

Male Narrator: Welcome to the REI Diamonds Show. With Dan Breslin, your source for real estate investment jewels of wisdom.

Dan Breslin: Welcome to the REI Diamond show. I am your host Dan Breslin and this is episode 1076 on how to invest in land in 2021, with no money down. If you are into building wealth through real estate investing, you are in the right place. My goal is to invite high caliber real estate investors and other industry service providers on to the show and then draw out the jewels of wisdom. Those tactics, mindsets, and methods used to create millions of dollars and more in the business of real estate. Today's guest has been here before. Long time listeners, well, remember Mark Podolsky, aka the land geek. Mark focuses on high volume low cost land flipping with a focus on using those deals to generate long term passive cash flow, putting himself in a better situation with taxes. As you are probably already aware, US land market has been heating up over the past few years with Covid only serving to super charge the market as people flock to places where they can have more distance from other people. Mark and I discuss this trend as well as a few recent deals including a development expected to generate more than a million dollar profit. Let us begin. All right, welcome back to the REI Diamond Show, Mark. How have you been?

Mark Podolsky: Dan Breslin, pulse is normal, respirations fine. So glad to talk with you again. Thanks for having me back.

Dan: Yes, for sure. I love having high quality, yes, come back on the show a second time because it kind of gives us this different timestamp perspective, for the curious podcast listener. I will include the 2018 recording that Mark and I did in the show notes, but you can kind of go back to them and then come to now and I just think it is so revealing to kind of pay attention to trends in real estate. The more that you are comfortable with the trends the better your long term investing strategy is and probably the way you run your business and maybe even life in general when you are paying attention and on top of the trends and these revisiting stories or revisiting episodes rather Mark that we are getting ready to dive into today. It really provides that perspective of how things evolve and change over time. I know on the last one we probably did something similar, but I would like to begin again today with the land geeks creation story. So what your business looks like today and how did you get here, Mark?

Mark: Sure. The way I got here, rewind the tape that is 20 years now Dan. I was a miserable, micromanage 45-minute commute to work and back, investment banker, specializing in mergers and acquisitions with private equity groups. I hated so much that I would not get Sunday blues, anticipating Monday coming around. I would get the Friday blues and to see the weekend going by really fast. Everything back to work on Monday. So my first hires this guy, telling me that it is a side hustle. His buying up raw land, pennies on the dollar and his flipping them online and making a three hundred percent return on his investment. I had look at companies all day long and a great company. Has fifteen percent even down margins or free cash flow. Your average company to ten percent and I am looking at companies all day long, less ten than percent, so of course, I do not believe them.

I have got three ranch end up with car repairs. I go to New Mexico with him. I do exactly what he says to do. I buy 10 half acre parcels an average price of three hundred dollars each. I flipped

them online. They all sell for average price of twelve hundred dollars each, it work. I went to another auction where-- all right, we live in Arizona and again, this is two thousand, there is no one in the room and buy a flat and acres, like nothing. I sold all that property and over the next six months, I made over ninety thousand dollars cash. So I go to my wife and she is pregnant at that time. So I am going to quit my job, became a full-time land investor and she is like, absolutely not. She said, okay, fine. So it took me about, you know, the total 18 months for the land investing income to exceed the investment banking income and then I quit. I have been doing it full-time ever since. I have done over 6,000 transactions to date and I absolutely love it.

Dan: Nice. You also kind of for business today and over the last couple years, I think you kind of started getting a little heavier into some software programs, is that right, Mark?

Mark: Yes, yes. The philosophy like we can always make more money. Solving money problems is not that hard, but solving money and time problems that is sort of like the holy grail. That is kind of like why we are doing all this is to create this passive income. To do 6,000 transactions or do that kind of volume, it is really a business. Anything that we can do to automate, I want to do it. I want to use three leverage points to my business which is other people's time, other people's money, and software. The software is that we have developed now has evolved so much since last time we spoke it is unbelievable. I mean literally saving thousands of dollars.

Dan: All right, cool. Why do not we start a little bit of the land conversation here? It is 2020 now. It is been two or three years or so. How do you find undeveloped lots, undeveloped land for sale or maybe a better question, Mark, how do you find off market land which you can actually buy for a good price?

Mark: Right. So what we are going to do is we are going to go to these counties where we know there is really inexpensive land. So there are 3,007 US counties. So where do you go first? I mean, let us just face it down like nobody wakes up is themselves but some raw landed in Iowa, unless you live in Iowa. We are going to focus on California, Nevada, Arizona, New Mexico, Colorado, Oregon, Washington, Florida, the fast growing state, the sunshine states. Then we are going to go about-- you know, an hour to three hours outside of a major city and we are going to go list from that county. What we are going to do is we are going to price that list. So again, if I could-- I do not want to be appraisal business. I do not want to send out blind offers in, I am interested in buying your land, because next thing you know now I am in a negotiation, like I mentioned if my land, we are going back and forth, it is not an efficient use of time. So essentially what we want to do is price the list. So I am going to do is take the comparable sales the last 12 to 18 months of that raw land, I am going to take the lowest comparable sale and divide by 4. That is going to get me a three hundred percent margin of safety. Then from there, I am just going to take that list, I am just going to load it into my software. It is going to automatically send out offers at 65 cents a letter with address verification automatically, first class mail. It is amazing. That is really how we want to get that deal flow rolling is by sending out actual offers. Then we are looking for a three to five percent response rate. If it is under three percent, I know I price probably a little too low for the current market. If it is over five percent, I probably need to renegotiate and re-trade because it probably got into high. Does that make sense?

Dan: Yes, totally makes sense. The savings in time, are these DocuSign or are these like they

will sign off on a physical 2 page, 3 page agreement of sale that you are sending off? How does that work? Now they now reply to that and engage by just accepting the offer I imagine.

Mark: Right. Yes exactly. So they can either mail back to offer so it is not through DocuSign. They can do it like a QR code and go to a little landing page and accept the offer. So we make it as easy for them as possible depending on how technically literate they are. They could even call or fax to accept the offer.

Dan: Okay, so let us play it out a little bit further down. They accept the offer, what is the next step? How long are we under contract with them? When are they expecting me to show up with bundle of cash for their land or however I promise to pay for that and what are your next steps as far as maybe selling or doing some due diligence about whether lands worth anything or not?

Mark: Yes, yes, exactly. So our intake manager will take it from there and they will contact the seller and say, "Hey, we got your back to accept our offer. This is the next step we are going to close in as fast as possible about seven days." Now, the actual offer letter we give ourselves about 30 days before we close it, but we want to sort of under promise and over deliver. So we are going to do our due diligence. I am going to get back to you. Seven days are left and we are going to close this transaction. So during that time then the intake manager will pass it off to our due diligence team, which is if its five thousand dollars or less, were going to outsource it to our team in the Philippines. They are connected to American Title Company and they are going to fill out everything we need to know, make sure there are no breaks in the chain of title in the news or encumbrances. They still own the property that the back taxes are too high than its going to destroy the margin on our deal. We want to know what is compelling about the property. We want to get plat maps, GIS maps, aerial maps. We want photos around their video for you can get it and give the thought a whole property checklist. So then once everything checks out in due diligence, intake manager, again, will contact that seller and say, "Hey, look, we are going to go ahead and send you a deed, you are going to print it, sign it, notarized it, and send it back to us." That is if its five thousand dollars last we just closed directly. Now it is five thousand dollars or more, we are going to close to a title company. Now, once we own that property, this is where the magic happens because we are going to sell that property 30 days or less and make a cash flow.

I do not want to go too far in, Dan, without hearing your voice.

Dan: Yes. I appreciate the break there.

Mark: Yes.

Dan: That is interesting. So 5,000 or less, it is kind of like we are still checking the title to make sure things are clean, but we are not having to pay the-- I do not know, would it be four hundred, five hundred dollars or so extra to get the title insurance added on there. I am curious. Have you ever got in trouble by not having, you know, you sell it for let us say 15, 20,000 or whatever, you end up getting for it and then a title issue did come back to bite you own one of these five thousand deeds.

Mark: Yes, I know. I have never had an issue. I mean it is not like housing where talking like real money, hundred thousand or more. Pretty view 50,000 or more, super small house or whatever it is. These are small deals, they do not change lands a lot. It is rural land. I mean, the biggest thing you have got to really worry about on the due diligence piece that cannot be cured like even IRS can cure 90 days. The biggest thing is going to be is there an environmental issue. Again, we are not going into places like Pennsylvania or New Jersey where there is a lot of manufacturing or maybe even Ohio and a chemical company could spilled out there. Now you got a superfund site. Now the what you would do is essentially is to make sure you are not in a superfund site and our team does this. Just an all the properties just to make sure you go to epa.gov and you make sure that you are not buying in a superfund site because then you talk about millions of dollars of cleaned up, you could be liable for.

Dan: So you might buy it for 5,000 and assign then you literally could be on the hook and they could come after you personally for an unfathomable amount of money, right?

Mark: Right.

Dan: Not good.

Mark: Yes, no, not good. So that is why you got to make sure you are not buying those areas. Now, again, I have been doing this 20 years, I have never had that issue but we still check it.

Dan: Make sense. All right. Let us frame the land, a piece of land itself. I mean, this is a three-hour drive from whatever it is, the bigger city there. I imagine there is not a whole lot out there. What is the size of the lot? What is the purpose that this potential buyer we are getting ready to touch on? What are they going to do with the land, Mark? Why is this valuable?

Mark: Basically, there is a lustful land in this country that most of us do not realize. I would say that the majority of our buyers when I called legacy investors, so they just want to own property and the fact that they can afford it because if there is there looking around their city it might be unaffordable for them, but we make it like a car payment. So we make it irresistible for them. They might go out there, they might camp, or hunt, or fish, but it is the only asset to last. It is this generational investment and they sort of heard growing up, own land. I have never been stuck with a piece of raw land, it is kind of crazy.

It all sell, there is a pig for every button.

Dan: See, it sounds strange to me. So we did 247 houses so far this year and I am stuck with one or two of them actually only because I am not really willing to come down on my price much more and it is just pain of reducing the price and I know I am losing money with every-- not losing profit, we are losing real money we already have in on these houses. By lowering the price and so I am kind of stuck with them, but I am not because will eventually sell them. One of my operating philosophies if you will Mark is, do a huge high volume of deals because if there are some losers and a lot of times there will be a loser here there at least in my experience and make some mistakes by doing a high volume of deals, but the high volume of deals like a stock portfolio, there are more winners than there are losers and it all averages at the end of the day.

So it sounds very strange to me, Mark, when you say, yes, there is a buyer for this place, I am in Illinois. I mean, in Chicago. I live right here on the lake in the middle of Chicago in the city. Three hours south into the bottom of Illinois where it is farmland or something like that. I think who is going to do anything with it. I do not even know anyone who would want it. The campground stuff and hunting and fishing I guess that does make sense when you say that but how do you find these buyers?

Mark: We are going to market first to the neighbors, right? So we set out a neighbor letter and we are going to say to them, "Hey, here is your opportunity, protect your views, protect your privacy, know your neighbor." So oftentimes our neighbors will end up buying it. I mean, this is like this built-in best buyer and so this advantage that we have. Now, if the neighbors pass will go to our buyers list, so these are people that have already indicated an interest by either saying they are interested in raw land or buying raw land from us in the past. Oftentimes, they will buy. Now, if the buyers those passes then we will start marketing on Craigslist. It is a test most traffic to website United States. We will go to Facebook, buy so goods and marketplace. Then we will go to the land, landmodo.com, landandfarm.com, landflip.com, landishub.com, landsofamerica.com, these land platforms are people buy and sell raw land every single day.

Dan: Interesting. Is there a process for building a land buyers list? I mean, you have one for South Dakota, one for Colorado, and one for this state or is it going to be the same flock of buyers that somehow has this land list, no matter what remote location it actually exists.

Mark: I think it is sort of their location agnostic for the most part. They just want to own raw land. So even if they are located in New York City, if it is in Nevada or Arizona, they do not care. Like the desert to them and they just want to go to a cool place that is outside the city. So we are marketing to them. We are not really doing a whole lot of segmentation. Once in a while, when we email a buyer's list, I will get an email back say, "Hey, give anything in Texas." Right?

In that case, we are like, okay. Yes, we do it. We will just send them listing. We are not letting our buyers sort of dictate where we are buying. We want to buy the property 253 cents a dollar. We are making our money on the buy, we know will sell it.

Dan: It just boggles my mind that there are land hoarders in this country like this enough to build an entire business. It is pretty cool. Can you talk about the deal structure a little bit? I mean you mentioned selling to them on car payments but paying 5,000. How does that math work on a five thousand dollar, Mark?

Mark: Sure. Sure. So let us just take a deal that I just did in West Texas. We sold it for twenty thousand dollars. I believe it was 249 down, 249 a month, and zero percent interest and we paid 4,000 for it. So our annual yield on that deal was over sixty percent.

Dan: Got you. Are they land contracts? Or you doing like a deed a thrust? I mean, does it kind of unwind [crosstalk] quickly if some...

Mark: We only do land contract.

Dan: Okay.

Mark: Certainly, land contract. So let us say that, so we use a program, software program called GetPaidThatIO and it is a set it and forget it systems. We will get the down payment via credit card and then we will get their checking account information routing number account number one time. Then the system will draw the-- the draw from your checking account each month. Now, Dan, let us say that they do not have any money in their checking account for that month and it balances we can use the credit card as a backup as well. So it really lowers our default rate on those types of deeds, but they do not have a-- either credit card balances and their checking account balances. Well, then they have got 30 days to clear the default and if they do not, we keep the down payment, we keep all the monthly payments and we just resell the property. It just increases our ROI on that situation.

Dan: Got you. Is there any risk when you are owning this land in the land contract that you would have to keep property insurance on the land? I do not know if someone crashes bite on there and you got a land contract, who would be liable for something like that.

Mark: Yes, that is a great question. So in reality has not happened to me yet, knock on wood. The way that we protect ourselves, the way I recommend people to do that is if their homeowners they just need an umbrella policy on top of their home owners insurance, but typically that is the reason that we have an LLC. So limited liability, they can just sue the company. Again, it is-- you have this umbrella policy, but to ensure because when we are doing the buying that we are doing, to ensure every single piece of land would take too long and be too costly. It is like a commercial policy.

Dan: Got you. Yes. So as long as that, what do they call them, the Black Swan event does not occur, it is okay.

Mark: Yes. Yes and so far it has not. I had somebody, I remember years ago, they are out in, Nevada. Their out like 30 minutes from town, it is rural Nevada, their looking for land and their telling his heroic story that they went off road and the car got a flat tire, they barely have any water. They thought they were going to die out there and the whole time I am waiting from like, I want a refund, we loved it. We want the doing a lot. It is like look great adventure. It is great story, they almost die. They love the land.

Dan: Put a spare tire, makes you have the jack in the car next time, huh?

Mark: Oh, yes, absolutely.

Dan: So what type of inventory is involved in the business? So I know you do this where you teach people the business, Mark and you kind of have like the students running their business, I believe separately. What type of inventory do you have right now for sale, just to kind of give an idea of the numbers in volume it takes to be successful doing what you are doing?

Mark: Sure. Sure. I mean, I am probably a little bit of an outlier because I have been doing it so

long and we have got this machine belt. At any one time, I am going to have hundred to two hundred properties in inventory. We try to do a deal a day is going to be our type of volume. I would say that our students, for them to get to, let us say ten thousand dollars a month in passive income in 12 months, they are going to need to do about eight deals a month to get to that number. It is not a tremendous amount of volume, but that should do it. To get to about 5,000 a month in passive, you need to do by 22 deals, that what average about two hundred bucks a month.

Dan: Okay. What kind of monetary and time commitment do you think would attach to each one of those two numbers, Mark?

Mark: Well, we tell our clients, they need a budget an hour or two a day of focused time in the business. Again, the whole idea is to make it a business. So a business is going to outlive you and me, they should be able to travel around the world and this passive income machine should continue turning it out. To build to start building that infrastructure, hiring the virtual assistants, getting the teams in place, the software it takes some time. Maybe about a year learning curve let us say then that second year it really took it goes up from there. Does that make sense?

Dan: Yes. Yes, that is actually does not sound too crazy and I spend a lot for my business obviously, but I imagine it, one to two hours. I mean, we say one to two hours and it probably sounds not a lot, but in reality for a lot of people to have one to two solid hours of doing something they have not been doing forever. It is kind of hard work. You kind of having to really push and use force of will because it is not something you used to doing, right? It is not, you are setting up these setting up these VA relationships and stuff like, dude, it is kind of can be a challenge if you have not done that stuff already. I mean it is no small thing, but it is a small time commitment, right?

Mark: Yes, I mean lucky it is a simple model, but it is not easy. If it were easy, everybody would be doing it.

Dan: What about cash marketing wise? So you had to use, I forget what the first deal, 3,000 deals and you bought ten lots and then you sold them off and so what kind of a cash reserve would you have and what kind of a monthly budget would you also have to have in order to get to the 5 to ten thousand dollar per month coming in?

Mark: Well, it depends on how you structure it, right? So if you are doing cash deal when you are flipping it three hundred percent. Well, you can start with the thousand dollars or less and it will move the needle because you just build up your cash reserves real quick. Doing cash sales and then but when you start doing terms, you will run out of money at some point because your capital recovery, it might be 6 to 12 months before you get your capital out. At that point, we tell people, look, you are making three hundred to a thousand percent ROI. If your yield is seventy percent, it really is irrelevant at when you borrow at. Get as much money as you can get it two percent, three percent, five percent, know what-- you know, there are so many friends and family that are making zero percent of money, do them a favor. Do a debt deal with them, pay them back quarterly ten percent they will be super happy, you will be happy. That is how you scale your business to the next level.

Dan: Yes. As you talk about it the barrier to entry to me, so I am, again, single-family real estate small multifamily stuff 2, 3, flats right. That is our specialty Mark. The barrier to entry is, it is kind of high. You are talking 50, 60, and 80,000 by the time you buy a house and renovate it on the very, very low end whether we are talking Atlanta, Philadelphia, or Chicago where I operate my business. I mean, it is hard to find a 30, forty thousand dollar house and then put 50, 60 in it, especially with some of the risks that come with some of those neighborhoods that are 30, forty thousand, so to real barrier to entry for a lot of investors in these three markets for us and single family residential and I imagine throughout the United States as well, is probably more like hundred and fifty to two hundred thousand. I recently funded a deal through one of my private lenders and we pay ten percent and two points to our money network. People go to fundrehabdeals.com, they sign up, we send out our private mortgage investment opportunities, but for someone to participate there and fun one of our deals Mark, they have to be an accredited investor number one. Number two, they actually have to have the two hundred thousand dollars that we need it and it is got to be in a position where it does not have to be liquefied and return to them until we are actually done the deal which could be three months, six months, we might hit some snags and its all the sudden 9, 10, 11,12 months, there earning interest the entire time but the illiquid and larger amounts of cash kind of keeps a lot of people from being able to play the game, but as you are talking about your thing, if this was my brother that came to me, or my dad was going to do this business or vice versa. I know that my dad would have been in a much better position years ago with us starting this business to hand me ten thousand dollars which could be leveraged into, I do not know. One, two deals it sounds like, maybe I will get lucky and I get three deals. If I am getting into the land business versus my dad was in no position to him, his two hundred thousand dollars, 15 years ago when I started in the business and so barrier to entry wise it feels like and I am out on a limb because I do not know your business but it feels like you can do this with a much smaller pool of seed capital in the beginning and really kind of get momentum and velocity and build it up. Is that correct?

Mark: Yes, that is absolutely correct. Yes. I mean, you are having six, right? I mean it is, we have got people that have started with eight hundred dollars. I started with three hundred dollars. It is very, very low capital cost to get started.

Dan: Nice. I mean, since 2018 when we first did our episode there. How has the land market United States changed since that time, Mark? Has pricing started to get a little higher? Has the market got more competitive or have things stayed relatively flat and it is been the same operating business and if it is not 2018, maybe we go back to 2010 and you kind of give a price comparison of what the trend of the trajectory might look like going forward.

Mark: Yes. So it is been a very weird two years where 2019 was really good at equilibrium. It was easy to buy, it was easy to sell. 2020 with Covid, we cannot keep anything in inventory. It was like we went back to 2006. So when the government does the stimulus and has all these dollars going into the economy where do people go then for inflation hedges, they go to gold, silver, and land. It was just insane this year as far as selling land. Move it, so we as fast as we bought it, we would sell it. As a result prices have gone up this year and but the ratio is going up as well. So are, I would say it is been a little harder to buy, but really, really easy to sell. I think as we go into 2021, I do not know how it is going to be. I mean, we are due for a session. I would

like to think that there be some kind of deep but I do not know. The market is really hot.

Dan: Yes, it is kind of what I expected, right? So our prices increasing or you seeing more people actually paying cash or is it the same? You are selling the same way on terms and the balance of cash deals versus terms deals is kind of equal through 18, 19, 20, or have you started to see like maybe awaiting toward cash buyers suddenly in the market now they are out competing the terms buyers are getting squeezed a little bit.

Mark: Right, right. No, I mean, terms are always easy because they make a car payment. I would say that we probably do ninety percent terms deals, ten percent cash deals. The only reason we ever do cash deal is just because they insist on it or they just pay out there note really. We really do not want the cash. We want the cash flow.

Dan: Some of that wanting the cash flow having to do with kind of your overall tax strategy, or is it just the higher price and the person paying cash once a better deal? What is that all about?

Mark: The rich men cash. They just did not want the debt. They just want to own the property. They want the deed. Sometimes it might be cultural if you have somebody from let us say China. They just want to pay cash for everything. They just do not believe in debt at all, to the most part.

Dan: Got you. All right, what questions have a neglected to ask that you feel like the listeners would love to know the answer to?

Mark: I do not know. I think, if I were a listener, I want to know why is so great. Why is Mark teaching of this and telling everybody about it. That I would want to know, to our listener.

Dan: Me, too.

Mark: What do you think, Dan? Yes. I think the answer to that is that the market is massive and I remember my wife having this conversation is like, we, this is years ago, that you are going to teach me how to do it you are doing it. Create your competition and so I just put on my investment banker hat. That is okay. Well, you might be right. Let us just see how big the market is. So when you analyze the billings of acres in this country and how few people are doing this business because if you go to a let us say a real meeting and there is a hundred people in that room, Dan, you and I be going land-guys. 99 of them are going to be house slippers, wholesalers, or landlords. Because if you go an HDTV or the DIY Network, you will never see a show called Flip This Land, the before picture is raw land. The after pictures raw lands, so boring niche there is. All we are doing is shuffling paper and making money and ever since I have been doing this, my investment company has only grown. Our clients businesses have grown, there really is no competition. When you look at the size of the market and there is no big money in it. There is no private equity groups, no hedge funds.

Dan: Are most of the deals in this price point that we kind of played out for all of our examples who are there examples that you have that are not necessarily outliers but where the deals are made in sixty eighty hundred thousand dollar pieces of land or is that may be what is reserved for

the private equity in the big money is the larger price parcels of land.

Mark: Yes, I mean larger price, so again, that is going to be too small for them to, you know, let us just pick on some of the bigger landowners. They are billionaires. So Jeff Bezos, Warren Buffett, so what they are buying, their buying productive farmland or Timberland and they are making a percent on their money. They are very happy with that a percent, so this is a very steady sort of bond if you will. Then [inaudible] appreciation with it. So that is really-- if you are a billionaire, you, Ted Turner that goes, you are buying cattle, ranches and that type of property. You are not even playing in our little niche because at some point then it is just too much volume, as your private equity group you can manage it. It is just too much money in one place.

Dan: Yes, makes sense. Are you guys playing mostly it is all twenty thousand dollar deals all the way across or there any pricier deals in that that come through this niche?

Mark: Yes. I mean, for me if I can deploy a couple hundred grand on a deal in subdivided, that is a nice big deal. Again, we are not talking real money here. We are doing a development deal, we are buying a thousand or I am sorry hundred fifteen acres of thousand acres. After we subdivide it we are going to flip it for 5,000 acre in easy terms will have all my money out three years, but we are going to make a million dollars on just that one deal.

Dan: Nice. Where is that type of property located? Is that going to be 1 acre lots that are buildable or these going to be 1 acre campsites like some of the other ones we talked about earlier?

Mark: Yes, those would be buildable lots. We are going to put roads, infrastructure in as well. So those will be a little bit more of like a development type deal. Again, there are no restrictions some wants to camp out there they can, but the end buyers most likely going to want to eventually do something with it.

Dan: Yes, that makes sense. Do those lots have water or are they going to be well? Are you guys putting in pipes?

Mark: No. No, that would be by well.

Dan: Okay, that is interesting. Nice. Congratulations. Sounds like a good deal.

Mark: Yes. Yes. I mean that is how we do that, good deals. It is just like you. We do not do bad deal.

Dan: Ah! I have done a couple bad once. Yes, I got a couple record breaking bad ones. It is the nature the best for me I think we do enough feels, but hopefully more good ones and bad ones. We do a whole lot of good deals but yes, some of them. We talked about our winners usually, I am sure and public. Well, I have had some losers too. So we will just leave it at that.

Mark: Yes. I did a deal. I mean, it was a bad deal. He screwed up on the due diligence and had POA fees. We are buying these things for like 50 bucks a lot, but we missed on the due

diligence. They owed like 3 grand a lot in POA fees.

Dan: Oh, wow.

Mark: So we are like, wait, this is terrible. We are going to, we ever lost money on. So I am like, you know what? Throw it, do not pay the property taxes. Then what we will do is we will let it go to auction and we will just apply for the overage. So we did that, we did not pay the taxes, because once it goes to tax sale, it wipes out that loom [?] the POA [inaudible]. We made like a grand on the deal on the overage.

Dan: Wow.

Mark: It was pretty great. You make a mistake, but it is— there is a way to solve [?] it.

Dan: Yes, it sounds like you are lucky there on that one. The wiping of the liens could potentially the POA, what does that stand for?

Mark: That is a Property Owners Association.

Dan: Gosh, okay. So the POA could they have in theory went and applied for the overage and then got it in front of you as the owner, but they just neglected to do that in that case?

Mark: I guess in theory, but I do not-- you know, they do not want own the land. They just want their things.

Dan: Yes, makes sense.

[crosstalk]

Mark: They know about it, the overage situation, not that well known.

Dan: Yes. That is [crosstalk/inaudible].

Mark: The county, let us keep the money. They do not want to tell anybody.

Dan: Yes, you are right about that. So cool, Mark. What a books, have you recommended lately are there two books real estate or otherwise that you find yourself recommending most often?

Mark: The two most recommended books, I would say, the combination of the one thing by Gary Keller and the 12-week Year by Brian Moran. I think those two books combined are just magical. I always recommend those two books. Then, of course, a shameless plug my own book is Dirt Rich, I think it is pretty good, Dan. Then we are working on a sequel to that. I do not know if I want to call it dirty or richer, how to scale your land business. That is when I am working on. You have written a book, it is miserable. I do not recommend that.

Dan: I have only one.

Mark: Yes. I must hate myself, but I am trying again.

Dan: That is cool. Yes, it can be fun to think through all the thoughts and put it all together.

Mark, I asked all my listeners this, I know that we probably asked you that in 2018 and we will probably go back and figure out if the answer was exactly the same but this is the REI Diamond Show, it is all about the jewels of wisdom. That said, let us talk about the crown jewel of wisdom, Mark. Is there one thing you would share with your younger self or maybe one thing you wish you knew then that you know now?

Mark: Yes. I hope I want to say these two years ago. I wish I knew how to meditate when I was younger and just experience everything arising and not getting identified with good and bad thoughts. That would be like a superpower if I could have done that when I was younger, for sure.

Dan: Nice. How long have you been I assume doing this on a regular, maybe daily basis?

Mark: Yes. I do on daily basis. Gosh, years now. Years, I do not know, 5, 6 years. I love it. Now it is like the best part of my day is just this hour. I just spent on myself literally doing nothing, except watching my mind, play out some dramas and then getting back to the moment and just you guys realize, holy cow. There is really nothing out there that is going to make you happy. It is all internal. It is just a weird experience when you experience it, but it takes a while to get enough mindfulness to get there.

Dan: Yes, it makes sense. I am an avid fan of bulletproof radio, which is Dave Asprey these guys going to live to a hundred eighty years and he puts podcast out as a brand supplements, used to be on the anti-aging something in Silicon Valley, right? Anyway on his show, he had a guest and his a lot of guest who are doctors and this and that it is all about anti-aging, but at the doctor would take patients who are experiencing things like anger issues, Mark, things like depression, long term people who have issues sleeping, anxiety attacks, panic attacks, and they would use this kind of alternative treatment plan where they would put them in the MRI machine I believe and they would like kind of check out the and it may be a different type of brain scan they actually use but they look at the brain and they would find kind of these dead spots and what their conclusion eventually came to be is a lot of times people have these brain traumas from childhood. You fell off a bike, you fell out of a tree, you played hockey, you played football, you got hit with the baseball, you got in a car accident, you tripped and fell, and they found that the brain literally needed these different protocols to kind of re-develop connections to be able to use with a normal networks fully and completely and a couple of the small little things is that the said that he would have almost all patients to where fish oil, pills, like twice a day and kind of adjustments to the diet maybe adding more fish in there, maybe avoiding gluten in the breads and yes, obviously the sugar, but the one thing, and this why I bring up this long-winded tangent. The one thing that they also include it was a 20-minute meditation in the morning and a 20-minute meditation at night time and I started doing that at least a year, maybe a year and a half ago and I do it with the muse meditation device which gives you kind of feedback on you are at to see if you are kind of "doing it" right. Because you have your actual like kind of it is not scientific feedback, but it is some sort of like way to get feedback to see what is going on in your mind.

Man, it has been one wonderful year and a half, same thing you are talking about this level of happiness, well-being, the calmness, my sleep is better. So that was a long-winded plug and bow to kind of the meditation thing it is been as equally life changing for me as it sounds like, it is been for you that is pretty cool.

Mark: Yes. I know absolutely. Do you do the Bulletproof Coffee?

Dan: I was doing Bulletproof Coffee every day and I think I kind of screwed up by doing it every day. So now it is like maybe once a week or less. I was kind of giving me like this indigestion by doing it every day. How about you?

Mark: I love coffee and I have been drinking coffee for 15 years daily and I became like a coffee snob. I would spend an hour in the morning drinking coffee and doing this whole ritual and then I was like, you know, what would life be like without coffee? So I think it is been like a month now and I have to tell you, I am sleeping like a teenager now, compared I was drinking coffee and I was just substituting that time now to meditate and because I used to just meditate for 20 minutes. So now I meditate for an hour and it is great. It is great. I am not really missing it, at least not yet.

Dan: Yes. It probably will not.

Mark: I did mingle group coffees into. What is that?

Dan: I said you probably will not at this point.

Mark: No, no, I do not think I will, it just kind of socially like, you are that person now. Oh, you do not drink coffee?

Dan: Fair enough. Well, cool. Hey, Mark, how can listeners get some more information about you or the land geek or maybe even the software is that we were talking about earlier?

Mark: Yes. Yes. I mean the best place to start is the landgeek.com. I do not think we have this two years ago, but I created a whole telly course. How to double your money in 30 days or less and it is normally 97 bucks, but I would love to listen to offer you listeners for free. If they just go too landgeek.com, forward slash quick deals and they can get that course and see if this is niche that resonates with them.

Dan: All right, cool. Hey, I appreciate you taking the time out. I got a couple pages and notes, great conversation, great follow up here. It is interesting to see the US land market and his tertiary areas developing and heating up here for your feedback there and I appreciate it, Mark. Thank you for coming on the show.

Mark: Dan, thank you so much for having me again, I really appreciate it.

Dan: My favorite way to fund a fix and flip deal is by using private money. I did an episode on raising private money for a single-family flips a little while back detailing my entire process with

Joe Fairless as a matter of fact, which you can find at reidiamonds.com, by typing raising private money into the search bar, but what if you do not have access to private lenders and need money to get started. Everyone usually talks about hard money and that is great as long as you have some reserves or a nice chunk of cash in the bank to show the hard money lender in order to get the loan. They like to loan money to people who already have a little bit of money at least to be able to cover the payments and any other ancillary construction items that may come up but one little known and little talked about option is Gap Funding. Gap Funding is a line of credit used to access the funds needed for reserves, business start-up costs, I mean there is really no restriction on how you use the funds. It is called Gap Funding because it is used to fill in the gap. The team over at REI pathway funding can set you up with Gap Funding line of credit which has an initial interest rate of zero percent and in certain cases, if you qualify it does not show up on your credit report as it is structured as business loan. So to find out how much you might be pre-approved for, go to www.reipathway.com.

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Male Narrator: Thank you for listening to this episode of the REI Diamonds Show, with Dan Breslin. To receive email notifications of new weekly episodes, sign up at www.reidiamonds.com.

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