Save Search List



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Rural Osceola County, Michigan where land is a lot cheaper per acre. The larger the acreage, the cheaper the cost per acre!

Parcel Image	Price	Acreage	Address	Status	Heart Icon
	\$2,500	1 acres	Lot 44 Swiss Alpine, Reed City, MI, 49677, Osceola County	Undeveloped	
	\$2,500	0.50 acres	Lot 191 Alps, Reed City, MI, 49677, Osceola County	Undeveloped	
	\$3,000	0.63 acres	10102 Swiss Drive, Reed City, MI, 49677, Osceola County	Undeveloped	
	\$3,000	0.55 acres	10341 Alpine Drive, Reed City, MI, 49677, Osceola County	Undeveloped	
	\$3,000	0.64 acres	10170 Alpine Drive, Reed City, MI, 49677, Osceola County	Undeveloped	
	\$3,500	0.64 acres	10184 Alpine Drive, Reed City, MI, 49677, Osceola County	Undeveloped	

Now head down into Oakland County, where I grew up. The cheapest lot you will find there is listed for \$10,000. For larger acreage there you'd be hard pressed to find anything for less than three or four thousand per acre. That's triple the cost per acre or more when compared to Osceola, and the land is 150 miles away in the same state. Oakland County is a highly populated area and the prices start climbing quickly. It is also a growing area in high demand. If you can afford to operate in these areas, you can do larger deals and potentially make more money quicker. For most beginners its vital to find a place where you can scoop up a piece of land for a few thousand dollars or less. I can almost guarantee you that no matter where you are living, if you look hard enough, you can find land that is selling in your budget! The good news is if you see it selling for \$3,000, you can be assured you will be able to scoop up pieces for \$1,500 or less in those same areas. You just need to know how to price your offers and how much to buy the land for. I also believe it's important to start small. It allows you to learn an area and mitigate risk. Just because you can afford a \$25k deal doesn't mean you shouldn't start with a \$5k one. You should choose an area that allows you to do this.





Lands of America

Buy Sell More Sign In or Register Add a Listing

Oakland County, MI Enter another county Price Acres More Filters

Save Search List

High population density Oakland County, Michigan where the cheapest 1 acre lot is going for \$10,000 per acre

Do some due diligence and make a list of the growing population epicenters near you. The demand for land is going to be higher where there is growth. As of this writing, some good examples are the entire states of Florida and Texas. People are fleeing California and New York for various reasons to these areas. Further research into these states with census data and google searches will highlight where the people are moving to within the state. Those should be areas of high interest and if the land is too expensive there, start moving outward into rural areas surrounding those epicenters. Many other states are going to have their epicenters. If you can find these in population studies, census information, and through research of existing land listings, your life will be a whole lot easier. There will be more deals to be found and more demand in certain areas compared to others!

## Finding the Deal

In real estate I think we all know the money is made when buying a deal. The most popular question I get is "how do you find your deals?". This can be hard for me to explain because I believe this is more of an art than a science. The best way for me to describe it is I just know a deal when I see one. I think this comes with experience and passion. If you get experienced enough in certain areas, I think the results will be similar for you. I typically break down where I find my land into three separate areas: online, from realtors or brokers, and directly from the landowners themselves. If you get good enough at marketing and branding, a fourth pillar comes into play. Landowners will begin to come to you trying to sell their land.

## Direct to Landowners

To get the absolute best deals cut out the middleman and go directly to the landowners themselves! The problem with this approach is it often takes more work and you don't have an easy, readily available list of land to choose from. Going direct to landowners is purely a numbers approach. The more that you can reach, the more likely you are to find a good deal. You will need some simple data about them such as name, address, and legal description of their land to make this possible. There's two ways I like to find landowner data. The first is through third party sources. The second is through manual data scrubbing of a GIS (geographical information system) map. From there, you can try to reach out to them directly once you have their data.

## Third Party Data Sources

There are multiple providers of landowner data that are available for investor use. A few include AgentPro247, RealQuest, and DataTree. These data sources take owner information straight from the county and put them into a searchable database. You can search by county, acreage size, assessed value, and more. Simply populate into an excel spreadsheet and you can run a mail merge for direct mail or do some googling or skip tracing to find contact information to give them a call. Data from these sources isn't free. Personally, I use RealQuest and they charge about 10 cents per record. I have found the ownership info is sometimes spotty, especially on AgentPro247. Even a more advanced provider like RealQuest will have data issues, particularly in more rural counties. Vast amounts of the data can be out of date or just missing. Take note of the last time the provider's data was updated as property ownership can change quickly. A year or two old data list can greatly reduce the number of current landowners for you to reach out to.

The best way to go about using this data is with a direct mail campaign. Mail campaigns should be set up by county that you are wanting to target. I recommend mailing more than one county at time. Choose a general area where you want to work and a handful of surrounding counties. Be careful when you buy the data from the provider that you are filtering it correctly. For instance, you do not want records of land with improvements because those people most likely are out there living or have some structures on their land. They will not sell at rock bottom prices like we want. Furthermore, you generally do not want to be buying commercially zoned leads, land that is appraised sky high, or leads you know will be out of your budget to make an offer on. Be smart and be a sniper. When you go to set up your mailer, you can mail lots of certain acreage sizes, back taxes owed, out of state owners, and more. Maybe you want to mail all 10 acre lots in a county. The data can be sorted to target out of state landowners and those with high back taxes as well which will have the greatest response rate. Make sure to mail ALL leads. People get caught up and mail only back tax ridden properties. Some people even teach you to do this specifically and a lot of potential deals will be missed if you fall into this trap! Many people have never seen their land and never plan to use it yet continue to pay their taxes for fear of the government or effects on their credit (there are no credit ramifications if they do not pay).



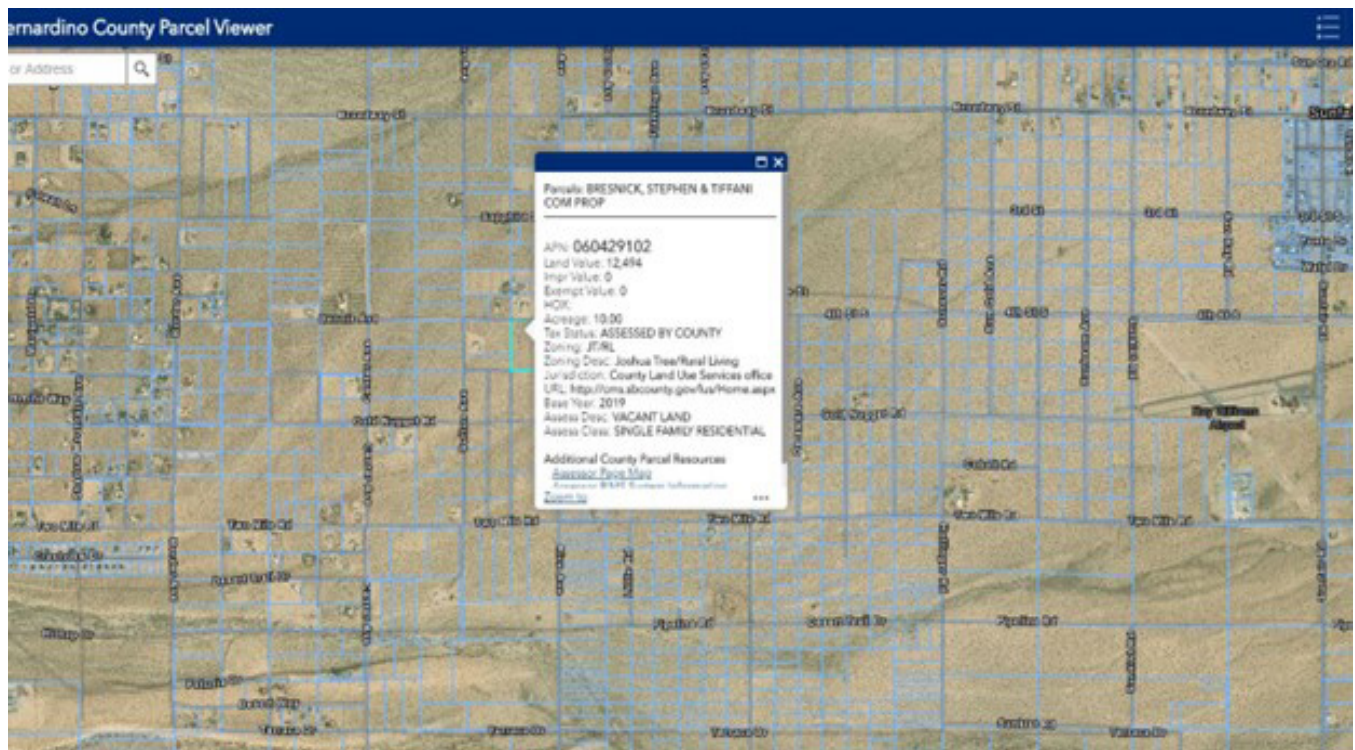
As a side note, you can also reach out to the county directly and try to obtain their tax roll list. I don't consider this a viable option and it won't be discussed in depth here because most counties don't have a good way of getting you the data. They either send it on a CD, a USB drive, or an email and the file is mostly unusable because the data is formatted so poorly. Every time I've tried this, I end up with a jumbled CSV or text file that is impossible to decode and transfer into some manageable spreadsheet format.

Once you have your data and have launched your mailer, now is the time to wait. A good response is 4-5% on a mail campaign with 1-2% of the offers ending up as purchases. You will get calls from people who will cuss you out for your offer all the way to people excited to accept your deal, so be ready!

## GIS Maps

I prefer this solution over the third-party data sources, even though it takes a lot more work! Best of all, it's free and only costs manual labor. Also, a lot of investors are not utilizing this which means more potential leads for you.

A GIS map is a data source that puts all ownership info into parcels on a map. You can click the parcels and ownership information will pull up. This is the most accurate information on current ownership you can find because most counties do a fairly good job of updating their records and maps. If the county is sophisticated enough to have a GIS map, chances are they are handy enough to keep it updated. The issue with this method is a lot of counties do not have a GIS mapping system.



Here is a good example of a GIS map of San Bernardino County in California. You can see the parcels outlined in blue. When you click on a parcel, you can redirect to the county assessor's page where

all the ownership data will be shown. Make an excel spreadsheet with columns that include all important information like owner name, address, lot size, assessed value, APN (assessor's parcel number), etc. This will take some work to scrub a couple hundred records into a spreadsheet, but it allows a highly targeted approach. You can choose specific areas and only land that appears vacant on the map and be a "land sniper". Once you have a solid list of owners, you can do a direct mail campaign, or you can skip trace to find their contact info and just give them a call! Google is a powerful tool for contact information as well. Just mail owners exactly like you would using third party data sources and a mail merge campaign and ask to buy their land. You can lick the envelopes yourself or use a service like click2mail or offers2owners to mass mail the leads.

If you're direct mailing, you are going to need some sort of offer letter! There is no exact answer here, but I think the consensus is a 1-2 page letter works better than a postcard. Being a student of marketing, I have developed my own offer letter by taking a basic template and adding some twists. I am a huge proponent of personal brand and getting your face out there. People want to see the face behind the magic, so I include a picture of myself on the first page of my offer.

When using a mailing system like click2mail, you need to be incredibly careful of the format they require. Ask the mass mail service about their formatting and create your offer appropriately! Clearly label the land you are offering on and the price. I also include a date when the offer closes to create some urgency for people to call, but of course I will look at offers that are years old if people call me! Sometimes I get calls on letters I sent over a year afterwards.

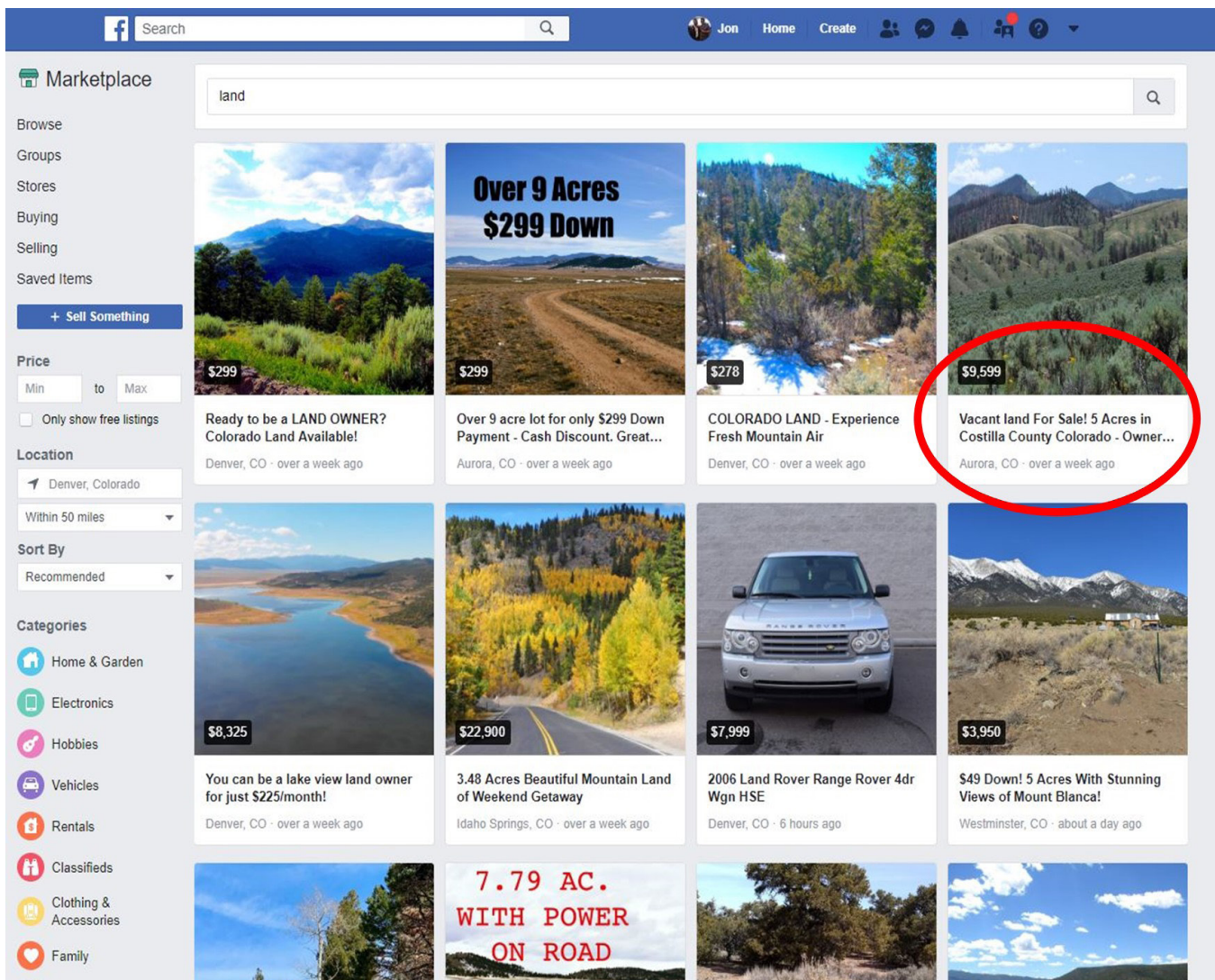
## **Online**

### **Facebook Marketplace**

Whether you're buying or selling, this is the hidden weapon in all real estate sales. Go to Facebook and click on the marketplace. This is where people sell all their junk, and if they're smart, their real estate. I've seen this tool grow substantially over the last couple of years. The audience on this platform is bigger than any other in the real estate game.

The great part about this tool when buying land is that you're able to go directly to the owners in most cases. I cannot stress how important this is! So many times, I've lost deals because I had to go through a broker or realtor who could just not get the job done. Going directly to the landowner is always preferred. Simply search "land" in the marketplace search bar and see what pops up. You can send a direct message to the person listing the land. I particularly like the listings that look poorly done. They either lack information in the post, have a crappy picture, or their headline is no good. This just screams naivety, laziness, and the potential for a deal!





Here is an example in the Denver area. I recommend looking for individual landowners who are listing their land for CASH. This gives you an opportunity to scoop it up for less than market value and less than what they are asking for it. When you see people asking for monthly payments, most likely they are looking to cash flow their land like myself. It's harder to find a good deal with those sellers, but it still never hurts to ask if they'd except cold, hard cash today at a discount.

Listings are constantly flowing in and out of the marketplace. It's important to check regularly to see if any new deals have popped up. All conversations can be carried out through messenger although if they have a phone listed, I highly recommend giving a call or text!

In March of 2020, I found a 30 acre piece of land in West Texas along a river listed on the marketplace. I immediately knew that the land was underpriced at \$20K. This was a seller that would not accept owner financing, so I agreed to the \$20K cash price. Then coronavirus hit. We were in the closing process (I had decided to close through a title company due to title concerns) and I went back to renegotiate the deal. I expressed that due to the economic downturn, I could no longer pay \$20K for the 30 acres. They asked me how much I'd be willing to pay, and I said \$12K. Even at that price I was scared due to

the economy. None of us have ever faced the whole Covid situation before and there was a ton of uncertainty. We agreed and proceeded to close the deal. When I finally went to sell the land in May of 2020, it sold in one day for \$600 down and \$600 a month for 120 months! That's 6 times my money in 10 years and I hardly had to try to sell it (I used Facebook). This was a win-win for both of us because they got their cash in uncertain times, and I got my profit on owner financing. It can be hard to find deals on Facebook because people are often asking full market value, but I guarantee you there are deals like this all over the country to be found if you look often enough and know the market you're buying in!

## **LandsofAmerica and Land**

Just like Zillow and Realtor.com are used for homes, these two sites are the go-to sites for land. What I like about these websites is the land on here can be very illiquid. There are a lot of poor listings for land that are created by realtors and brokers which creates these slow movers. Many of these lots, especially the larger pieces, will stay on the market for over a year at a time. This is your chance to go in and scoop up some land for less than it's worth. I also like the mapping feature on LandsofAmerica.com. Landwatch.com is also linked to the same network.

This is a great tool to do research on where land is selling and for how much. I get a lot of my comparable listings from here to decide how to price my own land. You'll notice that a lot of listings on this site have few photos, no use of drone photography, and no video marketing. I can't tell you how many listings I've seen for \$100K or more and they have one cell phone picture attached. People also don't advertise owner financing options which is a HUGE mistake. You can also use LandsofAmerica to see what brokers, realtors, and independent investors are selling in an area. I recommend building a list or getting familiar with those sellers, their websites, and their listings for the area you're interested in working. Also, since this land is often so illiquid, it creates an opportunity for you to offer owner financing to sellers even if they are only asking for cash! I have had a ton of success doing this recently. Their land sits on the market on these land websites forever and this is your chance to provide them a sale with a little amount of money down and financing over several years. They will have no choice but to consider it! Below is a screenshot of the interface and the mapping component I like so much.



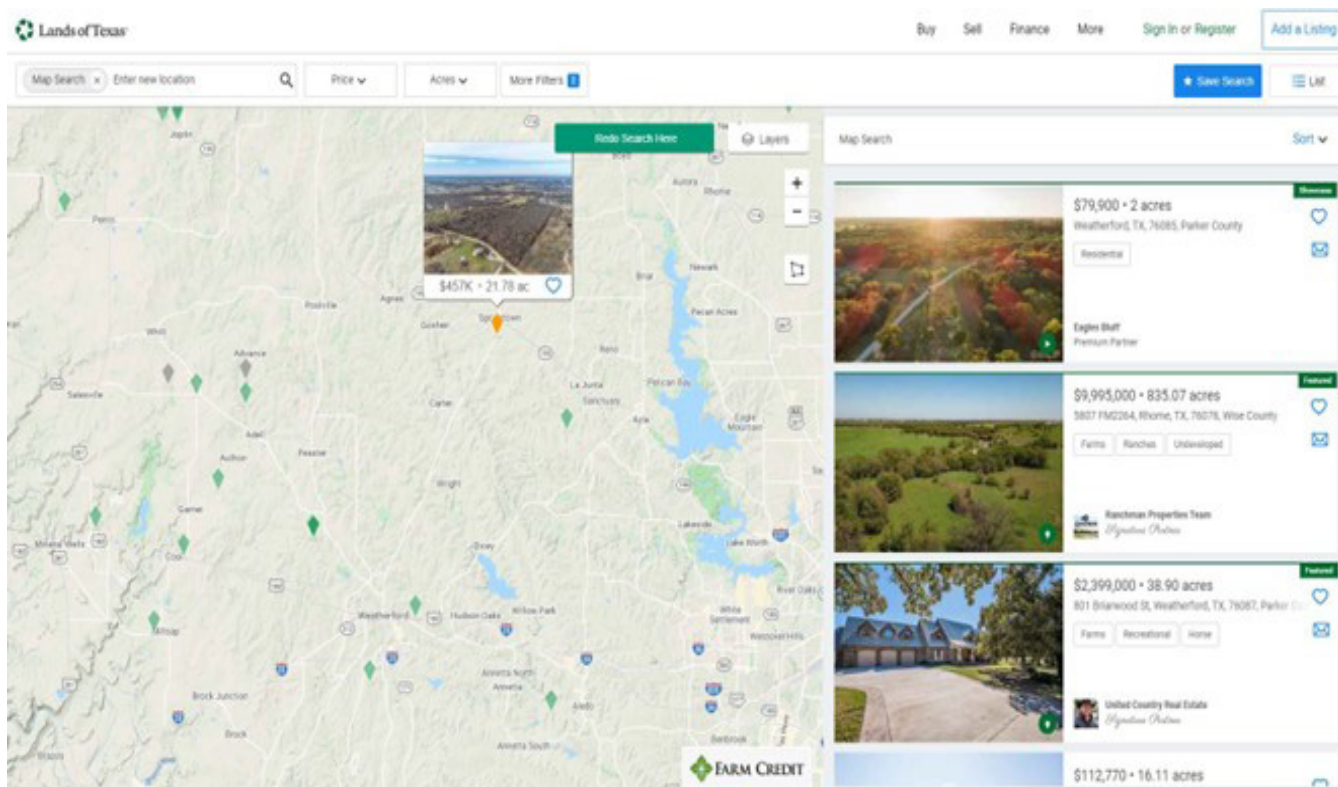
# Land.com™

Lands of America™

LAND MAGAZINES

Land And Farm



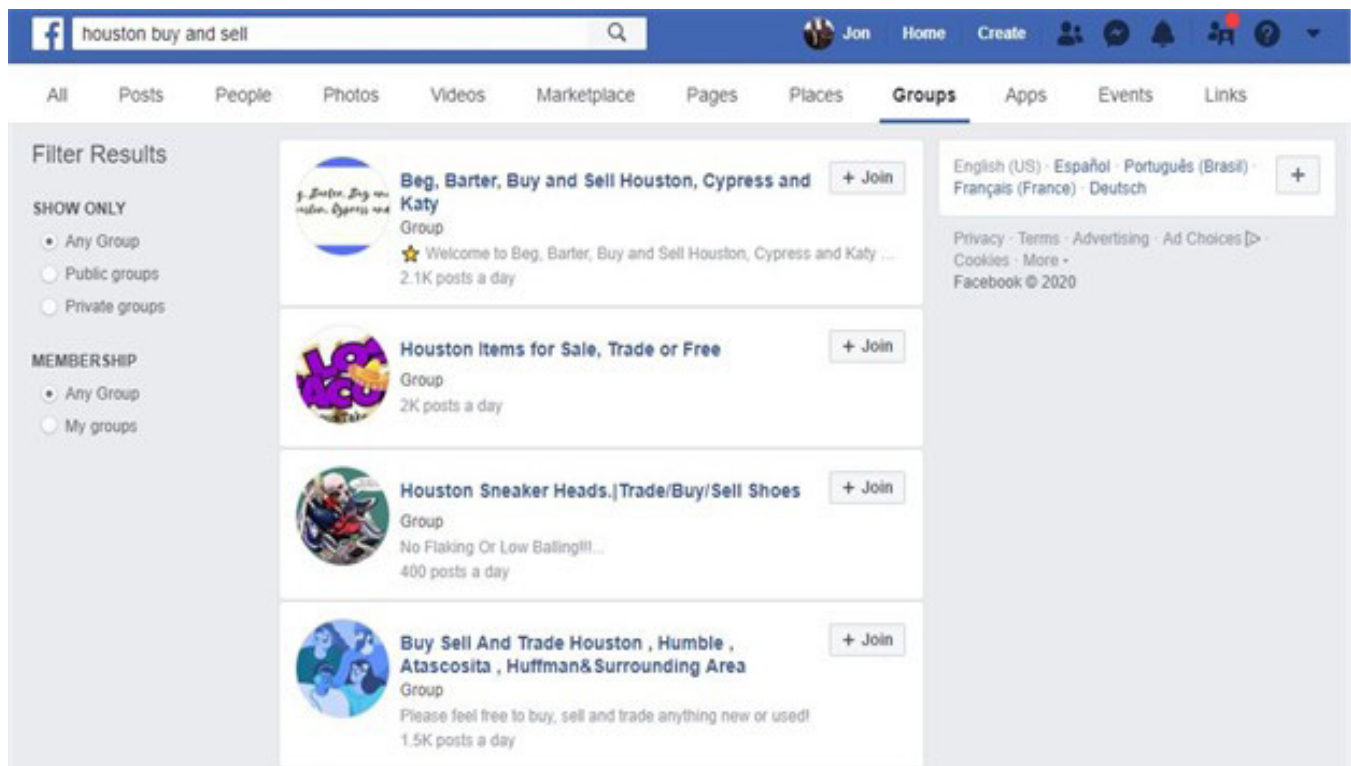


Many people do not know this website exists. Toggle to map view to see all parcels on the map and compare to google earth

Make an excel spreadsheet with columns that include all important information like owner name, address, lot size, assessed value, APN (assessor's parcel number), etc. This will take some work to scrub a couple hundred records into a spreadsheet, but it allows a highly targeted approach. You can choose specific areas and only land that appears vacant on the map and be a "land sniper". Once you have a solid list of owners, you can do a direct mail campaign, or you can skip trace to find their contact info and just give them a call! Google is a powerful tool for contact information as well. Just mail owners exactly like you would using third party data sources and a mail merge campaign and ask to buy their land. You can lick the envelopes yourself or use a service like click2mail or offers2owners to mass mail the leads.

## Facebook Buy/Sell Groups

Another hidden gem in the land game is the buy and sell groups on Facebook. Find the nearest big city or metropolitan area in the region which you are looking to buy land. Go to the Facebook search bar and type in "Houston buy and sell" for the Houston area, for instance. Here you can find some monster groups. I've personally seen some with over 100k members. Like the marketplace, you can join a group and within the group itself search for "land" in the search bar. People in here will be selling all sorts of things, including land. The trick is to find the biggest groups near the area you're interested in purchasing and browse through the groups on a regular basis. Keep in mind not everyone is savvy enough to post to the Facebook Marketplace, so you can scoop up deals in these buy/sell groups that aren't posted there.



Go to Facebook search bar and type in "city buy and sell". Then search by groups and join all of the large buy/sell groups


## Independent Land Websites

This is where I shamelessly plug my own site [jazland.com](http://jazland.com) as an example. I don't do much listing on there because too many land sellers search competitor's websites and see where they are buying and selling! The website should be more for credibility in my opinion as not many people are looking on there for land anyways. They go to the major sources like Facebook and Landsofamerica/Landwatch. However, most land investors still waste time and put listings on their site. Most of these independent investors are not realtors or brokers. They own the pieces of land they are selling. This is good news for people looking to buy from them because they are looking to deal. It is about moving inventory for a lot of these investors. If you have cash, you can offer less than they are asking and scoop up a lot of good deals! It astonishes me when I see them listing on their website but not listing on the major outlets like Facebook and Landsofamerica/Landwatch. This is when your eyeballs should light up because it's clear they don't know what they're doing. The listings are not getting any traffic on their site and it is ripe for you to come in and make a low offer. Most investors will work specific areas, either a few select counties or a state or two. Depending on the area you are looking to buy land, it is a good idea to find all the independent investors and their websites for that area. This is a list that you can go back to once a week, or biweekly, and see if they have any new pieces of land you can take off their hands. Most of these independent investors are not good marketers either. Many of them do not want to do the work that is involved with marketing, so they'd rather dump the land off to someone else and make a quick profit. This is what makes buying from them and flipping for more a possibility! If you can buy from their website's poor listing and take it to Facebook or other land outlets and run ads with a better listing, you stand to make a good return!










## Craigslist and Ebay

Believe it or not, you can still find deals on Ebay or Craigslist. Ebay does not have many land listings, but those who do list on the platform are generally the bottom of the barrel marketers. They turn to Ebay for quick flips because they do not know how to market anywhere else or they are too lazy to learn. These sellers are the types who have been flipping for years and do not have social media accounts. They're usually located out of state and have never seen the land they're selling. Their knowledge of the land itself will generally be very low. Due to this, you see a lot of sketchy stuff on Ebay and really need to do your due diligence if you are looking at buying on there. The listings on Ebay generally still have some meat left on the bone because the sellers are looking to dump them quickly.

Shop by category

[Back to search results](#) | Listed in category: Real Estate > Land



### 42+ ACRE WEST TEXAS RANCH ! VERY RARE ! WATER POND ! BUILDABLE ! RESIDENTIAL !

14 viewed per hour

Condition: RESIDENTIAL ZONING! GIANT 42+ ACRE PRIVATE RANCH ! CLOSE TO VAN HORN AND EL PASO. THE BEST WEST TEXAS RANCH LAND WITH WILD HORSES ROAMING THE LAND SUPERB LOCATION AND EASY ACCESS! NO LIMIT TO BUILD! RESIDENTIAL/AGRICULTURAL ZONING. SPECTACULAR SUNSETS ! POND ON N/W SIDE OF THE PROPERTY LINE. [Read more](#)

Price: **US \$6,922.00** [Buy it Now](#)

Best Offer: [Make Offer](#)

[Add to Watchlist](#)

**ships from United States** 11 watchers Free local pickup

Shipping: Free Local Pickup | [See details](#)  
Item location: Mission Viejo, California, United States  
Ships to: Local pickup only

Delivery: Varies

Coverage: Read item description or contact seller for details. [See all details](#)  
(Not eligible for eBay purchase protection programs)

**Seller information**  
[primetians2020 \(391\)](#)  
100% Positive feedback

[Save this Seller](#)  
[Contact seller](#)  
[See other items](#)

[Have one to sell?](#) [Sell now](#)

Description

Shipping and payments

Report item

Seller assumes all responsibility for this listing.  
Last updated on Apr 17, 2020 09:27:08 PDT [View all revisions](#)

**Item specifics**

Seller Notes: RESIDENTIAL ZONING! GIANT 42+ ACRE PRIVATE RANCH ! CLOSE TO VAN HORN AND EL PASO. THE BEST WEST TEXAS RANCH LAND WITH WILD HORSES ROAMING THE LAND SUPERB LOCATION AND EASY ACCESS! NO LIMIT TO BUILD! RESIDENTIAL/AGRICULTURAL ZONING. SPECTACULAR SUNSETS ! POND ON N/W SIDE OF THE PROPERTY LINE.	
Property Address:	101 EAGLE FLAT RD
State/Province:	Texas
Seller State of Residence:	California
Zip/Postal Code:	79851
Zoning:	Residential
City:	HUOSPETH
Acreage:	42.06
Type:	Homesite, Lot

See Map  
Portions of this page and links may be provided by third party content providers such as MapQuest.com, and they are solely responsible for such content.

## 42+ ACRES IN WEST TEXAS !! SPECTACULAR LOCATION !! WITH EASY ACCESS ! VERY PRIVATE ! SECLUDED BUT EASY ACCESS AND CLOSE TOWN.

## ONLY \$6,922

RANCH LAND IN WEST TEXAS ! FANTASTIC LOCATION ! FANTASTIC VIEWS !  
RARE WITH AWESOME LOCATION !

Have a look at this Ebay listing on the prior page for a piece of land in West Texas for instance. I know, based on being out to this area many times, that the pictures used on the listing are not anywhere near what it looks like in reality. This seller used some random stock photos. Really this land is a dry desert and the “water pond” they speak of is a stock tank that often runs dry. At the very least they could have ripped off some photos of a different listing that represents what the area actually looks like! Also, look at the copywrite in the ad. It just smells of someone who has no idea what West Texas is and will probably have a hard time selling this lot. I’m willing to bet you could offer them much lower than they are asking for and there’s a strong chance it would be accepted. These listings make doing the due diligence on the land so important because the listing itself is not anywhere near an accurate representation of the land. Craigslist is a little better because they have a solid platform that blocks people from posting with IP addresses that are not local. If you live in California and are trying to post a piece of land in Texas, they will most likely block you. This has not stopped people from finding work arounds and posting land all over the nation. Good land deals can be found on craigslist because most of the time it is the landowners themselves posting it. I’m not sure I’ve ever seen a realtor or broker use it. If they’re resorting to craigslist instead of one of the major platforms, they’re most likely willing to deal. On craigslist you can also create a posting that you are looking for land. Post in the “housing wanted” or “wanted by owner” sections in your local craigslist site touting that you are a cash buyer and looking for people who are wanting to sell their land. Offer to close quickly, that way any potential sellers do not have to go through a realtor or broker.

## **Realtors and Brokers**

I get so irritated with realtors and brokers that I could rant forever! They are good people but when it comes to selling land, they generally suck at it. This creates a huge opportunity for a savvy investor to come in and scoop up a ton of quality land undervalue. There are a few reasons for this. First, most of the land they have listed is remote and far from them. This means it is not practical for them to show it. Many customers are not familiar with how land works, how to find it when there is no street address, and expect to be shown the land like an open house. This knocks off most of their customer base right there when the realtor explains they can’t show it and don’t offer a clear explanation on how the customer can find it themselves. I have seen so many land listings from realtors and brokers that do not include GPS coordinates, legal description, or directions! This is a huge mistake. Also, their listings themselves are usually incredibly poor! Countless times I have seen land listed for over \$100K only to have one or two iPhone photos. Another common one I see is screenshots of the GIS map in the county system. The realtor or broker will post this as the one and only picture. The normal folk looking for land has no idea how to use the GIS map or what the hell they’re even looking at!

The following photo is by far still my favorite of the bunch. Back in 2019 I was looking at this 160 acre piece listed for \$98,000 by a real estate agent. The listing on Landsofamerica included one iPhone photo with someone’s finger visible in the upper left-hand corner! I saved this photo as an exact example of what not to do.



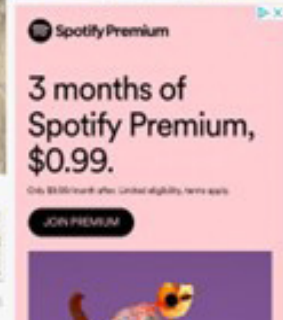


Available  
160 acres in Andrews County, Texas  
0 SW County Rd 9001, Andrews, Texas 79714 - Andrews County  
\$98,000 | 160 Acres  
Residential Property



Property ID: 662585

[SAVE](#) [SHARE](#) [PRINT](#)



For \$100,000 I would have drone photos, google earth screenshots, ground photos, and maps explaining exactly how to get to the land! Also, the description did not include any GPS coordinates or legal descriptions. The street address below the photo was off and the only way I found out where this land was located was to call the realtor. Per usual, it took multiple days to get him on the phone to answer the simplest question... where is the land? Imagine how many calls this guy got asking the same thing. It would be so much easier just to include that in the listing! No wonder realtors and brokers hate land and cannot sell it. The land I see listed from them online often sits for more than a year, creating a perfect opportunity to scoop it up at a great deal. My favorite two questions to ask realtors and brokers are "how long has the land been listed" and "have you had any offers". This will provide a lot of insight on how you want to negotiate. I recommend compiling a list of realtors and brokers selling land in your desired area. I like to check their listings at least once a week, usually every Tuesday or Wednesday. This gives them time to update their listings on a Monday, that way you have the maximum chance of seeing any new listings they have just put out. When offering to buy land from a realtor or broker, communication is key. We've already discussed that they are poor at selling land. They usually don't like land when they could be selling a house which pays better commissions and moves quicker. They're already frustrated and putting little effort into the land listing and are getting bombarded by tire kickers. If you don't communicate often and over the phone (even better if in person), their chances of taking you seriously and helping you on that land listing are slim to none. Pick up the phone, stay in touch with them, and ask them good questions. Be patient with them. I've worked with realtors and brokers that I've basically had to do their job for them. Some will find every

reason to try and unknowingly spoil the deal and it will be your job to put them on your back and carry them over the finish line! When making an initial offer on the land, never give them what they're asking for. Let them talk the landowner into selling and why your offer should be considered. Most importantly, be polite and get to know them. It's likely they know all of the real estate professionals in that area. The last thing you need is a bad reputation, and you need them bringing you deals in the future. I guess this paragraph isn't helping my cause with them!

## **Landowners to You!**

When you progress to a more advanced level, especially in your marketing and sales efforts to sell your land, you will have landowners coming to you to sell you land. They will know you as the land guy who is always looking for deals. The problem with this is most of these sellers will want top dollar. They do not know the above methods you are using to find deals, and assume you are paying close to full market value for the land. Although you will not find many deals this way, this is a great sign because it shows you're getting attention and your brand is growing. More attention in real estate equals more money!

## **Due Diligence, Offer, Buy!**

### **Due Diligence**

There is some simple due diligence that must be done before going through with the purchase on a land deal. Due diligence will be done on all pieces of land and should be conducted after receiving a signed purchase agreement back from a direct mail campaign or before making an offer when a deal is found elsewhere, like online or with a realtor. I cannot stress this phase enough because if you buy a piece of land without knowing what you're getting into, you can royally screw yourself. Take some time to do research. It only gets easier as time goes on and you become familiar with the area you're working in.

When buying land, there are three simple things I look for. The first is price. If bought at a good enough price, there will always be money to be made on a piece of land. The few exceptions are land that is just completely destroyed or undesirable, and this is terribly hard to come by. Some things that come to mind are nuclear waste dump sites, landfills, land in areas that have been rundown and exploited (the ghetto), and land that is on a natural feature that is undesirable (flood zone, cliffside, swamp, etc). Even land that is on a natural feature such as a swamp or flood zone usually ends up selling for one reason or another! All other land, which is 99% of land on this earth, has value at the right price. In one place the land might be worth only \$200 an acre, but if you buy it at \$100 an acre, you're going to double your money. In other areas land will be worth \$100,000 an acre, but if you buy it at \$50,000 an acre, you're going to make a lot of money. All land has value, thus price is the number one thing to look at when



doing due diligence. If it can be bought at a low enough price, it will be a good deal.

The second thing I look at is access. The land must have some sort of access, otherwise you will need a helicopter or parachute to get to it! This obviously isn't practical, and it's usually impossible to mess around with neighbors trying to get easements so you don't need to drop in from the sky. The first question I always get from buyer is "how can I get to my land?" or "where is it located?". Access is so important because people want to know they can go out and use their land no matter what they're buying it for. Whether it be as an investment, as a prepper, for a home site, or for recreation, it all comes back to having accessibility. It doesn't always have to have a road or path connected to it as long as there is at least LEGAL access so that some type of road or path can be created. Always make sure the land has legal access otherwise it can be what is called landlocked. Believe it or not, landlocked land still has value. At the end of the day, it's more of a hassle than a benefit. People looking for landlocked land is a tiny market. Always be sure to do the research to prove that the land has legal access by pulling neighboring deeds between the parcel you're investigating and the nearest public road. Look for access easements in these deeds. Sometimes the easement that allows access from other landowners will be filed separately from these deeds and it will need to be tracked down. The price needs to be really sweet if access isn't there, otherwise I would recommend staying away!

Finally, the third thing I like to consider is the usage of the land. What is it going to be used for by the end customer? Recreation? As an investment? For hunting or shooting? Is someone going to build out there or put a mobile home? These are all important questions to consider when looking to buy the land. You want to have the end usage in mind because it can greatly affect the value. If land is under some sort of crazy restrictions on what type of housing can be put out there, it could greatly affect things. On the other hand, restrictions could actually increase the value of the land if it is located in a highly sought-after community with some restrictions, like in an HOA or a lake community for instance. It's important to understand the usage of the land before buying it so that you can market it to the correct buyer on your end! Also, you do not want to get stuck with a piece of land that has a use that does not fit its area. An example would be a heavily restricted raw piece of land in a rural area where people like to put mobile homes. They won't be able to do that with those restrictions. Also, a piece of land that is mainly used for farming or ranching but has no water underneath it. Always know the end use and investigate your land to make sure it aligns with what the market is wanting.

Here is a simple list of things you should check before buying or offering on a piece of land:

- Ownership
- Double check offer price versus comps and demand in the area
- Back taxes
- Access
- Restrictions/zoning
- Utilities
- What do you think it will be used for?

- Any current leases or liens
- Flood zones
- If it has been listed, for how long and were there any offers

After analyzing the land for price, access, usage and going through the list above, try to get your hands on the deed. There are many kinds of deeds. In land, a deed conveys ownership. You'll want to make sure that the current owner is on the deed proving they own it. Double check this with the county offices to see the owner on record there. Keep in mind that the county tax office is not official ownership! The deed is often recorded at the clerk's or recorder's office. This is the ownership of public record. The tax offices can lag and sometimes display owners from years prior as the current owners. Do not confuse the tax office with the clerk's or recorder's office.

VOLUME 95, PAGE 772, DEED

WARRANTY DEED

STATE OF TEXAS       S  
COUNTY OF LOVING   S

KNOW ALL MEN BY THESE PRESENTS, THAT:

VIRGINIA GRAY (formerly VIRGINIA JOHNSON), of Chaves County, State of New Mexico, hereinafter called 'Grantor' for and in consideration of the love and affection she has for her son STANLEY JOHNSON, of 865 Broken Arrow, Roswell, New Mexico, hereafter called 'Grantee' and other good and valuable consideration, the receipt of which is hereby acknowledged, has GRANTED, SOLD AND CONVEYED and by these presents does GRANT SELL AND CONVEY unto said Grantee, all of my land interest in certain tracts or parcels of land situated in the County of Loving, State of Texas, and described as follows:

Southeast Half (SE/2) of Section 34, Block 1, W.A.N.W Ry. Co. Survey.

And any other parcels of land which I may own in Loving County.

TO HAVE AND TO HOLD the said land interest in all of the said land; and GRANTOR herein for herself and her heirs, executors and/or administrators hereby agree to warrant and forever defend all and singular the said interest in said parcel of land, and to the said GRANTEE, his heirs, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS THE SIGNATURE OF THE GRANTOR this 8 day of February, 1993.

*Virginia M. Gray*  
VIRGINIA GRAY

STATE OF NEW MEXICO   S  
COUNTY OF CHAVES    S

The foregoing instrument was acknowledged before me this 8th day of February, 1993 by VIRGINIA GRAY.

8-25-93  
Commission expires

*Walter N. Case*  
Notary Public, State of New Mexico  
Printed Name of Notary:  
WALTER N CASE

An example of a warranty deed. It's usually a simple 1-2 page document conveying ownership of land from one to another. There are many different types of deeds including warranty deeds, special warranty deeds, quitclaim deeds, and others. Warranty deeds are the strongest form of deed in which the seller is guaranteeing to the buyer that the title chain of the property is free and clear of liens or encumbrances from inception of the land.

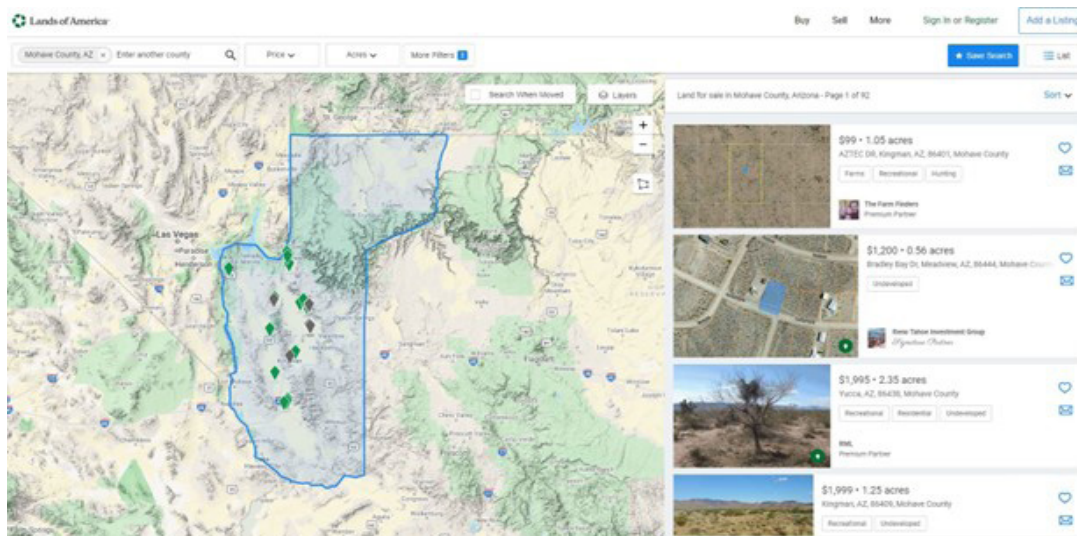


When conducting due diligence, resources such as the county and local realtors will be great sources of information. Questions regarding any of the due diligence items listed above can be solved by picking up the phone and calling a county office or a local real estate professional with knowledge of the area. Call the county appraisers office or another office such as the clerk's or public works office and begin asking questions. If they do not have the answer, they can almost always direct you to someone who does. Always do your own due diligence on a deal! Never depend on the seller to give you correct information.

## Due Diligence

To make money when the land is sold, it needs to be bought for the right price. There's no magic here, and it's number one on the list of 3 simple things in due diligence. This is the real world and you can offer whatever you want for a piece of land. Some people get lost here and overcomplicate things. The offer simply needs to leave you as much profit as possible while enticing the current owner to sell. I have personally bought land for less than \$100. Keep in mind the lower you offer, the less acceptances you will have. If you offer too high, too many people will accept. This is the general rule and attention should be paid to acceptance rate of the offers. Find the price where you will get people to accept, but not too many people. In negotiating, the offer price can always be risen, but it's hard to lower it. Start low and you can always go up from there! The economics section of this book provides a guideline for minimum returns one should look to accept. This will help to reverse engineer offer prices.

Similar to how you found out where to start buying and selling land, I recommend getting extremely familiar with an area to determine how much to offer. It's important to find "comps", or comparable listings, in the area of focus. The more comps the better! We are focused on PRICE PER ACRE. A good starting point is to pull up google earth (a tool you must become an expert at using) and start plotting out pieces of land for sale and how much the sellers are asking for them. You can also use the maps feature on Lands of America. Simply drop pins on google earth with the price people are selling for. Let's take a look at one of the first counties I worked in and a place where I still hold some land, Mohave County, AZ.



Take note of different features of the land and how they affect the value. These include:

- Accessibility
- Utilities
- Restrictions
- Improvements such as wells, fencing, structures, etc
- Junk on the land
- Distance from the city, stores, and highly populated areas
- Landscape views, river frontage, terrain
- Liens and back taxes owed
- Demand of the area. Is it growing or declining?



Unfortunately, LandsofAmerica and these other sites do not have a great mapping tool where you can easily see where all acreage is listed and for how much per acre. On google earth you can drop as many pins as you'd like. Here I dropped pins in various parts of the county with the acreage and sale price. Once again, focus on COST PER ACRE. Typically, smaller acreage is going to sell for a higher price per acre. Mohave County is largely broken up into 1-5 acre lots and above that the common sizes are 10, 40, 80, and 160.



Focus on the CHEAPEST listings you can find as this leads to a conservative evaluation. Never assume the land will fetch top dollar, and volume of deals is more important than profit per deal. If you can sell land for less than market value, this will lead to more deals and a great reputation!

It looks like the cheapest cost per acre for these small lots in Mohave County is about \$3,000 per acre. When offering to buy the land, I would start offering direct to owners with direct mail campaigns at 33% of that that (\$1,000 per acre) and trying to find deals online that come as close to 33% of the comparable prices. It's important to note that smoking hot deals can be found everywhere, but it will be harder to find high margins from online sources and other land sellers when compared to the direct to owners approach. Buying smaller pieces online from current listings can be particularly hard as they are often priced close to full retail. The larger pieces that are illiquid and costly are more fruitful when looking at current listings. Once you have a good grasp on what the land is selling for in that area, it will allow you to reverse engineer the economics and make some offers. Once you become an expert in your area, this exercise will become unnecessary or at the very least a lot quicker. You will begin to know something is a good deal at first glance.

## **Due Diligence**

After finding what looks like a good deal to buy, I always run the economics based on what I think I can sell the land for to see if it is a good deal. There are two principles I like to keep in mind. First, if buying a piece of land, I want to be able to flip it on a cash sale for at least two times what I paid for it. If I bought for \$5,000, it needs to be worth \$10,000 relatively quickly on a cash sale. The exception to this is large purchases where the margins will shrink, but the overall cash you make will increase. Just make sure they don't shrink too much where it's not worth your time or becomes too risky. Second, I want to be able to receive at least a 40% IRR with a quick sale on owner financing. Owner financing will always cost the buyer more. I always offer a "cash discount price" and sometimes charge as much as 50% more in total for owner financing it through me.

For owner financing, a quick IRR calculator I use can be found at this website:

<https://financial-calculators.com/irr-calculator>

IRR is the annual rate of return that you receive on your money, considering your investment cost and most importantly time. This is important to study if you plan on doing owner financing deals. The world of land notes can be very profitable, and I never settle for less than 40% rate of return (beats the crap out of the stock market!). Don't make the mistake that some beginners make and get lured in by the shiny total note receivable number. For instance, you can sell a piece of land for \$50 a month for 100 years. That's \$60,000 total. It still gets blown away by selling the same piece for \$200 a month for 10 years for a total of \$24,000 on an IRR analysis! Make sure you're calculating IRR, or yield, not just return on investment (ROI).



Pro tip: When you start doing land deals, buy yourself a drone. It is a business expense and has paid for itself 1000 times over in my case. It helps me get photos that really stand out above the crowd. I use it to take videos of the land which I use in creative marketing campaigns on facebook to generate both sales leads and leads to add to my email list. It also helps with your due diligence if there are areas of land you cannot get to on foot.

## Buying the Land

Your offer has been accepted, now what?! The land must be transferred to you as quickly and efficiently as possible. I believe as a buyer it is our job to make the sale close with as little friction as possible and FAST for economic purposes. Depending on how much is being paid and a few other variables, there are multiple ways to make this happen.

Land ownership is transferred with a simple document called a deed. The seller will need to sign a deed with a notarized signature, granting the property to you. Some counties do require additional minor documentation such as an affidavit of property value (to figure this out, simply call the county clerk's office). There are multiple types of deeds with a warranty deed being the strongest. When buying a piece of land, it should always be done on a warranty deed.

There are many deed templates out there. You should have a basic one that you can work off and use repeatedly. These can be found online, or if you want extra comfort you could ask a local real estate attorney to prepare you a deed that you can use as a template. Simply list the seller as the grantor with you as the grantee and insert the legal description of the land you are buying.

This is absolutely critical! Just one slip up in the legal description and you could be describing a different property altogether or create a cloud in the title chain that is going to take extra work to fix in the future. Make sure you are describing the right property you are buying.

The best way to close deals you are buying directly from the seller and without a title company is through the use of a mobile notary. There are many good websites such as 123notary and notaryrotary where you can find notaries that work in any area! Prepare a closing package with a cashier's check, warranty deed, a purchase agreement, payment for the notary, and a return envelope so you can get the original documents back. You need original documents for recording in most cases. Mail this to the notary who will act as an escrow agent and will meet your seller with the package. Provide the notary with the sellers contact and make sure the seller is on board. Inform them you will be hiring a notary at no cost to them to meet them anywhere they want with a cashier's check and simple paperwork to be signed. Almost no one will object to this because there is a third party acting as a middleman, similar to a title company or escrow company. The notary is not to give the seller the cashier's check until



after the seller signs the deed and the notary stamps it! I recommend using a cashier's check because it proves you are good for the funds. It is guaranteed by the bank and almost as good as cash. The seller will have confidence that it won't bounce. The purchase agreement is mainly just to act as a receipt for the seller. Include two copies in the package so they can keep one and one can be mailed back to you with the original deed. After the signing is completed, the notary will drop the documents in the return envelope you provided and then mail them back to you! Once the signed documents are returned, make a copy of the notarized deed and mail the original off to the county for recording with the appropriate recording fee. Some counties allow electronic recording and I recommend utilizing this feature when possible.

If the land is not being bought directly from the seller, a title company is going to be used. The title company chosen for the job should be located in or near the county where the land is. They should have knowledge and experience in doing deals in that county. Unfortunately, there are probably going to be numerous title companies to choose from. Just like when selecting any service, I recommend looking at any potential reviews and picking up the phone to ask the title company if they can help you out. There is going to be no real good way to choose the right title company other than trust. If you like what you see and hear, give them a try. There is also nothing wrong with trying multiple title companies in an area on subsequent deals to see which is the best performer. Some are going to be horrible while others will be great. Communication is key. Does the title agent respond to emails or pick up the phone? Also, how quickly can they get the closing prepared? Some are atrocious and will take weeks on end due to understaffing or incompetence while others can get it turned around in just a week or two.

A title company will handle everything for you in the transaction. Go to them with a signed contract between yourself and the seller which specifies price and any other terms. They will open the contract and begin their title work, searching the title chain for any defects, liens, etc. It's relatively hands off from a buyer's perspective. They typically have attorneys they work with regularly and will even create the paperwork needed for closing the deal. Always make sure to pay extra attention to the closing documents and the costs listed to make sure they are correct. Come closing time, the closing package will be provided to you to get signed and notarized. Funds will then be wired straight to the title company who acts as an escrow agent. Once they have the documents needed from the seller to transfer title, they will release funds and record the property in your name. Naturally, using a title company will incur extra fees for the title search, insurance, attorney fees, and closing fees. This is the main downfall of title companies and why they should not be used on the smaller deals. Just to close a simple 4 figure deal will cost around a thousand bucks. Often it is not worth that extra fee when the deal is so small. Use a title company when:

- The cost of the deal is too large for your comfort (I recommend over \$10K)
- There is suspected title defects (even on deals under \$10K)
- The seller insists and won't close another way
- Title insurance is needed, mainly on land that is expensive or will be improved

A good trick I have used in the past is to use a title company to close a deal and see what documents they use. You can pick up some good document templates that can be used such as deeds, promissory notes, releases of liens, and more. I seem to always be picking up tips and tricks that improve my documents. It doesn't hurt to befriend the title agent and have a title company that is your go to in the area once you figure out the top performer. This will be a good person for you to lean on with questions for closings in the future, even when you don't want to close with them!

## **Selling the Land**

Now that you've done all the research and have purchased a piece of land with good title, it's time to sell! I think I have proven by now the best place to do this is online. Much of today's shopping, whether it be books, food, clothes, home goods, or real estate, is moving to the internet. There is no office needed and no requirement to show the land to customers. All that is needed is internet access. The three major areas to sell land online are going to be Facebook, LandsofAmerica/Landwatch, and your own website named after your land company paired with an email list. Others include craigslist, eBay, Zillow, and traditional real estate websites but these are not as effective.

Beyond the scope of this book, but very important to your online sales efforts, will be building some sort of brand recognition. The more people you can have coming to you looking for land, the more you are going to sell. This is marketing 101. In order to do this, your company and preferably yourself are going to need to be known. Traditionally, real estate sales professionals have taken a very passive approach in marketing. They sit behind a desk and a company logo, waiting for leads to trickle in behind some poor listings. The big bucks are made by attacking, getting yourself out there, and going to the customers themselves putting your face, company, and land for sale in front of them constantly! The best way to do this is with paid ads. A Facebook page and company website are a good start. Marketing and sales for real estate is a whole book or course of its own, but I like to break it down to a simple 5 step process. The FRACS method is something that I have coined and try to constantly implement in my marketing. It stands for face, repetition, authority, creativity, and science of the mind (psychology). It's easy to remember and easy to implement. The more you can incorporate video marketing into this approach, the more success you will find. People love videos, gifs, creative things, and seeing you behind the camera!

**F**ace – people want to see the face behind the magic.

**R**epetition – a sale will not usually occur the first time around. Familiarity is built through repetition.

**A**uthority – the more authority and credibility you have, the more people will trust you to purchase from.

**C**reativity – attention is garnered through being creative and sticking out from the crowd. If you want more sales, create more attention in your marketing efforts.

**S**cience of the mind – We are all human. Psychology plays a pivotal factor in controlling attention and getting sales. Understanding humans is a must.





Marketing is a real passion of mine and I attribute much of the success I have had in this business to it. The bigger you can build your brand, the more land you will sell. This is something I will be covering a lot more extensively in my course, but in the scope of this book the basics provided here should get you going! When operating within your brand, there are going to be certain places where you want to focus your land selling efforts.

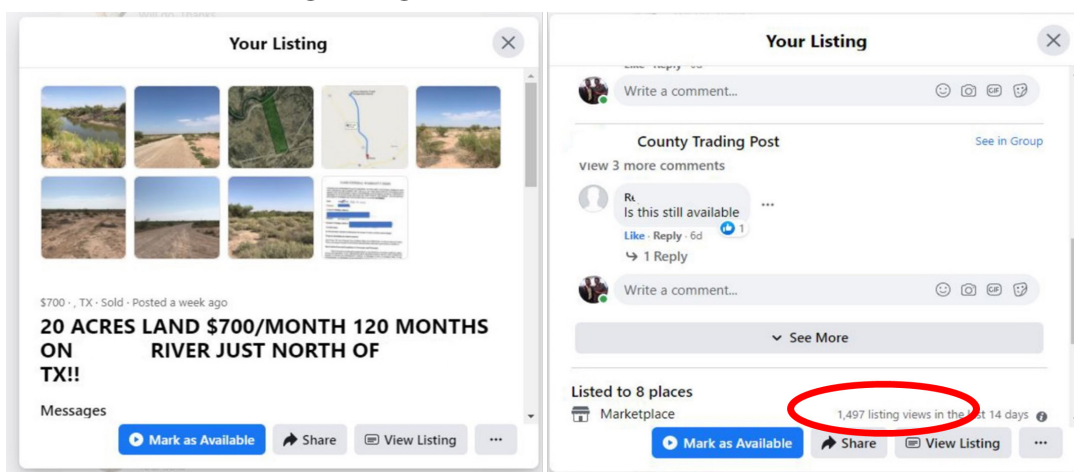
## Facebook

I cannot tell you how many times I've sold pieces of land in the same day on Facebook. Often when I tell people this, their jaws drop in disbelief. I have sold land within an hour before on Facebook! The best way to do it is through "buy and sell groups" and the Facebook Marketplace. The buy and sell groups are like craigslist on steroids and will get you thousands of free views on land you're selling. The best practice here is to join the major groups that are within 2 hours of the land being sold. This is practical enough for people to be able to drive to it and you will hit a lot of people who are looking for a piece of land outside of the city. You obviously don't want to be joining buy and sell groups in Texas when the land you're selling is California. Keep it within a 2 hour drive proximity for maximum effect!

On top of the free Facebook groups generating thousands of views, the deadliest weapon on Facebook is the Marketplace. Mentioned briefly earlier when reviewing where to buy land, this is the best place to sell, especially when paired with some Facebook ads. You can post a piece of land to the marketplace and it will get thousands of views. There are two ways to go about this. First, you can add your land listing to the marketplace when you are posting to the buy and sell groups. Here it will ask you if you also want to add the listing to the marketplace. You **MUST** be careful with your location with this method. Make sure the zip code or city in the post is that of the city which you want to target! Facebook currently allows a 50-mile radius to the zip code or city which you include in your post. Second, you can upload the listing directly to the marketplace from Facebook's home page. To do this just go to the marketplace feature and click "create listing". A catchy headline, good photos, and simple, descriptive copy in your ad will go a long way. A ninja trick is to put the listing price as the monthly payment, or

down payment amount if you are looking to finance the land and create a land note.

Facebook ads can also be run to your marketplace listing to solicit even more views. Usually, \$50 in ad spend will mean well over 1000 views on the listing, all correctly targeted to the area of the land, or the nearest big city where there are a ton of potential buyers! I've found this concept of going to where the buyers are and running ads to them way more effective than traditional routes of creating a listing and waiting for leads. Waiting for the leads like a traditional real estate agent or broker is a sure-fire way to have the land sit on the market, growing stale for months at a time.



Here is an example of a Facebook marketplace listing for a piece of land I sold in 2 days. I ran \$51 of ads before it sold, resulting in 1,500 views on the marketplace. There were over 100 people who messaged me on this piece of property! Some land will sell extremely quick and others you will need to be more patient, increasing your facebook ad spend to hit more people. This one sold particularly quick and got a lot of views because it had river frontage.

## LandsofAmerica and LandWatch

Behind Facebook, the LandsofAmerica and Landwatch platforms are the Amazon for land. This is where people go to look for land, similar to Zillow for houses or Apartments.com for an apartment. The reason I love this platform is because they do get a lot of monthly traffic. It's a good place to passively list your land and wait for leads. They have some decent advertising options that can get you in front of a larger audience with banner ads and such. The reason it pales in comparison to Facebook, however, is because the leads must come to the listing, rather than taking the listing to the leads. I have stressed many times the importance of getting in front of the largest audience possible. Sitting around and passively waiting for leads is a perfect recipe for failure. LandsofAmerica and Landwatch are pretty cost effective though when compared to running Facebook ads, so this makes it a good tool to have in your marketing arsenal. I've sold plenty of land on here but nothing compared to Facebook. Just think about the number of people who use Facebook every day. It blows away that of Landsofamerica.

I miss the days where they would let you advertise the monthly payment as the price. Now they have

begun to crack down on that and require the price field to be the cash price of the land. They allow you to post many listings at once depending on your subscription level.

## **Selling on Owner Financing - Land Notes**

By far my favorite aspect of land investing is the ability to create what I call “land notes” to produce monthly cash flow and notes receivable. Land notes are just a promissory note, but for land. It is owner financing where a piece of land is sold to a customer with easy monthly payments. This is the same as when you get a mortgage on a home or finance a car, but just a different asset. Land notes are extremely underutilized and can prove tremendously profitable. If you only knew how many times I’ve heard land is a poor investment because “it doesn’t cash flow”. I always laugh because I know the truth, and the less people who know about this owner financing option, the bigger the opportunity for me. For instance, when you look for land online you will rarely see properties listed with owner financing options. Why is that?! If you emailed the brokers or realtors on a land listing asking for owner financing, 90% of the time you will get a resounding “the seller isn’t interested”. The opportunity here is so large because when selling on owner financing, the buyer pool is so big! I’m not checking their credit (unlike a bank), and almost everyone can afford a small, simple monthly payment that allows them to own something they can call their own. The downside to this is it can restrict your capital to make more land purchases. You begin to act like bank holding all the notes and waiting for payments.

Land notes are simple to set up. I have created templates for all the documents I need, crafted by multiple real estate attorneys that have morphed over time. When I go to sell a deal, I simply input the buyers name, address, the legal description of the land, and the payment terms we have agreed upon. Depending on which state you are working in, the laws and requirements will be slightly different. I recommend hiring a real estate attorney to craft you a template of the docs required for an owner financed land deal. Be sure to specify you want a workable template that can apply to any land in the area. This should cost you no more than \$500.

When selling land on a promissory note, the down payment is important. If you can get a larger down payment, this makes the economics better for you, supplies more capital to work with on future deals, and makes sure that you have a serious buyer on the other end. This is a fine line though because the higher the down payment, the less amount of people who can afford to buy the land. Personally, I like to keep the down payments the same as the monthly payments, so extremely low. A \$250 per month note for 84 months will have a \$250 down payment in this scenario. Likewise, a \$1000 per month note for 120 months a \$1000 down payment. My land moves quick when I do this. If a piece of land I’m selling is on the market for more than 2 weeks with an owner financing sales option, I start to get stressed! Every deal is different however, so just be sure to run the numbers and see what can be accepted as a down payment and as a monthly payment.

Without a doubt, the owner financing option is my favorite tool to create net worth. There are a lot



of benefits to this, the obvious being a creation of wealth. Today we live in a society based mainly on credit, borrowing, and debt, all which have a lot of ties to net worth if you are an investor.

I want to show you part of my balance sheet to illustrate what I am talking about.

<b>Schedule A &amp; B: Notes Receivable &amp; Valuation</b>					
Land	Cost	Valuation	Note Receivable	Monthly Cash Flow	Note Length
Deal 1	\$40,000	\$106,800	\$320,000	\$5,250	60
Deal 2	\$1,500	\$3,000	\$5,400	\$150	36
Deal 3	\$10,250	\$15,000	\$31,200	\$400	78
Deal 4	\$8,000	\$40,000	\$120,000	\$1,000	120
Deal 5	\$6,850	\$15,000	\$33,000	\$275	120
<b>Total</b>	<b>\$66,600</b>	<b>\$179,800</b>	<b>\$504,600</b>	<b>\$7,075</b>	<b>-</b>

I randomly chose 5 deals from the Jaz Land balance sheet schedules A and B and combined them above. As you can see, I've spent \$66,600 and created a total land notes receivable of \$504,600, over 7.5X what I have invested. A typical owner financing deal for me is 5-10X return over 5-10 years. Since terms and length of note can differ, that is why you hear me talk about yield (IRR) or annual rate of return. Don't try to go for an owner financing deal that is less than a 40% IRR. Use the yield calculator website supplied in the economics section above to estimate the percent return on your money before you purchase the piece. There are too many deals out there to settle for a low yield.

The valuation column is where I apply a conservative evaluation to all the land I buy. This is the amount where I think I can sell the land quickly for cash. Using this approach in the example deals above, I have made over \$100k simply on the purchase of these parcels.

I want to analyze deal 1 from the Schedule A & B combination table above in more depth. This was my first large deal that really got Jaz Land going back in 2017, my first year in business. We will revisit the deep West Texas location I spoke about in the intro. This deal was in a slightly different area, but similar. I sent out a direct mail campaign to owners of land. A landowner called me up and was not interested in selling but knew a gentleman who had 534 acres of land who was desperate to sell it. This guy had just gone through a bankruptcy and had this land for a while. I called him up and we agreed upon \$40,000 for the ENTIRE 534 acres. That's \$75 an acre!

Back then, I was not business savvy enough to have a financial statement, or a "Schedule A". I was just starting my business and hardly knew what a personal or business financial statement was. My recommendation is to learn what a basic financial statement is and how to make one. Keep it updated with an inventory and a notes receivable tab. In the inventory you put all land you HAVE NOT sold with a conservative evaluation on it for the bank. This is my "Schedule B". In the notes receivable tab of the statement, list all your properties you have owner financed to customers. This will have the properties total note receivable, including both principal AND interest. This is my "Schedule A". Had I created a financial statement early on, my first deal would have been listed under inventory at \$106,800 or \$200 an acre. This is the price I know I could have dumped it for FAST if I needed to sell it for cash. I always

recommend taking a conservative valuation, and I think the banks like that too. I instantly created \$66,800 (\$106,800 value - \$40,000 cost) of net worth for myself on the balance sheet that can be used to help borrow money from a bank down the road. But it gets better! When I put this land on the market, I ended up selling it off in pieces. I was lucky enough to find a guy who wanted 450 acres of it and the rest were sold in 10 and 20 acre pieces. It is surprising the different wants and needs people have when buying land. Some love the huge acreage and can never get enough room. Others complain about larger acreage because they will have to maintain it in some way (not always true) and pay taxes on it. The total note receivable on these 534 acres was \$5,333 a month for 60 months, a total of \$320,000. The one gentleman was paying me \$4,500 a month for 60 months on 450 acres! Now, let's return to the business financial statement

#### PROMISSORY NOTE

\$227,258.97  
(Principal amount)

December 8th, 2017, and  
effective December 8th, 2017

FOR VALUE RECEIVED, the undersigned, Abraham G. Lujan ("Borrower"), hereby unconditionally promises to pay to the order of JAZ LAND, LLC ("Lender"), in lawful money of the United States of America the principal sum of Two Hundred Twenty-Seven Thousand Two Hundred and Fifty Eight Dollars, Ninety Seven Cents (\$227,258.97), together with the interest on the unpaid principal balance of this Note monthly until paid in full at the rates described herein, such payment to be on the terms and conditions hereinafter set forth.

1. Interest. This Note shall bear interest on the unpaid principal balance at the rate of Seven percent (7.0%) per annum from the date hereof until paid in full.

2. Terms of Payment. Principal and accrued interest on this Note shall be due and payable as follows:

2.1 Amount and Time of Payment. Principal and interest under this Note are payable in equal monthly installments of Four Thousand Five Hundred Dollars and No Cents (\$4,500.00), due on the Eighth (8<sup>th</sup>) day of each month, beginning on January 8th, 2018 and continuing thereafter for Sixty (60) months, when the entire unpaid principal balance, together with all accrued and unpaid interest, shall be due and payable in full in a final payment due on December 8th, 2022 ("Maturity Date"). Payments will be applied first to accrued interest and then to the reduction of the principal sum. For purposes of Default (as contemplated in Paragraph 5), payments will be considered timely when, if mailed, they are postmarked on or before the Eighth (8<sup>th</sup>) day of each month. The above given payment is only inclusive of principal and interest reduction, it does not include payments of taxes or interest.

A snippet of my first large land note for \$4500 per month for 60 months. I charge 7% interest on all of my notes so the principal balance was \$227,358.97

Under notes receivable, I now have \$320,000 sitting in there. I've turned \$40,000 into \$320,000 and created \$280,000 of net worth. Crazy enough this is now sitting on my balance sheet and I can use it to borrow against, or towards proving I am an accredited investor.

You may think it's crazy and unrealistic that a valuation on Deal 1 is \$106,800 and the notes receivable is triple that at \$320K! Why is the note receivable so much greater than the conservative valuation in the inventory for a piece of land? Multiple reasons. To begin with, there is always a premium charged to the buyer when owner financing a piece of land. Cash is king, and when financing is used, capital is locked up and slowly trickles in over time. Personally, I offer cash prices sometimes in the range of 50% of the total note value! You'd be surprised though how hard it can be to sell a piece of land for cash. It is no wonder that a lot of the deals sit online for months at a time as discussed earlier. The amount of people who will pay an extremely high premium to pay you monthly as opposed to coughing up the cash up front is staggering. They often cannot get financing from their bank and do not have the cash, so it's not surprising to see the note receivable be astronomically higher than the cash value. This is awesome for us as the seller because it creates immense net worth. The seller is also assuming the risk of holding the note. Granted we can always take the land back if the buyer stops paying, but that involves time, in some cases a foreclosure, money, and the seller must start the marketing process again and sell the property to another buyer. Therefore, it is so important to only buy quality land that you are confident you can sell quickly, and multiple times if you need to! The default rate on owner financings is usually 10-20% in my experience.

On my owner financing deals, I always charge 7% interest on the loan. I like to market my pieces as an "all in" cost. For instance, if I am asking \$500 a month for 120 months, that includes interest for a total cost of \$60,000 over 10 years. I make sure to tell the buyers I charge no extra fees, and then I mention it as a bonus that the principal on the note is actually \$43,000 (a principal of \$43,000 at 7% interest over 10 years is \$60,000 at \$500 per month). This entices them to pay off the loan early if they want and provide the capital for us as the sellers to go do more deals! Too many land sellers get hung up on the interest on these notes. We do not make money off the interest. We make money on the terms of the deal being drastically higher than what we bought the land for. There is where a yield analysis comes in. The total cost is what is important. If you try charging more interest at the same monthly payment, the principal will drop on the deal. Charge less interest and the principal will rise. I've found 7% to be a good happy medium. It motivates people to pay the loan off early for those who do not want debt, and it doesn't scare people away from owner financing which can happen at interest rate in the double digits. Focus on the total note receivable number and less on the interest rate. How can you pull this off too? Here's what is so awesome about these land notes. You can start from anywhere, whether it is \$50,000 or \$500. I find the smaller deals to be a lot easier in the sense that they sell quicker. A lot more people can afford \$50-\$100 per month as opposed to \$2,000 per month for a piece of land. With that being said, I think these small pieces are great for beginners and someone looking just to get a quick net worth boost and some cash flow, but they can be a pain for an advanced real estate investor. These smaller notes come with a lot more defaults and a lot more headaches than the larger ones. Bigger



payments will naturally bring in more serious buyers, and the default rate drops to less than 10% in my experience.

Note defaults happen when someone does not pay or live up to their end of the bargain on these land note deals. The promissory note itself lays out the terms and depending on the state, there will be other paperwork involved on top of the note for owner financing. Texas, and many other states, is a deed of trust state, so property is conveyed using a deed of trust and warranty deed with vendors lien. This sounds like a bunch of mumbo jumbo but when it gets down to it, I recommend doing the following. Find a local real estate attorney, or if you plan on selling land out of state find a reputable real estate attorney in the state you plan to operate. Explain to him or her that you want to do owner financing deals for land and create notes for monthly payments. They should be able to give you the necessary documents very quickly and affordably. Keep in mind, every state is different! I estimate this to cost about \$500 for all the paperwork, or if you're crafty you can find it for free online (I always recommend the lawyer). Specify to the lawyer that you want the paperwork set up to have the ability to act as a template. That way, you just need the basic information of the deal and you can close customers yourself. Use an excel spreadsheet to calculate the interest and payments and insert the description of the land with the customer information. It literally takes 5 minutes to create the note package itself and your customer is ready to sign. It's crazy that title companies have attorneys who do this work for \$250.

You're bound to be collecting payments from a customer and have them stop paying you. What do you do? Simply take the land back and sell it again. Usually this is called a foreclosure. Now there's multiple different ways to do this, once again depending on the state and the requirements. If and when you get to this point, once again I recommend bringing in a real estate attorney. IMPORTANT\*\* I'd search to find a process where you can have a preset plan in place to foreclose someone and get the land back without any hassle. The quickest and easiest way to do this is usually to get the land deeded back to you from your customer. I like to ask them to do it for free, mentioning otherwise I will foreclose on them. This isn't really meant to sound like a threat, although it's actually true! If they don't deed it back, you will most likely need to foreclose. Once you get the deed back granting the land from them back to you, all you need to do is simply file it simultaneously with a release of lien. The release of lien will grant the property to them, but like magic you have the deed from them back to yourself directly behind it when sending it to the county clerk's office. Again, consult an attorney for guidance but you will be surprised that your defaulted customers will comply nearly every time. If they are being troublesome, simply entice them with a refund of a month or two's payments in exchange for a deed back to you. A few hundred bucks can get them off their butt's and to the notary and post office real quick!

Once you have the paperwork required to create notes and a process to take the land back from defaulted customers, this becomes a volume game. I've created hundreds of these notes and want to help everyone create one! Monthly passive income can add up quickly and net worth will start to balloon as well. Remember net worth is calculated by adding up ALL notes including interest, so the

total loan amount! Also, promissory notes can be sold to investors for a set annual return (I offer them +/- 30%) where the investor takes over your payer and you can raise capital. This is an awesome system that is outside the scope of this book, but there are also tax advantages to doing this as well.

## Selling for Cash - Cash Flips

If you aren't selling land on an owner financing agreement, the other option is a cash sale. Cash sales allow you to raise capital quickly to go do more deals, however they will not allow you to have passive income and a sky-high net worth on the balance sheet. The advantage to a cash sale is you need money to buy more land. Capital is one of the main restraints in this business and instead of drawing it out over time on a promissory note, you get it immediately when selling for cash. Expect the sale to take longer, however. In the land notes section, I covered how most people don't have large sums of cash sitting in their bank account to make a land transaction. I'm always amazed at how many times I offer a piece of land for cash at a steep discount, yet people still choose the owner financing option. A lot of times you need to make the deal too good to be true for cash sales to move with any velocity. This is exactly why that note receivable number can balloon to 2, 3, or even 4 or more times the actual valuation you put on the land. The critical part most people miss is that they don't look at a yield analysis on their cash deals. They assume that they're going to double their money or they're going to make 50% on the cash sale, however they don't take into account the amount of time that it takes to sell the piece of land. Yields can change quickly in cash deals and some people can get caught in a not so good deal. I want to share a recent example with you.

**Calculator** Your IRR analysis

Initial Investment (-): \$-18,750.00

Initial Investment Date?: 10/13/2020

First Cash Flow Date?: 10/28/2020

Cash Flow Frequency?: Monthly

Discount Rate (optional): 7.000%

No	Date	Amount	No	Date	Amount
1	10/28/2020	0.00	2	10/28/2020	-866.00
3	11/28/2020	0.00	4	11/28/2020	-866.00
5	12/28/2020	0.00	6	12/28/2020	-866.00
7	01/28/2021	0.00	8	01/28/2021	-866.00
9	02/23/2021	37,000.00	10	02/28/2021	0.00
11	03/23/2021	0.00	12	03/28/2021	0.00

Internal Rate of Return (IRR): 345.013%

Gross Return: 66.562%

Net Present Value (NPV): \$13,923.84

Total Invested (-outflows): \$-22,214.00

Total Returned (+inflows): \$37,000.00

Net Cash Flow (Profit/-Loss): \$14,786.00

**Calculator** Your IRR analysis

Initial Investment (-): \$-18,750.00

Initial Investment Date?: 10/13/2020

First Cash Flow Date?: 10/28/2020

Cash Flow Frequency?: Monthly

Discount Rate (optional): 7.000%

No	Date	Amount	No	Date	Amount
1	10/28/2020	0.00	2	10/28/2020	-866.00
3	11/28/2020	0.00	4	11/28/2020	-866.00
5	12/28/2020	0.00	6	12/28/2020	-866.00
7	01/28/2021	0.00	8	01/28/2021	-866.00
9	02/23/2021	27,000.00	10	02/28/2021	0.00
11	03/23/2021	0.00	12	03/28/2021	0.00

Internal Rate of Return (IRR): 77.596%

Gross Return: 21.345%

Net Present Value (NPV): \$4,167.37

Total Invested (-outflows): \$-22,214.00

Total Returned (+inflows): \$27,000.00

Net Cash Flow (Profit/-Loss): \$4,786.00

\$37,000 cash sale economics

\$27,000 cash sale economics

This is a very recent sale of a 40 acre piece of land I sold for \$37,000. I paid \$18,750 for it, plus a few payments of \$866 on seller financing to the seller for a total of \$22,214 purchase price. This was a tough negotiation for me as the buyers did not originally offer \$37,000. They offered \$27,000. The IRR (yield) on the \$37,000 accepted price after I got them up in price was a whopping 345%. This is because I had a \$14,786 profit in only 4 months (time value of money considered in IRR). Look at how quickly the yield drops though if I would have accepted their \$27,000 offer. It drops from 345% to 78%! At just a 78% IRR, I would have been much better off financing it out for around 100% yield, which is what the owner financing numbers work out to be on this deal. These numbers can be so fragile. Additionally, I was lucky that someone came along to hand over such a large amount of money. If someone had not come along within 4 months, what would have happened if I had to wait 8 months to get my \$37,000? Well, I can tell you I would have been stressing out because if I start holding land longer than a couple months, I really start to worry the deal is not so good. Also, the yield numbers would drop to 110% if I got that \$37,000 on June 23rd, 2021 instead of February 23rd, 2021. At that point, I think I'd opt for the owner financing to get it cash flowing immediately and add the notes receivable to my balance sheet. Others may still have argued for the cash deal at near even IRR to acquire the capital to do more deals. Always check your numbers, even in a cash sale, so you feel confident you're making the right decision!

A good technique I like to employ is to list pieces of land as cash only. This will weed out all of those looking to finance the land and help cut straight to the serious buyers with lots of cash. Your fall back plan can always be to owner finance it if no one is biting on a cash price. Since cash deals have longer time to sales, it is important to list it on as many platforms as possible. The more passive platforms such as LandsofAmerica, Zillow, and your land business's website are great options. Most likely a significant amount more of ads will need to be purchased on Facebook. Pushing people to get their own financing is always a great option too. A lot of people simply do not know there are some lenders out there that can get them financing on vacant, raw land. On larger cash deals, I like to show them the banks numbers compared to mine. The bank almost always saves them money because of the higher cost of the owner financing through the land seller. It's a win-win because the customer saves money, and we get cashed out as the seller. Surprisingly, most people will STILL not even try to take this path because they're afraid of doing a little paperwork, afraid of the banks, or have bad credit. When doing third party financing, always require the seller to pay your full sales price to you. Be careful not to get any of the title, lender, or closing fees taken out of your total cash sales price. If I'm asking \$25,000 for a piece of land and someone gets their own financing, I make it very clear they are going to be paying \$25,000 net to me at the end of the day.

The actual closing process and receiving the money on a cash sale is relatively easy. If closed through a title company, they will hold your hand and walk you through the entire process. All the deed research, closing documents, and necessary paperwork to close the deal will be taken care of by them. When it comes time to close, simply advise the title company how you'd like to receive the funds. If you're handling the transaction yourself and taking cash straight from the buyer, I recommend doing a one-page purchase agreement that states both parties, consideration, and the legal description of the land.



This gives the seller comfort the purchase is official and basically acts as a receipt. Decide on how you want to transfer funds and close the deal. You can meet in person and do straight cash, collect a money wire, personal check, or other electronic means. It is absolutely critical not to send off their deed for recording and ownership transfer until you have their funds settled in your bank account! There's nothing like accepting a bogus cashier's check and recording their deed, only to find out it has bounced when you've tried to cash it. Once that document is sent to the county to be filed, there is no getting it back! Remember, the power of our business credibility equates to a lot more trust than some random buyer offering to purchase the land. Lean into that and use it as leverage.

## **Managing Customers**

Now that you've sold a couple of pieces of land on owner financing, or perhaps even for cash, you need to manage your customers. When then land is sold for straight cash, the relationship is simple. The customer gives you cash in exchange for a deed. However, maintaining some sort of relationship with them can be critically important. I cannot tell you how many times I've sold a piece of land to someone and they've come back to me wanting to buy more or have recommended friends and family to me! You need to go above and beyond to answer all their questions and provide them with the right contact information if they must contact someone else. Are they wondering about how the land gets recorded and transferred into their name? Explain how deeds work and how the county clerk/recorder stamps it and puts it in the books. Provide them with the phone number to the clerk's office so they can call themselves. Are they wanting to get the land surveyed so they can mark corners and build a fence? Provide them with general guidance on who to call and how to get that done. If you don't know how that process works, pick up the phone yourself and start making calls to survey companies so you can relay the information back to your customer. Then pass on the number to the highest rated surveyors in the area to the customer! This may seem like a lot, but it grows easier over time once you attain a high level of knowledge in the area you're working. Next level service like this is what allows a land company to grow quickly and outpace the competition, especially the realtors and land brokers out there putting in little effort. I also highly recommend taking care of all recording and paperwork filings for the sale. I see way too many land guys and gals out there selling a piece of land, then sending the deed to their buyer with instructions for recording and filing instead of sending it straight to the county for them. Why do this?! Most land buyers will be completely unfamiliar with the process and this extra burden can scare them and be a big hassle. In fact, some will never get the deed recorded, will forget, or will lose the deed and never ask for a new one. I recommend always covering all fees and processes to get the land transferred to the customer's name, leaving the only requirement for them being to transfer the funds for purchase. The exception to this is when closing through a title company. Here, the title company does that work, and I always require the buyer to pay all closing fees. The smoother you can make the cash purchase of land for the buyer, the happier they will be and more likely they will be to buy again in the future!

When selling on owner financing, a land note will be created, and monthly payments will need to be

collected from the buyer. To do this, you will need some sort of system in place to receive the payments and keep track of money flow. This will be easy in the beginning because only a few different notes will be paying you at once. Under 5 payers, I recommend just using excel spreadsheets to track who is paying you on what date. Once you get above 5 properties sold on terms deals, it's time to start looking into some sort of note managing software. This will allow you to hook up a payment processor, accept payment, and notify you when a customer does not pay. This fully automated system makes life a whole lot easier when you have dozens of people paying you every month, especially during tax season! Payments should be taken electronically so you aren't collecting checks each month and having to deal with mail. You will want to find both a credit card and ACH processor that is friendly to the land business. Some banks will allow you to do this under bill pay methods, but most are not friendly to recurring payments for real estate. There is not one great answer here as there are many payment solutions, just find a trustworthy processor who is friendly to recurring payments for land.

It is good to check in with your note payers from time to time. Always send them a text or email before their first month's payment, reminding them they are beginning to pay on the land they bought. If they are faithful payers, send them a text every few months checking in on them, reminding them of their payment coming due, and ask if there's anything you can do for them. If they call or text with a question or concern about the land, always provide a solution or find someone who can. Your job isn't over once the land is sold and they start paying you. They will most likely have questions about GPS coordinates to the land, surveying, neighboring landowners, their paperwork, etc. Some customers you will never hear from again after a sale while others will bombard you with questions.



Never lose sight of your customer and make sure you help them out whenever possible. If you can get testimonial videos and pictures with them, it will revolutionize your business! They will be more likely to give you testimonials if you help them

Some buyers will simply not pay you or disappear. The goal is to keep missed transactions to a minimum. The dreaded, yet unavoidable part of this business is collections. There is no single answer to how to play the collections game, and I tend to be fairly lenient with people. If I see that they have missed a payment, I automatically shoot them a message or give them a call. I have a master spreadsheet containing all my payers and due dates. I will flag troubled payers in there as a reminder to start communicating more with them. Typically, they will respond with a reason why payment is missed. It's then up to you to work with them to see if and when they can get their payment in. You can give them some time, but I've found it's always best to send out any notices of default or paperwork to begin the process of taking the land back should you need to. Once this process has begun, you can always be more forgiving with them later once you have the legal right to take the land back. After that first message for their missed payment, I will typically send another a week or two later letting them know that a notice has been sent their way, beginning the process that allows me to take the land back. This is when some customers will go dark while others will promptly reply and be eager to continue working with you. At this point if they have not paid, they may ask for more time or have some situation that you need to consider. That is completely up to you as to how forgiving and how much time you wish to give them. The important part here is the default process has been started, allowing you to pull the plug and take the land back if need be. In my experience if the payment is more than a month late, it's probably never going to come. This is a good time to finalize any necessary documents or paperwork and repossess the land. Some customers make it easy and ghost you from the start, allowing you to quickly file the documents and not give them any forgiveness. If the first message of missed payment goes unanswered, it's typically a sign. If the second message notifying them of the default process going forward goes unanswered as well, it's definitely a sign that you need to repossess the land as quickly as you can and get it cash flowing once again. Find a customer who is willing to pay you and enjoy their land instead of trying to hound one who doesn't. It's good practice to have some sort of late fee in place to help prevent too much stalling and customers taking advantage of missing payments. I recommend either \$25 or 5% of the monthly payment for larger payers. Always enforce the late fee to prevent customers taking advantage of their payment date and paying you when it's convenient for them.

Refunds are always going to be a topic of concern from your buyers throughout the life of the business. Some people have buyer's remorse, realize they will never use the land, or have some outside circumstance pop up that will not allow them to continue paying you. I recommend not giving refunds. Personally, all my down payments and monthly payments are non-refundable with few to no exceptions. Opening the door to refunds practically guarantees people will take advantage of you in this business! It can be a paperwork and accounting nightmare on top of the fact that you sold the land, took it off the market, and probably missed the opportunity to sell it to another buyer! Time is money and the last thing you need is to be acting as someone's bank, holding their money at no cost and giving it back whenever they want.



## **Final Thoughts**

I'm absolutely humbled by the amount of people who have reached out to me asking for this book. My goal here was to provide the outline of my video course for free. I want anyone who is a self-starter to be able to get into this business without having to buy anything!

Everyone needs a good mentor. Coming up, I took multiple land and real estate courses myself and had years of trial and error to learn what I have about land. I spent a lot of time studying some great entrepreneurs and have been fortunate enough to meet some great mentors, including Tai Lopez. In 2022 we partnered on land projects and an education program to teach people how to do exactly what I outlined in this book. I'd be honored to help you and pass on what I've learned throughout the years to make you the next land millionaire. If you're interested in learning more you can check out my website here:

[jonjasniak.com/land](http://jonjasniak.com/land)



I'm far from perfect. I've figured out a few things that have allowed me to grow a substantial land business, and I'm confident that with some hard work and study, someone else can do much better! There's so much room for improvement for myself and others in the industry. There are so many niches and opportunity out there, even within the land business itself. Someone could really blow up much larger and quicker than I have. I've seen and learned multiple things about my business that can be so much better through writing this book and creating the subsequent course. I know you'll see the same thing because I have nothing to hide, and I'm not ashamed of it. I don't even claim to be a land expert, but I do hope you have picked up at least one gold nugget from this book that can help you in your buying and selling land journey!

Keeping with my promise of wanting to give you everything you need to start a land business absolutely free, you're welcomed to check out this 90 minute presentation I did on youtube which outlines this book in greater detail:

[https://youtu.be/P2gL3\\_5fptQ](https://youtu.be/P2gL3_5fptQ)

Tai and I also did an awesome podcast inside of his barn in Virginia. We both love land and that interview can be found on youtube as well:

<https://youtu.be/GwGsP7JR65M>

In the end, buying and selling land really can be quite easy. Buy, sell, manage. Each one of those 3 facets has multiple components in it. When buying, be strategic in the area you choose. Money is always made on the purchase in real estate so finding the right deal is critical. This is more of an art than a science and with more practice, you can become an expert and spot a deal right away. Outside of finding a deal, marketing and sales



is a key component to this business. The single reason there is an arbitrage here and money to be made in the first place is because of marketing and sales deficiencies. Build a brand by actively going to the leads instead of passively waiting for them. By doing this, you'll have more requests for land than you can handle, and capital will become your main constraint. From there, management of the customers and payers will be the last piece of the puzzle. Automate this in a way that's simple and efficient.

I'm confident that with the tools and resources in this book, as well as the more in-depth video course, anyone can create some passive income and net worth with land. Don't hesitate to reach out and connect. I'm more than happy to help in whatever way I can on your buying and selling land adventures!

## **Resources**

Jonjasniak.com

Jonjasniak on Instagram

### **2 land videos (Tai Podcast and 90 Minute Buy and Sell Land Presentation)**

<https://youtu.be/GwGsP7JR65M>

[https://youtu.be/P2gL3\\_5fptQ](https://youtu.be/P2gL3_5fptQ)

### **My favorite entrepreneurs/influencers and what I like them for:**

Tai Lopez (marketing/general business knowledge)

Grant Cardone (motivation/money/marketing)

Cody Sperber (social media/real estate marketing brainstorm)

Tony Robbins (mindset)

Robert Kiyosaki (money/finance/real estate)

Scott Adams (persuasion/psychology)

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### **The Best books for a Land Business**

-Thinking Fast and Slow by Daniel Kahneman

-Never Split the Difference by Chris Voss

-Influence and its sequel Pre-suasion by Robert Cialdini

-Sell or Be Sold by Grant Cardone

-The Art of the Deal by Donald Trump

-The H Factor of Personality by Kibeom Lee

-Personality by Daniel Nettle

-Loserthink by Scott Adams

Note: You must understand people to be good at business. The 3 books above are my favorite for psychology that can be used in business.

### **My Favorite Courses**

Tai Lopez's 67 Steps

Grant Cardone's Cardone University

The Land Flipping Arbitrage System (My course)

Land Academy's Land Course