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

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**Dan Breslin:** Welcome to the REI Diamond Show. I am your host Dan Breslin and this is episode 178, on how to find off market real estate deals with Zach Boothe. If you are into building wealth through real estate investing, you are in the right place. My goal is to identify high caliber real estate investors and other industry service providers. Invite them on 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 the real estate.

Before we get into today's episode, I have an announcement of my own. I guess more of a request. As you probably already know, my main business is buying and selling houses through Diamond Equity Investments, the house flipping company that I founded and run. In 2020, we bought and sold 283 houses at an average profit of twenty-eight thousand, eight hundred and seventeen dollars per deal. This represents fifty-six percent growth in profit year over year from 2019. With all this growth comes more opportunity, maybe for you.

We are currently seeking a new full-time acquisition manager in Atlanta, Chicago, Philadelphia, who is interested in joining the team and quickly closing a large volume of deals. We have plenty of leads, plenty of capital, and absolutely the best training and support in the business. Currently, those positions-- the positions we are looking to fill are in Atlanta, Chicago, and the Philadelphia market, yes, you must live local to that market in order to actually work out for the position. Full details about the position, the responsibilities, and income expectations can be found at [www.dealswithroi.com/careers](http://www.dealswithroi.com/careers).

Some of my best business partners to this day, have actually come through listening to this podcast. Maybe you are the next. So back to today's episode, we have Utah, Real Estate Investor, Zach Boothe, joins us today to discuss how to find off market real estate deals and one of Zach's secret weapons is his highly efficient marketing list. Well, I guess it is not actually a secret now that his shared it on the show. Let us get rolling.

All right, welcome to the REI Diamond Show, Zach. How are you doing today?

**Zach Boothe:** Doing fantastic. Thanks for having me.

**Dan:** Sweet, for sure. So to give listeners a little bit of background about yet, where are you recording from? Is that the market where you invest, and if not, which markets are you investing and kind of what was the origination story to get wherever you were before to where you are at now in real estate?

**Zach:** Yes. So I am actually here in Utah, my home state where I grew up. Love the mountains here and probably always at least have a house here. I am investing here, have my wholesaling

company here, my main branch and we just opened up a new market in Florida about two months ago and we have got four deals there already. We are pretty excited about the expansion. In regards-- yes, so it is been pretty fun. So we are doing really well with wholesaling and getting into real estate, I was originally a window washer. For a long time actually and I had a pretty good business with it, but it was not where I wanted to be and I was living paycheck to paycheck, I had some debts, I was constantly risking my life, and I wanted to get into real estate investing. I had read Rich Dad, Poor Dad. I started listening to some podcasts and reading some books. I got all excited. So I spent ten grand on a coach. Not as I never did a deal, from that coach's advice, I never got a lead from that coach's advice, he would give me my money back. It is a complete nightmare, and I felt so discouraged I gave up for some time. Had some huge blessings happen, wonderful things happen in my life where I realized that people do trade convenience for price and you can be successful. I got the courage, got another mentor, and started doing deals and this was until April of 2017, I did my very first wholesale deal. I had done some real estate very little before then but I really went full-time or walked away from window washing. Within a year, I was right in the fifty thousand dollars check paying off my debts and traveling to Alaska and taking my wife to Hawaii and just having some true financial freedom. It was pretty amazing.

**Dan:** Nice.

**Zach:** Kind of the back story for me. Yes.

**Dan:** Yes, that sounds pretty cool. It is interesting or it is a shame, I guess. The 10K wasted on the coach, I mean, was it a matter of the coach really did not know what to tell you to do, or was it a lack of implementation there, or was it the wrong person who is in that position. I am just kind of curious because we hear a lot of people come on the show, they heard good stuff. Well, not necessarily come on the show, but certainly in the real estate investment community, where you know what to do and you did not do it. That really does not strike me as you though, Zach. You are swinging from the side of buildings getting the job done, I mean, guy must not knew what he was doing.

**Zach:** Well, I mean, I do not mean to be negative towards anyone and maybe it was me. Maybe I was not a good fit for him. I can tell you, the one main thing is he would say, "Do not worry about getting a cash buyers list, just spend some money on marketing." So I did, I spent a lot. I signed a thirty thousand dollar contract but most of it on a credit card with a company that supposed to get me leads, that he suggested, not only did I not get a lead, I got nothing. I mean, just nothing. It was so, so upsetting. So not only I pay for the coaching, I paid for this garbage marketing. Even if I found a deal, I would not have had a buyer. I learned from my new mentor and I have seen this over and over if you have seen under cover billionaire, the guy that goes out and tries to turn a hundred dollars into a million dollar company in 90 days. The first thing he does is his flipping junk and he says, "The first thing you do is you find a buyer." Even him he knows right? You find a buyer first. So I did get that advice from that first mentor. Yes, I did get that advice. Also the other thing that I understand deeply now to my core is business it is built around a marketing channel. A business is built around producing leads. It does not matter the industry, but real estate investing especially is marketing.

I was reading a book, this really changed my perspective. I was reading a book called, Undercover Millionaire. They are not Undercover Millionaire, Multi-Family Millions is what it was called. His talking about giant multi-family syndications, a giant deals, and he says, "Real estate investing is marketing and if you cannot get that between your two years, you will not be in business for long." It really helped me realize like, wow, how true is it then for wholesaling for what I am really trying to do and that was the big game changer. That was when I went from doing a few deals here there to really realizing what I needed to focus on. My business exploded. I went from six figures to half a million in that one year.

**Dan:** Yes. I think I could agree with you wholeheartedly there. I think sometimes people ask me like, "What way, what do you do?" Like in the company, I am the founder of president titles of Diamond Equity Investments. The true answer is I am the marketing guru guy. I spend my days, nights waking up in the middle of the night, writing ideas down, that has to do with marketing, right? It is like who would think that, oh, Dan Breslin hosting a podcast and talking to Zach Boothe is a critical component of the business, but in some piece of what I do here, this is kind of the media where I communicate with my audience. There is people in my audience, Zach, who end up joining my team and becoming business partners and truly for me a big part is finding the right people, for the right role to really succeed at a high level, but the people never would know who I was, without the marketing opening the door. You kind of answer the question a little bit with the marketing being a big lever. That is kind of moving things forward but what is the heart and soul, real true nuclear pellet of the reactor that is your business now, Zach.

**Zach:** Like I said, I believe in marketing. I believe that that is the core of my success so far. The second component is what you said, which is building a team to service those leads. If you do not have leads, you cannot service them. So what really changed everything as I started doing some deals by marketing to motivated seller list. They are basically excel spreadsheets of potential motivated sellers. You can get, you can buy, or you can get them from the city. Things like the tax delinquent list, the bourse list, code violations, high equity people that have owned the house for a long time, people to own the house but do not live there, so absentee owner. I was doing a few deals that first full year of full-time real estate investing I did just barely over a hundred thousand dollars, marketing to those lists. Then the first two months of that next year, my business was really struggling. I did one deal and I was running out of marketing money. I did not know what to do. I had a family to provide for and so I had to find a way to find leads. So I started looking like, what is a difficult list to pull, what is a barrier of entry that not everyone can do? What something that I can do to change where I am at? I learned about something called Driving for Dollars. So I just started driving around and write down addresses and look it up on county records and I found some success. Then I started digging in to further and I found out there are some apps that you can use, you can add properties crazy amounts really fast. You do not have to look them up on county records. I started really pushing that marketing channel and perfecting it. By the end of that year, like I said, we had done just shine of the half a million because of that marketing list. So it was a game changer.

**Dan:** That is interesting. It is funny to hear you say that, there is a couple of other people I have heard around who say like, what is the most valuable marketing list for any real estate investor or wholesaler. The answer is your own house list that you have compiled through driving up and down streets time, whether you paid someone else to do this, upload the photos, whatever it is,

but there is the list that no one else has. Right, Zach?

**Zach:** Oh, one hundred percent. It is huge. I mean, there are so many reasons why it is the best list. I mean, like you said, you control the list. So I have a student, Michael McLeish that he had a decent business in South Carolina in Greenville, and he was about three hundred thousand dollars in 2018 that he had done. His list that he was buying from listsource.com was no longer going to be available, because of some privacy law changes. So his business is going to go to zero, he could not pull the list anymore.

He did not control the list, so essentially he lost his business. Luckily, he found driving for dollars and now his crushing it with that marketing list. Yes, it is so, so important to have a marketing list you control and to have that in-house list and so the most inexpensive way to start, it is scalable. Because just like with-- let us say a code violation list, right? The city's only going to write so many code violations and if you want to do more marketing you got to go find it in a different list and hope and pray that that one is profitable. So if you have the code violation list, you cannot just ask the city if they go add some more but with driving for dollars, I got to do is pay someone to drive a few more hours. Yes. It is by far the best list.

I told you I had done half a million. We are just shy of half a million by the end of that year and I motivated to do more and continue to challenge myself. It is not just necessarily the money and so I was looking for the next year's goals and this was back in about November of 2018. I had a friend named Matt, he invited me to do a self-help journal called, "Living Your Best Year Ever, by Darren Hardy. In that book, there in the first hundred pages of this journal, you create three big goals for the year. It talks about whatever your goals are, are you have to give away what you want to receive. So I wanted to bring in a million dollars, that was my goal. I had no idea how to do it. I felt like I had tapped out my driving for dollars list. I had no idea how to do it.

I knew though that I had to give away a million dollars. They did not have the money to give away. So I thought, "Hey, why do not I just teach my driving for dollar system to a handful of people." A hand select people that I already liked. Michael Mcleish is one of them and a handful of others. I said, "Let us teach them what I am doing to put that kind of money my business, and let us see where it goes. Let us see if this book is legit or not. I am going to test it." At the end of that year, we did one point two million dollars and I did not add a different marketing list. That was all from driving from dollars.

It was because the more I taught, the more I learn. The more I taught, the more questions I got that I had never even thought of. In our system what it is today evolved. So it is pretty amazing experience.

**Dan:** Yes, that is cool. Congratulations on blasting through that goal. It is so good to see on set and then the progress you make towards them in the modification and the detail tweak nuance, etcetera. So dive a little deeper with me into that for a moment. So you mentioned that the driving for dollars list was like a little tapped out if you will.

**Zach:** Yes.

**Dan:** You started this other thing. Can you talk about maybe the structure of those partnerships, so that the people you taught was that how you built your team? Was that in your city, or other cities, or did you find a way to scale even further you are driving for dollars list in the Utah market, where you already were doing business?

**Zach:** Yes, so my wholesaling mentor had become a friend and I told them what I was trying to do and so he gave me a few people that may be interested and he allowed me to reach out to a few people on his Facebook group. I just found some people that I may know from other wholesaling groups or other training and coaching programs. I had been a part of, they were co-students or whatever. Just found 10 people, it only took me about a week. I truly just picked him just to put money in their pockets. It was not a self-serving thing at all. Other than I was testing the book's theory that you had to give what you want to receive.

They were just truly students and they are friends of mine to this day. I respect them a ton, like one of them, Scott. He is actually coming out to fish with me this weekend. That happened and the big change-- the big shift some of the big shifts were-- I will give you some examples. My criteria, my driving for dollars criteria was just the really bad ones, just the boarded-up once.

Just the nasties, the completely obviously vacant and I was-- I had someone driving probably 30-40 hours a week and they were only adding about 500 properties every single week. That was, I did not feel like I could add more properties than that. Then what we started testing is like why do not we have an A-list and a B-list. A-list is like really bad ones, B-list are not so bad ones. With the same amount of time driving, we went from 500 to 2,000 properties to test it because of the questions I got for my students. Then all of a sudden we went from a deal a month to for those a month.

Increased our cost per deal by like a thousand-- five hundred thousand eight hundred bucks but our average still sizes close to thirty grand. So it was not like it was that big of a deal. That was one of the big things. Then the next thing that I had made a shift in is, I started re-driving each of those areas every six months. So I started making some major differences and I started deleting everything that I had added six months before and just doing it over again. So if they...

**Dan:** Wow.

**Zach:** I just continually, yes. So there were some major adjustments and shifts and is because they challenged my opinion on how to do it. So why is that? It is like, if I did not have data on it, I am like, you are right. I have probably should have tested it. Then there was also a bunch of just stupid mistakes, like one of them is like, "Hey, Zach, when you have your tracking phone numbers, how do you make sure you are getting text messages?" I am like, "Huh. I do not know. Maybe I am not getting text messages." I have like a hundred thousand dollars worth of deals just sitting in the call center because it was not getting put-- yes, text. Because it was not pushed to my CRM.

**Dan:** Wow.

**Zach:** Like embarrassing mistakes. You know what I mean? Still to this day, still to this day as I

coach my students, I learned. I learned, I learned and I get to help negotiate deals and I get a see deals and I have not been in this industry very long, but I get to do so much more than someone that was just going out and trying to do it on their own. Okay. I get an inside look at every market across the country and deals with unique situations and problems and it is so fulfilling.

**Dan:** Yes, that is interesting. I do like very large marketing and one thing that you probably are experiencing when you went from the A-list only being horrible to the B-list and in your quadrupling the size of your list, is you do kind of pick up this further-- I kind of like to think of my mail as like, I am making a deposit into a marketplace and I have been in like seven markets around the country, I am currently in three. We pulled out a Florida. It was too much competition for us and we did our lucky deal every now and again and maybe it was the team, maybe it was the market, maybe it was our marketing style. It sounds like you are off to a running start, but I think at the mail, like these deposits. I have built up this kind of brand equity, I mean, it is really hard to have a brand in our line of work, but more so that I have put millions of letters into these marketplaces, where over time people are hanging onto the letter. They are calling like they said, "I sent a postcard in 2019 and I get multiple leads off this one postcard, July of 2019."

It was like a big campaign to like all-- the whole house list it was huge. The higher records sometimes do add to the cost per deal but it also has this long term effect and so, if you ramped up, I am not sure what it was, but if you ramped up last year, the mail, like there is this also ongoing snowball rollover effect that continues to occur where these like one-offs that hung onto your letter because the timing was not right, they end up circling back around and not taking away anything from the laser targeted approach, I am probably sure that the damn money we are spending on all that leads could have been better allocated had we driven these areas consistently the way you are talking about as opposed to kind inconsistently how I am talking about. So do you do any of the other kind of big dumb marketing lists like me, Zach, or is it a hundred percent driving for?

**Zach:** I just started radio. I just started radio. That is a big dumb list in my opinion. I am dumping a ton of money into it. I do not think that your strategy is wrong. I do not think that dumping a ton of money into this big generic list is a bad thing. It is just a problem is not everyone set up financially to be able to do that. Very, very few are, where you kind of have to work your way into that position and where I spend most of my time coaching new people. Right?

**Dan:** Yes.

**Zach:** People that really want to be successful in this. When I was trying to be successful, I was a window washer. How does the window washer, get set up to where he can spend twenty-thirty grand a month and marketing? How do you do that? I had to have something that I could start small that was laser focused and then expand and that is what happened with driving for dollars and that is why I love it so much. Not everyone is going to start off being a Dan.

**Dan:** Neither did I. Right. So how did in...

**Zach:** How did you get started? How would you come up with those initial funds? For me

driving for dollars is how I did it. How did you do it?

**Dan:** Back in 2006, initially there was like a newspaper ad I got lucky on, it was a few hundred bucks a month and it generated enough leads for a business and eventually the market crash, 2008, 2009 and 2010. My listeners already know this, but I had struggles with drugs and alcohol and I have been clean for eight years now. Do the math, 2012, was when I finally was able to kind of shed all those bad habits and I sort of had restart over again. Like not only just real estate but wife. You know what I mean? I kind of screwed everything up. Right in 2012, 2013, I am down to like, no money all over again during that period. I would fire role stands, Zach.

I remember like going through the newspaper, the physical newspaper not online at first and I am like reading the obituaries and this is how I was compiling a sort of a probate list. Doing research into public records and cross referencing and then may loan amount. Writing in by hand, printing the letter out, signing them the whole thing. I lucked out and did a few deals in there and luckily from before I had some connections around the real estate network. So I had a buddy who was a flipper who had funded deals for me to pass and we kind of joined up and he would do the rehabbing and I would kind of handle the marketing. That partnership ended up growing further but that was kind of the early days was that. There was like whole houses you say twenty-thirty thousand per deal in 2013-2014, it was hard to make money. The market was not conducive like it is now all across the United States for making money.

Number one because the values are so much lower, people are buried under debt, tax debt, mortgage debt. They were just buried under the debt in the property. So now you had at least some price inflation since then. So we are like in a really lucky unique market where you can do these deals at twenty and thirty and forty thousand dollars spreads. You were lucky to make two, five to ten thousand dollars on deals in 2013, but I would flip whole houses and put that a hundred percent all of the money made on a flip and put it all back into marketing. I have done that a whole bunch of times already, like a whole bunch of times to get to the point where we are at now, we are blessed.

**Zach:** Well, I love it and I think that is so cool for the audience to hear is like your story is not much different to mine. It took a whole hell of a lot of hustle and determination and grit right hand letters and that is how I did my first driving for dollars too. It is finding a really ugly house, write in the letter, and put the stamp on it, my saliva and getting the paper tuck, cut on my tongue, and send it out. So I love that, right. I do not think a lot of people realize that that is what it takes is that it takes a lot of effort, a lot of grit, a lot of people to see these big old fat checks that people are bragging about they think, oh, I can do that and they send a thousand dollars worth of mail and they all this sucks. It is a scam. It is a shame. It is like you got to want it and I have some amazing students that want it and they find success and it is so fulfilling to watch people go through that. It really is.

**Dan:** Yes. I got to be honest, right? So like when I first saw, I cannot remember I saw at the booking agents who got us together. It was maybe on your webinar. I was like, "Oh, driving for dollars, DFD, like master me." Driving for dollars and I bet, right? I want to take a moment to congratulate anybody listening right now. You made it this far because a lot of people think, ah, driving for dollars. That is that newbie stuff that the coach is telling you just go drive for dollars

and it is like a bunch of nonsense, real meat and potatoes of the businesses, radio commercials or huge amounts of mail, or this, or any other thing, but man, you got two options a lot of times when you get started, like you and I were talking about our early low money budget kind of days. Having to use that great hustle determination ingenuity, right? We are bringing what also is kind of expensive for a lot of people they do not recognize, but the value of our time. So early on, you and I have more time to bring to the table so we had to find a way to invest our time wisely and correctly to maximize the limited amount of budget. So then grow later on to a place where that time can be replaced with money and now all of the sudden is huge budgets on radio, on TV, on Facebook ads, and on the list goes on. Anything you can do to the market. Billboards, bus stops, bus, the back of the bus. It is a whole plethora of mass marketing things that you can learn how to invest the money instead of the time but early on, to be able to do like I did where I was selecting these obituaries to put myself in a position where there was a probability of a deal being done. Because someone perhaps did not need the house any longer since they had passed on.

The same way that you kind of did it and are doing it with the driving for dollars thing, there is an investment of time in selecting this highly probable list of real estate investor targets and quite frankly no one is willing to do it. Most people probably have the same got the reaction I had when they hears, oh, this is the driving that for dollars things, like what? Huh? No way. I do not know. That just my perception there and it probably cost me a bunch of deals because my team also, we have the app setup and we do the driving for dollars thing and we are supposed to do it on the way to our appointments, but it is a whole lot easier lot of times. Just run out the appointment, make the offering, keep it moving, instead of opening your eyes, driving around the block a few times, and entering some addresses. I mean, what is your feeling on it, Zach?

**Zach:** Oh, one hundred percent. I have heard this a lot right, when I go talk to successful investors like, oh, driving for dollars, what are you talking about? That is for new people, right? That is not scalable. Because traditionally driving for dollars took a lot of time, but with the new apps and the systems that we have now, it does not. One of the biggest mistakes that especially in successful investors are already established businesses make, is exactly what you just said. They give the responsibilities of driving to people that should not be driving. The acquisition manager, to them themselves. The ultimate goal is yes, if you do not have the money to hire a driver you do it yourself, sure fine. Once you have some money, once you have generated a deal or two, then you hire someone that stays consistent to adding a specific amount of pins, every single week and what I mean by pins, like houses to your list. Every single week, so you have consistent deal flow and then it is just like any other list where you grow it to the biggest you can where you are driving your entire market every six months. You have one person that just does that and you actually have a master map with where you drove, when you drove there, and it is all color coordinated and that is what we have. So like, it is not just something for new people. It is actually something that it can be scalable.

Yes, man, it is a list that can be taken advantage of, but the biggest mistake is hiring someone on a commission basis to do this for you, or to have someone from your team and take away from what their main responsibilities are. You just hire someone that focuses on just adding properties. That is their goal and their expectation.



**Dan:** Nice. What market are you in? Just so I can get a little bit of perspective in Utah?

**Zach:** Yes, Salt Lake City. So we go everywhere from Logan, which is north, and Brigham City all the way down south to Provo.

**Dan:** Do you happen to know the metropolitan population of that area?

**Zach:** Yes, that entire space is about two million people.

**Dan:** Okay. This is a market that you feel like you were covering this already at some point and getting up and down nearly every street or do you feel like you have maybe forty percent of this, what percentage of that market just to give people around the country and idea of like, oh, with this work in my four hundred thousand person areas. Do I need to be in Atlanta where I have got five million? You follow me?

**Zach:** Yes. Yes. We probably drive thirty to forty percent of it, meaning that is about the neighborhoods that makes sense for us. Where the housing prices, there is quite a bit of higher end housing in Utah is a very wealthy state for the most part. Like for example Tampa, I look at the potential of Tampa with how many lower end houses there are. The amount of population, I feel like I can do a million dollar company here with driving for dollars. I feel like I could do two-three million dollars a year and out of Tampa.

If someone is worried about the size of their market. If you have someone wholesaling has a successful wholesaling business that is serving them where you live, guess what, if you took this driving for dollars system and did it where you live? You could be successful as well. So I mean, I have successful students like Jared Franklin. He lives in Lubbock Texas, it is like two hundred thousand people, it is all. His doing really well with it. You do not have to have giant markets to make this work.

**Dan:** Yes, and I ask that because of a lot of times the big dumb marketing lists for data. I should not call them big dumb because we make a lot of money from him and they actually do work, it is just expensive to do it. It feels the more evolve to have. I wish I could just like, I do not know, invest the twenty-thirty-fifty thousand, whatever it was, right? Instantly have the driving for dollars list that you described without all the management oversight of actually collecting it. I want to buy that list, right? It is not available.

**Zach:** Well, the thing is not just a list. It is a constantly evolving list. Like I said, we re-drive every six months. The beauty of this list is constantly being refreshed every single week. We only market to that list for about three months and then we spit it out, throw it away, and start again and it is because when someone has a problem, like let us say you are having to deal with shitty tenants. All of a sudden, that tenant now has couches on the front lawn and his driven the truck up on the front lawn as well and cause ruts in the lawn when a month or two months before it was fine.

When you drive, drive it again, you are like, aha, here is the moment. So we actually add new properties in about a twenty percent range. So let us say and then we add the rest about eighty

percent of them. So we keep about the same amount of addresses, but we pick up about a twenty percent difference. We are getting rid of twenty percent but we are adding twenty percent new in each neighborhood. That newness is what is making us so successful. So it is not [crosstalk/inaudible].

**Dan:** Yes, when you list that list Zach, do you guys literally driving and you happen to select the same eighty percent and then you find another 20, or is there a process for keeping the eighty percent there and you are adding additional ones and only through time like popping them off? If somebody rehabbed it is someone having to manually take that off, or do you happen to go select all the same houses again when the sweep of the neighborhood?

**Zach:** We add all the same properties again because it is just so much easier just to delete it all and started again and just physically identify them. So that is our process exactly.

**Dan:** That is pretty cool. What are some of the B-list characteristics? I mean, are we talking like newspapers piled up out front, is just overgrown gardens, what is the shortlist?

**Zach:** Yes. The shortlist is just like one small thing, maybe some peeling paint on the fascia. Just any physical signs in neglect, right? Were the A-list is like the lawn, super-long newspapers piled up, broken window, boarded up window, like the-- you can totally tell that there-- maybe there is like a tarp on the roof as well. Really bad houses, we put them on the A-list like, yes, if this thing sells it is going to an investor. We actually do not have the A-list, B-list anymore because we tested the data and we are profitable off of both. So it is all in the same. Well, I am tracking on my QPIs right now is how profitable is my driving for dollars list, broken up into three sections, which is the corporate own list, and the absentee owner list, and the primary residence list. So we have been testing that for about 6 months now. [crosstalk/inaudible].

**Dan:** Anything so far, are they all comparable?

**Zach:** They have all been pretty comparable that the owner occupied in Utah is very high, because we-- I am now going to see the data in Tampa and two, there is way more rentals in Tampa. It is crazy. So owner occupancy is way higher in Utah than a lot of markets across the country. So that is just our biggest list and a very small portion of our list is corporate-owned. We only spend like a thousand dollars a month on the corporate-owned list. Where in Tampa, it is completely reverse. We are spending like fifty percent of our houses, were only like ten percent of our houses-- sorry. Fifty percent are our absentee or corporate-owned, where only like ten percent or absentee or corporate-owned here in Utah.

**Dan:** Yes. I remember I was in Tampa and I was also in Miami and we would see kind of that same thing where there is a dramatically huge number of absentee sellers and I used to live in Tampa. So there is a big vacation home, humongous vacation home ownership in the entire State of Florida where people up north want to go to Florida. They come down from Canada. In Miami, they come from Europe, they come from Russia, they come from South America. Drove to Miami. So some portion of the absentee is going to be your vacation home and your second home. So what I find is that the absentee in Florida does not behave you like the absentee list in Philadelphia, Chicago, Atlanta, or other markets where they are standard rentals. I am sure it is

an evolving markets who with the advent of Airbnb people are certainly going to have the absentee ownership on those Airbnb vacation rentals. It is a really unique market that way. I am glad to hear you are kicking ass down there in a Tampa market so far. Zach, let us switch gears a little bit and just touch on exit strategy. Do you ever fix-and-flip? Do you hold rentals? Do you wholesale everything or you double clothes and stuff? Or is it assignments, or you just hoarding houses and keeping them?

**Zach:** Yes, so I probably eight-ninety percent of what I am doing right now is wholesaling. I was acquiring, tell about a year ago, year and a half ago. I had about 8 rentals that I picked up a lot of them through subject to financing and things like that. What happened is the inflation happened, right? This happening here in Utah so much, so that the cash flow just did not exist. I mean, I can buy a house for two hundred fifty thousand dollars and three hundred thousand dollars and the rent is for twelve hundred bucks? It is like...

**Dan:** Wow.

**Zach:** Why would I ever hold a rental ever and so I just sold all my rentals because if it does not make sense to pick up a rental, it does not make sense to hold a rental just because the returns ridiculous. I expect some type of correction as far as our inflation here in Utah. Just like California and some of these crazy inflated markets. Florida, I am planning on and that is kind of why I chose, Florida. It is for the beach and then second for the potential for cash flow and acquiring and actually having cash flow, actually having something to pay the mortgage with after I collect rents.

**Dan:** Yes, and there is something to be said. I cannot remember there was this magazine that came out like in 2008 or 2009 and I was so excited to get it. It was like the quality level of the robbery port if you have ever gotten that comes in a plastic bag and a whole thing. It is kind of like the Bigger Pockets also put out a real estate investor magazine that I subscribe to, pretty decent information in there. This one came and went, right? It was like as the bubble was popping this magazine, I cannot remember the name was on the cost. It was this great article in there and this guy had his Maserati or something on the pages. He said, "Now, here is the wealth principle that-- this is what it all boils down to." It is like transfer creates wealth. So the big takeaway that he was making in the article that I took at least and it is like a route, part of the ritual now is like transactions creates wealth, the buying and selling, right?

I have some rentals and that that was never my game. I am sure his people listening who make tons of cash off the rentals and totally love them. I always find like my rentals are barely breaking even at the end of the year. They are paying now mortgage and you are doing some tax things and I like that. The properties are going up and I like that too. Ultimately, to focus on-- and we were just talking about this on the last episode, the focus on the cash generation machine first and foremost. So if that is you, Zach, with the wholesale and if that is me with the flipping retail little bit of wholesale. If that is a fix-and-flip investor who is really good at doing construction, they can pop off 4, 5, 6 decent flips, keep the budgets in there, and sell them off. Like you did with the rentals to the people for 250-260 and just-- I do not know there is just something about that like it is working, it is not the Rich Dad, Poor Dad total freedom from the rat trap, but for me, that is really what took me from being broke to have a money, to then be

able to invest in some rentals is thing was get good at generating cash by closing eye volume of transactions. Like my battle cry, do many deals, close as many deals as you possibly can.

The only cure or the best cure for the bad real estate deal that you are in right now or that you are going to do at some point down the line, is to mitigate it with a high number of deals to come behind it to put yourself like in the raffle if you will for doing like a homerun grand slam of the deal. With that, why do not you share maybe at the details of a home run or grand slam of the deal that you seen throughout your day, Zach?

**Zach:** Yes. I have had a couple but when you were talking I actually reminded me of this deal. I was actually going to tell you about this, is funny you asked me. You would ask me what are some of the other ways. So I do traditional wholesale but I have recently, this is a great gold nugget for those that are listening. What I found is these cash buyers are very interested in buying my deals and they are fighting over and making highest the best of bidding it up. They are still making twenty, thirty, forty thousand dollars on my flips. So I thought, I wonder if someone would be willing to pay that the highest assignment fee where I get a lot of money and then split the profits on the back end and take all the risk because I hate flipping houses, I hate getting hard money loans, I hate managing contractors. Every time I tried it, I make less than if I would have just wholesale the damn property. Right? A hotel as well. I like that right closed on him list them. I do not do thing to him maybe made service may be.

So what I found is I found a partner that has a ton of experience investing and or flipping. He has his team lined up. He can do three-four houses a month so you can do the volume that I wanted. He also has private money lined up with amazing rates, so he has a lot of control over the financing as well. So what he does is he pays me my full assignment upfront. So I keep my cash flow. I take no risk and then he gives me fifty percent equity on the deal, so whatever profits he pulls, I get another fifty percent of the flip profits. So it is amazing because I am not taking a dime less than I would have if I would have just wholesale that but I get more on the back end. So I have got a deal right now in the hacker that we cash out our assignment fee and we made seventy thousand dollars flat on that assignment and then we are going to get—we are actually closing on it. We are going to get into additional twenty-five grand on the flip on our portion. The reason we made so much more on the flip than we thought is my acquisition manager had a lead in the follow-up for over a year and they said, well, we did sell it. We just need something bigger than what we are in now, but we need it at this price point, but it so happened that this flip, met that criteria.

We did not have to pay an agent because we already have the buyer. We are buying this one. We are buying their fixer-upper and we are going to make about forty-five thousand dollars off of the other house were buying by wholesaling that one. I think our flippers going to take it maybe pull another ten, fifteen grand out of that flip as well. So it is going to be a very, very sexy close to two hundred thousand dollars deal when it is all said and done, between those two houses. So pretty awesome stuff.

**Dan:** Nice. Let us touch on the motivation of that partner. At first, hearing it, right, Zach? I am kind of like, yes, man, this guy, if I was the guy flipping the house and I cut you to seventy thousand dollar check. I would kind of be looking at you a little sideways. Now, you want fifty

percent more, and then when I do all the work take the risk in the market etcetera, I assume that I am going to make twenty-five thousand and hand you another twenty-five, are not I getting the short end of the stick? What is the value proposition for that partner that you made, where it makes sense for that partner to take that kind of risk and do that kind of work?

**Zach:** Yes. So he gets to go in and evaluate every single one of our wholesale deals and if he evaluates it and says that there are no profits if you paid that assignment fee. Say no assignment that guy, that guys-- pay that guy. I would not flip it for that. Then he gets to go, yes, I would match that highest offer, there are profits. So the bonus for him as he gets an inside track to all my deals. His the only person that gets this, right? Plus he guarantees that he can pick up flips. He does not have to worry about deal flow any more for his construction company essentially. He keeps his private money working, right? Which is what his private money lenders want. So for him, he continues to make money by having deal flow. You know what? Basically what his up against is either he can go out and hustle and do his own marketing and do his own lead flow and he would not need me anymore and that would be fine.

He does not have to do that. He guarantees that he had flips, even though he may make less per flip, he gets the volume his going for. So that is the bonus he gets. That is why it is worth it to him.

**Dan:** Yes, that makes sense. What if there is a loss on the deal? I am kind of asking all these details and peeling the onion. So if anyone is listening like, hey, this is a great idea. Let me pitch my guy so and so, I kind of wanted to bring all the details out if you do not mind. If you lost money or he lost money on a deal, went the opposite direction. Do you have a zero risk, or is that something that you would backstop with him, any interest of the-- how about that?

**Zach:** I have zero risks. Because our agreement is-- you know, his the specialist. He pulls the trigger. His the one that knows his numbers and I am not a construction guy. I am not a flipper. I do not know hard money cost. I do not have his private money connections. I found the deal. Do you want to match this cash offer and give me fifty percent? In the case that there is this our deal and it goes bad or something happens, I may make it fair in the next one and maybe make him pay me a little less on the assignment upfront or something. I mean, I am not a complete jerk. My goal is to keep good relationships alive. It is been a good a good gig. This is our fourth deal with it.

**Dan:** Yes, it is pretty cool. That is pretty cool. Sounds like a solid contact. Great idea. If anyone is listening to implement yourself, if you happen to have the deal flow. Cool. I got an eye on the clock here, Zach. I realize our time is getting late. So let us switch gears a bit. Let us talk about books. Do you have a book or two that you recommend most often? Maybe one book recommendation that you would make like you or students who are probably a little newer in the game. It may be a book recommendation, you might make to me who is been in the game for five, ten, fifteen years, does not have to be real estate related.

**Zach:** Yes. Oh, man, there are so many amazing books. One of my most favorite books for this industry of wholesaling is Never Split the Difference, by Chris Voss. The hostage negotiator for the FBI, that book is amazing for this business. Pretty much all of my negotiation tactics come

out of that book.

**Dan:** Nice. All right, any others?

**Zach:** Oh, of course. Yes. If you want to understand more about cash flow and evaluating multi-families that kind of stuff, Multi-Family Millions, is an amazing book. Then another great one is Traction. Traction is a great one for building a business and understanding the six pillars of your business.

**Dan:** Sweet. Are you planning to or starting off into the multi-family, the larger multi-family asset class?

**Zach:** Not in the foreseeable future.

**Dan:** Got you. If you could share the crown jewel of wisdom Zach, with your younger self, what would that be?

**Zach:** I would say spend less time hustling and more time educating yourself. I spent so much time working crazy hours and doing all the door to door sales myself building my window cleaning business and I had this limiting belief that Tony Robbins helped me overcome. I had this limiting belief that I was stupid. I needed to hustle because I did not have the brain. It was not until I started listening to books and reading and hiring mentors that I realized that I have a different way of learning and it was not the traditional education route. I struggled in traditional education, but I have really excelled by having mentors and hands-on, hands-on experience with mentors critiquing me and reading books that were in the realm of what I wanted to know. That is what I would tell myself is education.

**Dan:** Yes. I have found the same thing to be true for me like I gave up on college after a year and a half and I did okay in school. It is so much more fulfilling when I am reading, studying, talking, listening to podcast, and educating at myself on something that is going to make me wealthy at some point that I am highly interested in as opposed to like calculus.

**Zach:** Right.

**Dan:** How can listeners get more info on you Zach or maybe Driving for Dollars Mastery?

**Zach:** Yes, so you go to reidfd.com. So like standing for Real Estate Investing Driving for Dollars, so reidfd.com. On this website, I actually giving a way a full blown wholesaling course. So I paid ten grand to that first wholesaling course like I said, and then nine grand on my second wholesaling course, the nine thousand dollars one was way worth its money, right? It got me going and I believe that this wholesaling course, I am giving away for free is actually better than both of those courses. So check that one out and then also you can apply to become a student. I do limit the amount of people that I bring on as students. Because, yes, there is an information product and course material, but I also do, do a weekly support call and I do spend time with my students. I actually print out a picture of all my students and put it on my wall and I know who you are and so for that fact, I do limit. So if you want to book a call and apply, I would love to

talk to you and see if we are fit. So you go to that website. Also, there is links for all my social media there in that website as well. You can check it out.

**Dan:** Sweet and do not you have something coming up on YouTube, people should probably go check out?

**Zach:** Oh, yes, for sure. So this is something I am really excited about. I was up late the other night. I could not sleep because I was like, how do I inspire more people to go for their drinks? How do I show people that they can do this? They can be successful and so, I had this kind of crazy idea that kind of came about because I had watched Undercover Billionaire, but I am going to take a thousand dollars. I am going to go to a new market, and the goal is to turn that thousand dollars into forty grand in 40 days. I am going to have a film crew follow me and document it all along the way and share that on my YouTube channel. So that is going to be—I am actually flying out this January 12th. So that will probably be on my YouTube channel towards the beginning of 2021.

**Dan:** Sweet. Maybe we will have you back like, March 2021 and we will get the low down and pick apart the details again. Cool, sounds like fun, Zach. Hey, I had a good time. I appreciate you coming on the show, had a blessed.

**Zach:** For sure. Thanks for the opportunity and it is been fun for me as well. Thank you.

[background music]

**Dan:** Off-market real estate deals. All of us real estate investors covet that rare profitable off-market real estate deal often bought with very little competition. The problem is many investors futilely tried to develop their source of off-market deals through real estate agents or wholesalers only to become frustrated when they discover that they are not the only buyer in that real estate agent or wholesalers network. The only real way to have a consistent source of off-market real estate deals is to develop a business of attracting those deals. Enter the REI deal machine, originally developed as a resource for high volume investors to build teams of drivers who are literally driving their market looking for rundown and distressed property. The REI deal machine simplifies the process of route tracking, lead generation, and literal push button marketing to allow you to focus on the highest value skill set a real estate investor can build and that is negotiating profitable real estate deals. For a limited time, you can register for free access to the REI deal machine at [reidealmachine.com](http://reidealmachine.com). You have a chance to play around with the system, take a demo, and actually begin using the app at no cost. So go, register free, right now at [reidealmachine.com](http://reidealmachine.com).

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So in 2020, my house flipping business Diamond Equity Investments bought and sold 283

houses. Well, mostly houses, a few were apartment buildings. Anyway, we have a hundred and fourteen more in our inventory. So here are three ways we might do business, you and I might do business. Number one, are you interested in having access to the best real estate deals in your market? In other words, access to deals that you can buy at a low enough prices to actually profit after renovating and reselling? If so, go now to [www.accessrealestatedeals.com](http://www.accessrealestatedeals.com). Number two, are you an accredited investor who enjoys double digit returns? If you would like to potentially invest passively in one of my real estate deals or many of my real estate deals go to [fundrehabdeals.com](http://fundrehabdeals.com) and sign up to receive my private mortgage investment opportunity emails. Number three, of course, I am always buying houses that I can flip and occupied apartment buildings with below market rents. So if you have a deal that fits that description in either Atlanta, Chicago, or the Philadelphia region, please shoot me an email with the details.

We are at the conclusion, my friend. Next up, how you can make three hundred thousand dollars per year investing in mobile homes doing nothing, but no money down deals? Catch you next time.

[background music]

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](http://www.reidiamonds.com).

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