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

Dan Breslin: Welcome to the REI Diamonds Show. I am your host, Dan Breslin. And this is episode 177 on investing in real estate, with no money down, with Chris Prefontaine. If you are into building wealth through real estate investing, you are in the right place. My goal here is to invite high caliber guests, real estate investors, and other industries, service providers, onto the show. And then to 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. As we record this episode in late 2020, the real estate market throughout the US is severely constricted with regards to inventory, mostly due to the current COVID economy situation pandemic that is ongoing, and hopefully resolving here, coming up in the next six months to a year or so. We shall see.

Dan: As an ongoing trend, I have been selecting my guests throughout the US, to come on the show, and all for us here, on the REI Diamonds Show. Insights on different markets around the country, as well as the strategies that are currently working particularly well in those markets. In these unique times, with the market changing as fast as it has over the past year, staying limbo with our investing, and adjusting as needed along the way to succeed. No matter if the inventory swells, and pricing goes down, over the next six months to a year, or the exact opposite occurs, and the inventory remains extremely tight with pricing, continuing to climb and even skyrocket. I do not know. It could go either way, looking down here in the near future.

Dan: While we do not suggest trying to copy every technique that you hear about on the show, I do suggest paying attention to, and knowing what might work, so that you can rip off and implement the strategies that do work in your local market as needed.

Dan: Anyway, for today's episode, I have invited a returning guest, some longtime listeners may recognize the name, Chris Prefontaine. He joins us once again to discuss the no-money-down real estate deals, where he averages profits of seventy-five thousand dollars per deal, and up.

Dan: My goal in having Chris on the show again, is to get the real-time update on whether structuring terms deals with no money down, it is still even a viable option in this overheated, very low inventory real estate market.

Dan: Of course, if you are listening to this episode, at a point in the future, please know that your time will be well-invested to continue listening right now to this episode as this is not just a time-sensitive report on the current, 2020, 2021 real estate market with COVID going on. But instead, you are about to hear a broad overview on how to do no-money-down deals with a longer-term time horizon than flipping houses with an average profit per deal of seventy-five thousand or more with very low near zero monthly marketing costs. Sound too good to be true? Let us allow Chris to tell it.

Dan: All right. Welcome back to the REI Diamonds Show, my friend, Chris Prefontaine. Good to have you here today.

Chris Prefontaine: Yes. I am excited to be here again, Dan.

Dan: Nice. Let us begin with a snapshot of your current business. Some of the listeners who have been with us a while, remember you and the family coming on the show, and we have talked terms deals in the past exciting topic, huge deals. But we are in a new era... I think we are in a historic moment right now. It is the end of 2020. By the time this goes live, it will be 2021. As far as real estate, real estate prices, and the uniqueness in the market.

Dan: Can we begin with a little snapshot of your current business operation? What are the markets that you and your associates are currently doing deals? And about how many, per month, are you guys moving altogether?

Chris: Yes. We are still, as a family company, myself, my son, and son-in-law are in Rhode Island, Massachusetts in Rhode Island, and then, Connecticut, Massachusetts, Rhode Island. Sorry. And then, we have associates all over North America, mostly the United States probably represents around twenty-five different States. We are doing about twenty-five to thirty deals a month now. Pre-COVID, we were somewhere around eight to fifteen. It has been quite busy since, right around April 1st.

Dan: And was April 1st... I mean, we were mostly. I do not know about Rhode Island. Were you guys kind of locked-down April 1st into May, or did you guys not have to deal with restrictions in your business?

Chris: Yes, we did. We have an office building we bought on terms, coincidentally. But we had an event coming up on April 1st, and about two weeks prior to it, we had a pivot go virtual, then shut the office down. We ran it from the office instead of a hotel. We have been virtual since then. Somewhere in the summertime, we went back to the office on Mondays. Most of us are virtual just that five minutes from my office, so I pop in there on Mondays. But we are still running things all over the country. The staffs all over the country now. It is given us the opportunity to add some great staff members that are not local, which is a benefit.

Dan: Nice, nice. Yes, it was very interesting. Our business is in Chicago; it is Philadelphia; it is Atlanta. And Atlanta, kind of shut down, but real estate was necessary to service. I forget what the term they actually had for us. So Atlanta sort of kept running along with people, really... There were people who were in fear of the pandemic. But I would say like a fear level scale of one to ten, Atlanta was probably a five. Chicago was probably a seven. Philadelphia was probably an eight. In Philadelphia, even construction was shut down. So we are trying to rehab houses, and people rehabbing houses were not allowed. But that would fly in Chicago, and it would fly in Atlanta.

Dan: We were kind of shut down, and we closed a few deals during the shutdown during that period, but here we are at the end of the year, and we have got two hundred and sixty deals close. I think we did two hundred and twenty-three last year. The net actually grew as well.

Dan: Our business has been like fifty percent growth this year, fifty percent growth last year, and thirty-five percent the year before that. So, yes, probably a good chunk of that is our team maturing, our business and our systems, and maybe you relate to some of that too, kind of getting better at our own craft. Some of that was probably this super-heated. I do not know if we might say somewhat frothy bubble in the real estate market with the prices gone up and the supply artificially held down or not. Maybe you would want to talk to that a little bit, Chris.

Chris: Yes, because typically the terms market, you would think that if the market was screaming hot, that people, sellers would... There would be fewer sellers looking to do terms deals, lease purchase on the prior thing like we do in sub-two. It is strange.

Chris: It is very unpredictable because with the prices being the way they are, and with the market being screaming hot and buyers galling up the property, we still have the demand.

Chris: The only thing I can point to is, yes, the bank rates are low, as you know, but the bar, so to speak, to qualify, they raised that bar. They have pushed a lot of buyers out of the market, especially the jumbo loans. So we are literally seeing in some of our markets with our students, where a house is on, I can...

Chris: I have one on the top of my mind. One house on a Colorado for one point three million. The gentleman went to the closing table, long story short, they said, "Nope, need more reserves. Need more down payment." They changed all the rules that week. It was during the mess at the beginning. That same buyer found their way to us because we put their home under the agreement after that. And then bought the home on [crosstalk], the same one. It is a shame. They are getting pushed out the great [crosstalk]. They just need time now.

Dan: How about that? That is a mind-boggling example right there, where you guys end up getting to put yourself in the middle. Are you comfortable, to share some of the details of that? It was supposed to go to closing at one point three. What did the deal look like when you guys eventually earned a piece?

Chris: I think the seller because he was on the market prior to that so more of an expired listing arrangement. When we talk to sellers like that, our conversation is usually, "What did you expect to get?" And the numbers somewhat south of the one point three, because they figure negotiation, they figure commission. I think we have probably built in the one-three or maybe one-three. I think of a slightly higher, like one-three-fifty. But still pulled out over six figures on that. And the seller [inaudible].

Chris: The buyer is thankful, as you can imagine, forgetting the pathway now. Just save up some more money and save up reserves is okay. The credit was already great and we are happy. It is a win, win, win.

Chris: So again, it is very unpredictable. People say, "What is going to happen?" Who knows what is going to happen? The billionaires do not know what is going to happen right now.

Dan: Yes, you are right about that. Can we talk about the brief connection to the paperwork there? I am guessing, it is probably a lease option and then another lease option on the other side. Or what was it? Were they holding paper? How was that actually structured, the one point three?

Chris: Okay. That one was a lease purchase. So what we would call in Colorado, "It is okay to do a sandwich lease." We did a sandwich lease there. Then, we have another one here by us on Cape Cod that was, actually, we bought it on our financing from a realtor, Dan.

Chris: There are crazy stories. This is a realtor in Boston who could not sell her home on the water, beautiful on a bluff, overlooking the ocean. We bought that homeowner financing, little to nothing down in principal payments monthly, from a realtor who could not get it sold.

Chris: I am seeing doctors, attorneys, realtors making decisions more on, "I want closure" versus anything else. And they are willing to go with the term as long as they get their price and closure. Like with the COVID, they do not want people coming in, etc.

Dan: Yes. I think that is a big reason, looking back over the last year, why we did it, the number of deals that we did, too. I know that, literally, sellers were saying, "I do not want people walking through the house." They are looking for that solution and we are buying to rehab. The properties are not in great shape.

Dan: The Colorado example, just to hang on to it for one more second, I assume this thing was the retail-ready condition. It was just a matter of this frozen marketplace there when you guys put it together, right? Is that typically the houses you guys are doing deals on or not--

Chris: Yes.

Dan: --probably, Dan Breslin's need a total rehab deal. There is a little bit different in that, right?

Chris: Yes. They are usually in good shape, Dan. But now there is always the exception, right? Almost anything I answered is an exception. If we do find a deal that needs work, and some students did some really cool ones this year, they buy it subject to the existing financing. They leave everything as is, and they find someone that can walk in and do a rent home, but needs that pathway for [inaudible] handy. It is just not like a base model, but we can handle it and can do quite well with it.

Dan: Yes. Which is cool. I actually did try to go into the Boulder Colorado market, I think, three or four years back. We did some advertising, and we tried our business model. As I said, Chris, my business model, is focused on these houses that need repairs. You just sell it as is, right? This is my niche. This is what we are good at. We are rehabbing houses. And we are looking for an investment product that, quite frankly, is not going to be in the livable condition usually.

Dan: And what I found was, and this is my anecdotal perception of the Colorado market, less inventory, smaller population, and a significantly younger housing stock there so that our sell-it-as-is value proposition did not really ring valuable with anybody. Like it does in Philly where these houses are a hundred and fifty years old.

Chris: Yes.

Dan: Eighty, ninety on average. It is kind of feels like the terms deals are much more effective, especially if I am in an area with a younger housing stock that does not really need gut renovations and brought up to modern. Am I correct in that, Chris?

Chris: Yes. Yes. You hit it on the head. There is no question. That is the base model, and the cost is always these offshoots.

Dan: One more moment on the pandemic here. I am going to talk mindset here for a minute, Chris because I know you are a big purposeful coach for people who are in your organization, and people with who you are associated around the country, you are a mindset guy.

Dan: And I remember in the pandemic, it hits. I have this picture of, I think it is a Rembrandt, a stolen Rembrandt. I do not have the stolen Rembrandt, but the one that was in the museum got stolen so it is missing from the art world. I hope my house does not get raided; they think it is...

Dan: But anyway, it is a friend, it is on the wall. And it is of Jesus, and he is in the boat with his apostles, and Rembrandt is actually in the photo there. He is like this 13th apostle, which is weird. Jesus has come, and I am like sitting there and eating my breakfast. And I look up, and there is like the storm, and Jesus has come.

Dan: That is kind of like the-- it was a moment. The pandemic was starting to unfold. They shut everything down. I did not know what was going to happen, as far as closings, is humanity going to survive this thing. It was kind of like this-- it was a storm, right? For me and for a lot of people out there, the uncertainty that we had, was very paralyzing for a brief moment.

Dan: And that moment, Chris, if I am being frank, was probably a week, ten days maybe, maybe two weeks. I am leading my team, and I am not sure what I am going to say, but I am saying, "It is going to be good. I am trying to find a way through."

Dan: I remember I had this personal moment of transition. It was like flipping a switch, Chris. It was like, all of a sudden, I am looking at the painting and that like momentary freezing and panic almost, not like crippling or anything. I was sleeping okay at night.

Dan: But all of a sudden, I decided, "Oh, this is just like, normally for me, it is December." This is the time of year real estate activity quiets down and I go into innovation mode. I redesign our business. I review the processes. We get our coaching right. We get our habits right for the chaos that occurs for us in March, April, May as the spring market starts to happen. Every year is this rebirth during that.

Dan: Well, it was April 1st for us. It was supposed to be the busy season, and suddenly we have grounded again, and I had the momentary flip the switch where I said, "Okay, I will use this time, as a gift. And this will be our innovation. We will have another innovation season here, right now, April, May, however long this lasts." Assuming that I and the people that I know and care for, and everyone around us has a high survival rate of the pandemic. And I know that not a lot-- that is not going to be everybody's story in the entire country or the entire world, but it has been so far for us.

Dan: That moment, I decided to make the best of the situation as it was. It was, for me personally, this big like the clouds cleared in my mind, and all of a sudden, I could work. Then, when I was busy working, I was not worrying about what was going to occur. We went from that moment forward, and it was like a snowball, and things started to get better and better.

Dan: Did you happen to have any questionable moments or things of that nature at any point during the pandemic, or maybe you witnessed it, if it was not for you personally, that you were able to maybe guide people through, mindset-wise?

Chris: Well, okay. A bunch of things came to mind because you used the word 'storm,' which I use all the time. It was pretty cool and we did not talk before. So I saw-- you have the old fight or flight, right? And then what I saw during, especially the very beginning, was freeze. There was a third one; it was freeze. It is like the worst thing you could do in business.

Chris: So what became super, super prevalent and in need, was clarity and a guide. People just needed a guide. They did not know what, they just needed guidance; they needed clarity. I started going after a couple of things. I was not, to be honest with you, panicking because after the LA crash if you remember my story, we built this niche, we trademark. We are in the midst right now of trademarking the [inaudible]. It was all built for sort of chaos, obviously not this level, and did not know this would happen. But it was built to weather storms because of what I went through in LA.

Chris: Then I said, "Okay, fine." We grabbed five amazing entrepreneurs that went through different storms in their career, and we just did a five series podcast called Thriving in Chaos. Not only the audience got a chance to mentally have some clarity and a guide, but it gave us an amazing-- As you know, when you interview people, there are some amazing AHAs and nuggets that come out of that. Just doing the Thriving in Chaos series was an amazing experience. It kept me centered, and it kept me clear.

Chris: And then, the third thing I talked about then, and I actually talked about it again this week, coincidental to you saying 'storm,' as I talked about the perfect storm. And people said, "What do you mean? During this?" You said, "Yes." So the perfect storm is, if you looked at a triangle, number one is being part of, especially during this time, part of a movement.

Chris: The second side of the triangle would be, part of a movement that actually affects lives positively in our own lives and doing it. And then third, being part of the movement, being part of a movement that affects lives, and third, getting paid really well because of it. Those are the three sides of the triangle. And it is sort of like the perfect storm or the perfect triangle if you will.

Chris: That is what we focused on. I kept screaming that, and ran that, and talk about that, and focusing on that, so that the buyers, the sellers, and the investors would have clarity. And it seemed to work because that the niche not just survived, it thrived, and then, of course, that gave the, we call them associates. But our students, who we lock arms with and do deals and rev share, well that give them kind of some empowerment. And the whole thing just started parlaying into what we are now, ending a great year, like you. And so for us, it was the most clarity and not getting caught up in that free state, but instead just kind of the flight. Fight, flight, and freeze.

Chris: Anyway, I could go on on that, but I love the fact you used the storm to the pieces together.

Dan: Yes. I think that I would probably just describe that, as freeze. I remember it. It was frozen. I do not remember if it was for one or two days, or if it was for ten days. It was not a long time. And that decision to move and mobilize and then use the moment right, it was like, "Okay, we got downtime. So now it is time to make sure that we invest this time and make it productive."

Chris: Yes. Well, what choice do we have when you think about it? I am not saying that we had time to re-think this, but what choice do you really have when you are talking to fight, flight or freeze. It is awful to be in that freeze mode. I am not so naïve to nothing, people went through it, and they could not change it, right? I understand that. But you have restaurants, for example... To use a crazy example on a real estate show, you had restaurants that were crippled. But you had restaurants that thrive because they got over the top resourceful, creative, still to this day. It does take a little extra resourcefulness and a little extra guidance and clarity, certainly, from my earlier point.

Dan: Yes, you are right about that. Let us talk about how to invest in real estate with no money down. We are doing terms deals, and I know that there is a lot of like background on doing them. The one point three million or any example, how often are your students doing these terms deals, Chris? Putting large chunks of their own cash at risk into the deal?

Chris: No, they do not. And I will give you a very, very direct example. I am big on it, as you probably remember. I like giving you the real stuff, real examples that we are doing.

Chris: Right before we shut down, our last live event in a ballroom, and we had the associates stand up who had deals, and then we started sitting them down if they had put a deposit down. In that room at the last POS event was almost eighty million in controlled real estate, eighty. There was, not in excess of twenty-five hundred dollars put down on those properties, total. The lease purchases are ten bucks. They want to find some deals, you can use your hundred bucks, and if they do it in an IRA, it might be five hundred.

Chris: And there was not any cash out of their pocket down. Minimal, ten dollars is written in the agreement. Whether it transfers or not, I do not know, but it is written in for ten bucks. We just do not put our own cash down.

Chris: Now, are there exceptions, Dan, like everything else I have said today? Yes. If there is someone in the rear and you are going to pick up a whole bunch of equity, and you have got to put up three, four, five grand from another deal that you might have on these three paydays that we do, sure. But buy and lodge, especially if you are new, there is no money going down in these deals.

Dan: Do you think it would be wise for somebody listening right now, Chris. And they are thinking like, "Man, I like what Chris is saying. These REI terms, business here, this is for me. I do not have any money now." I will also give you some context scripts. When I got into the business, I had a hundred dollars, no job, and was like living at my mom's house. For me, it just seemed near impossible to get into any deals.

Dan: Now, I did do these ten dollars put-- Like no money down and did a bunch of assignments to kind of get started early on, back in 2006. But it was super risky, right? And I probably took a back seat or did not have the confidence to move forward because I did not have any kind of cash to back it up.

Dan: Is there a certain threshold of like, "Hey, I am getting into this thing, and I do not have any money." Should someone have like ten thousand dollars available? Should it be like maybe forty or fifty thousand available? What is the real budget for someone? Especially, people who quit their job and then start real estate. I did not have a job to quit. I had a hundred bucks, right? And I had no other resources. I would probably feel like there is probably some level of getting ready to have a little bit of money in the bank, or am I totally off-base with that?

Chris: No, no, you are not off base. Look, it is a business, right? So I guess the answer is somewhat weighted and contingent upon what their goals and expectations are. Super important that I qualify this because I have, and I use real stories.

Chris: I have a student that lives in Alaska, buys property in Seattle, has just completed his third deal. Literally had to put vegetable oil in a bus to come here originally for his first deal. I mean, crazy stories. He is on Facebook. We interviewed him.

Chris: And then, you have the other people that come from corporate. They are tired of COVID. We have one gentleman that has not gone on a plane since March. He is tickled pink and he went full-time with us. Okay, but he had a 401K in a nest egg, and he could leverage some of that to not buy deals, to not put deposits on deals, but to get his websites set up, to get his coaching programs set up, to get his system set up.

Chris: In general though, I will give you a hard number, it costs anywhere between five hundred and sixty bucks, and a thousand bucks monthly, ongoing, as far as overhead quote-unquote, to run this term's business up to about a deal a month. Well, that is super lucrative. When you look at our three payday system, Dan, we average around seventy-five grand, all three paydays.

Chris: Students go off with the two-fifty. We are actually on the lower end of the average is that our family team. So you start talking about deals like that, where you are not doing gobs of mailing, you not spending a big amount on overhead, and you can go out and do three paydays of seventy-five grand and up, it is pretty cool. I have seen broke two nice bar friends started. It just depends on your goals and your expectations.

Dan: Yes. I wish somebody would have told me that back in 2006. I did not know how much was an expected overhead amount in the business. A lot of the resources today, are available online cloud programs, mailing lists here, website hosting there, that really was not there in 2006. It was probably hard to get a gauge on that. But knowing like, "Hey, this is a, a thousand dollars a month commitment at the low end to be in the business of doing this." And probably successful real estate agents, right? Just selling and buying houses, representing clients. Their overhead is also probably around that much. And I think it is just smart to recognize that there is going to be this rolling cost, and there is going to be this investment in self to get it done.

Dan: So you bring up an interesting direction, which I would like to go a little bit, Chris. You said yours is an average of seventy-five thousand per deal. I love talking about real estate markets and trying to get context and perspective of different markets, different places around the country, from the guests who come on the show.

Dan: If we say that Chris is doing them in the Rhode Island, Connecticut area, and it is seventy-five K a deal, but you got students doing two hundred and fifty thousand per deal. Where is that? What price point are those houses that they are operating? Can we shed some light on that? And maybe there is also on the low end. Maybe you have a student whose averages are, forty-five, fifty-five, sixty-five, and that is in a certain market price point.

Dan: Just to kind of get context to someone in a certain market throughout the country, they might be able to look around and know that this is what might be expected here. I got to get in the van, put the vegetable oil in, and got to drive down to such and such market to [crosstalk].

Chris: Two answers here. This is interesting. One is certainly market-driven by price range. For example, Chad in Colorado I mentioned is going to be in that five hundred to one point three range and it is going to be a six-figure deal. Bill in DC is the same, six-figure deal because the price range is so high. His is like eight hundred to one point eight.

Chris: Now, the caveat here is you can be in, let us say someone in Phoenix, they are in the lower end with forty-five, fifty just because of what they go after out there. However, regardless of the market, if you are doing this owner financing deals that are a little too earlier, whereby you are getting a monthly principal paydown.

Chris: We have seen deals, Dan. I did one in Massachusetts, the hundred and eighty-three nine purchase, hundred and twenty-eight grand all three paydays. Why? All principal paydown. The thing pays itself down. So, market-driven, yes, but then type of deal-driven as well, be it on financing, can be a lot higher. I can put a metric to this.

Chris: Regardless of what market you are in, if you do a deal, its owner financing, that is at least two hundred thousand dollars or a higher purchase price and you get at least a forty-eight-month term and you are paying about nine hundred dollars or more per month principal payment, all three paydays is over six figures. That is crazy for most people who [inaudible]. It is because you own a financing component and how you build it.

Dan: Yes, it is interesting. I have invested in the system already, Chris. I have done that and we put these deals together. When I first hear this, or so to say we have a sophisticated investor thinking, "Who would go for principal paydown of nine hundred bucks a month and not one interest on that?"

Dan: But the type of seller, the type of situation, and the type of price point can you fill in a little more context to who would maybe accept that? I have seen it done already myself in my own markets. When you are talking to the right sellers, so I know that it is possible that you are doing it, but can you give some context if someone is thinking that this, Chris, is unbelievable that someone would lay out forty-eight months of work of paydown with no interest. Or is no interest, right?

Chris: Yes, I will give you some quasi kind of combinations deals, too. Let us address the first question as a kind of who. The bottom line is anyone that does not need the cash today that wants the best price and a lot of people that are free in... We are dealing with a free inquiry of property. We can find those lists, right? If they are free inquiry by nature being free inquiry, they did not need the money. They did not put a loan on it. They are typically financially savvy and set up well and want the best price.

Chris: Some of it is tax planning. They want tax planning overtime.

Chris: Direct example, my owner office building, we bought owner financing. He wanted five point two percent interest. I want the principal only. We did a combination. I did principal only and I hammered it for about twelve or thirteen months, maybe it is fourteen. Then, it converted with the remaining balance to five percent interest amortized over twenty-five years. I have never seen a bank. I never go to underwriting. I never signed a [inaudible]

Chris: That is a pretty cool deal. Just depends on the scenario. Who does not work for us is easier to say. That is a small number and that is anyone that needs the money pay to go buy something else for their family or other reason. They just can not wait for no matter what price you give them right now. That is the only person that does not work for us.

Dan: You need the cash now which is exactly the sellers I do business with on a regular basis. They need that. We are helping them move. We are helping them find their next apartment. We are renting their moving truck or going above and beyond. We are in these two different kinds of markets and niches if you will.

Dan: So, Chris, you mentioned a moment ago, and I glazed over it and maybe the listener did, too, or maybe they caught it, and we go back and said something to the effect of five hundred and sixty-two thousand dollars a month without this huge advertising and huge mailing cost. Most of us in the real estate business is sending out letters. We are doing advertising or spending money to get the leads in the door. How do you get the deals without more than a thousand dollars a month for running a business?

Chris: Most of that thousands, and I am rounding up on that number, Dan, is a virtual assistant that would cost a hundred to hundred and twenty dollars a week. That virtual assistant is going to call expires for rent by owner and for sale by owner. They are going to skip back to us, only the people that said, "Mediocre", "Maybe I will hear more", or "Yes, I want to hear more" then we are going to call them. The only one we will not call is "No, get lost." But we will call anyone who is at least open to hearing how it might work for them.
Anywhere between thirty and fifty percent of the call they make are going to be open, somewhat

open, not decided yet, to terms. We are going to go ahead and call them.

Chris: Mostly, the virtual assistant. The rest is ringless phone systems and different CRMs. That is why I rounded it up. Most of the people are sitting around five to six hundred bucks to start off and it does not include a website. If they are going to buy a website, then that is probably a flat fee. I do not do monthly fees or anything like that on a website. It is not my business.

Dan: Got you. What about on the high end? Do you or some of your students have more than a thousand dollars a month setup? I mean, if you got four to five VAs, that is probably four to five thousand, right?

Chris: Yes, once you scale. Once you get to about once a month, and I see you doing that steady, probably by the third or fourth month, I am going to have a conversation with you if you are one of my students. The conversation is around "Is this going to get to your goals or we are going to scale this?"

Chris: If you are looking to scale it, I am going to strongly suggest that they get an executive assistant for themselves to get themselves away from all the mundane stuff. That executive assistant is going to cost them twenty bucks an hour. I am giving you around numbers that we use and then I am going to suggest starting with about ten hours a week on that so they can remove themselves from the mundane.

Chris: As soon as they do that, two to three months out, at the most, they will realize the productivity and efficiency and they transition out to full time and then the way they go is at scaling. So now, you are probably getting up to anywhere between the two or four grand a month but keep in mind, you are talking now firing like two deals a month at this average we are talking about. It is a crazy return.

Dan: Yes, you are right about that. Is there a price point where this does not work or you advise students to stay away from too low or too high?

Chris: Never too low and too high. The issue becomes how quickly can you move it. Even though you are going to a much bigger buyer pool, those that cannot go along today and it is a big, big pool and you start talking about jamb along.

Chris: In my experience, once you get over that two and a half million certainly over three, it is thin pickings. Some people hate banks and that price range, they gobble it up if it is an idea of the property but it is a lot slower. And if someone is building their model, based on just high end, it could be slower. I would rather have them in any given market in their median price range. Those things are going to move all day long on terms.

Chris: Before COVID, I was seeing in every marketplace, I was guesstimating about sixty-two to eight-two percent of the buyer pool nothing of the financing if you took a snapshot of this situation today.

Chris: Well now, post-COVID, this works. People that are really strong can not go get along. We got an enormous buyer pool to hover in that median price range. You are looking really good.

Dan: Yes, I do not do real estate agency, Chris, but a lot of the mindset shocks me sometimes with real estate. It is like we are throwing our faces on the bus stop bench in some neighborhoods. Was there any thought ever given to the size of the marketplace and the size of the commission, perhaps, of the deal, right?

Dan: You are going to sell real estate, that is all three hundred fifty to four hundred fifty thousand on our house, find out where they are all at, go check the MLS and see that there is a volume of those transactions that are actually happening versus being like a moth to the flame, like a multi-million dollar neighborhood. You are just going to market to this for hopes of big commissions, but then you get the listing and it is impossible to sell the thing because the buyer pool of two and a half to three million-dollar homes is so finicky of people who are actually going to stroke to check.

Dan: As you said, it is still probably relatively finicky even if you have got low to the marketplace of the term's deals in that price point versus the median home that is in the two to three to four hundred thousand dollars range where there is a huge volume. The bulk of the market exists in that price point whether we are talking about conventional buyers or whether we are talking about terms buyers, right?

Chris: Yes, and just you brought up a kind of side point directly here that made me think. When you said this is the whole thing off... I was a realtor for years. I did a hundred homes a year as a realtor, so I get both sides. What I will say is we get referrals from realtors that do not know what to do with properties during this chaos.

Chris: I showed one on our webinar this morning to a group in Canada called First Responders, and three paydays, I suppose, was like eighty-two grand. And this realtor let it expires and gave it to us. Man, oh, man. Why do you not learn how to buy and sell on terms and then put yourself at the authority, at the realtor's space that can pivot in this type of market? That is how you differentiate yourself. So just a shout out to any realtor, it is a no brainer to do that and differentiate yourself above the crowd.

Dan: Yes. A big part of that comes in mindset. Being creative enough or even believing in yourself enough that your service and value and locking in the paperwork and managing all the little nuance of a buyer and seller and the transaction while sketching out your eighty-two thousand dollar payday. It takes a certain amount of confidence and I think that is probably one of the intangible things that you gain when you align yourself with someone else who is already doing it. You can lean on the mind map, if you will, of structuring those handfuls of deals before you suddenly are able to go into the said same expired living room of the house and listing it and putting it together that same structure of a deal.

Chris: Well, you brought the mindset a few times. Mindset is so enormous in real estate.

Chris: The direct example, again, I will give you is I love that you bring it up. The direct example is why do we have students still to this day, as much as we focus on mindset now. Why do we have students that all take the same, exact course, same thing online?

Chris: Some come out of the gate, we are just having last week, forty-one days to do that first deal. Others take three hundred and sixty-five days. What gives?

Chris: Usually, if it is not scheduled, all things being equal is the mindset. I know that is a broad topic, but we bring every single coach we personally used that we have had the results with, we bring to the community. Go, "Hey, guys. We have used this person. Now, you can use his information." We do this all the time. We brought you a vitality from the movie, The Secret In. We did a program with him because we have had success with him. We did that counseling knowing how important how the mindset is. Every piece of the mindset you brought up is spot on.

Dan: Yes. So funny, looking back, even over my own thing, Chris, and my own story there, I am like, "I did not want to hear about mindset. I do not what to hear about Tony Robbins." They said to set goals and I tried to do that like I did not want that. I just wanted to be able to pay my bills, get a car, and move out of my mom's house. Just tell me how to make the money.

Dan: But my mentor who has been most influential in my life, even to this day, is one of the main pillars of the things he teaches me on a regular basis is this different mindset tweaks. I am surprised because of how many times people around me even all subscribed to a culture of growth that time inequity at our company. We are about self-improvement, continuously learning, setting and forecasting our goals, and doing the work to get there. We do all this stuff and even at the leadership level. I am surprised that how sometimes, there are these mindset tweaks and challenges, these blind spots that crop up.

Dan: I think if we learned in a nice, formed partnership at our company, with the people who I do business with. Instead, like with me when I was out there on my own and I was running my own thing, doing the deal from start to finish and splitting the deal with no one versus splitting with all the people I do split my deals with. I would go into those blind spots of like the mindset black hole, if you will, Chris. It might be a three-month, six-month, eight-month thing before I finally find and stamp myself out.

Dan: Whereas people on my team now, because we are part of this culture at our company, we are able to recognize the blind spot much quicker. We might find someone's off-base for a week or two, a month or two. We are able to like, "Woah! We got to be aware of this thing." Now, we like to construct the plan, and we get back to right where we were before.

Dan: One of the intangible benefits, I think, of surrounding yourself or aligning yourself with people on the deals that you are doing who have your interest at heart, all working towards the same thing, and all subscribe to that culture of mindset, that culture of improvement. I just feel so blessed that we have that. My mentor has been able to kind of keep that Woah. Be as, "Do not want to hear that," kind of stuff.

Dan: For me, it is like to embrace it. I am surprised again how I sometimes can forget that. Even at my level, I have to be reminded through materials books and everything and that constant improvement. It is shock and awareness at the same time.

Chris: Yes, I could not agree more. I can say the same. You alluded to it at some same more passionate association. I always say make no doubt about it. The association, especially entering the new year or by the time this comes out, we are in the new year. The association is enormous and it affects you more than you think so aside from all those things you just said that is spot on, add to that the fact that you are associated with someone doing that with you, for you, guiding you through that.

Chris: Now, you are passing it on to your teams. It is enormous. Everyone will look up and say, "Next quarter, next trimester, next half-year, next year, who is it that we are going to reach out to?" I encourage my students who is it that you want to reach out to, who they want to meet, who they want to up-level with because it does make a big difference. Your income will never, ever, ever outgrow you. Your skills, your mindset, everything, it just cannot. If your income takes a jump on accident, and it surpasses your norm, it is going to come back down. It might like to go to like a thermostat. It cannot outgrow you. It will come back down, so you got to constantly develop yourself.

Dan: Yes, I remember, I signed this deal, probably ten to fifteen years ago. I signed up for this deal where I am going to pay five thousand dollars to the gross part of the deal. I do not remember what the numbers were but I remember bringing it back to my partner. "It was a good shape, a little outdated but it was a good house with a pool at the back. It is a great house. I loved it. Why do we not sell it for ten thousand dollars more than what we have it for?"

Dan: This is a great example of actual real money where the guy I was associated with and in business with. I do not remember if he said anything to me or he might have just gone off and sold it for forty-five thousand dollars more and his mental mind map of like we were mentioning the eighty-two grand being structured into the deal. He knew that there was more value there. He spotted more. He believed there is more value there rather than I was ready to give it away for ten. So by bringing the deal to the table with that partner, I would have been happy to split the ten. But instead, we each, I think, walked away with a twenty thousand dollar check there at the end of the day. So, aligning yourself with those correct associates there. I mean, there is a real-world example that actually did end up specifically in more money as a result of that association.

Chris: That is awesome. That is awesome.

Dan: Cool. So, I have an eye on the clock here to be respectful of your time there. I know you have a lot of stuff that you published online, on Forbes, a couple of books out. Do you want to touch on a couple of book recommendations that you would make most often? And, maybe which books of your own would you recommend most often?

Chris: For me, the books are going to be Period in My Stage Specific meaning sort of what I said to you about the mentors. I am going to look to see which books you are starting to dive into. So for me, as a CEO, it is different than one of the team members.

Chris: For me, right now, I like some of the... I will give broader titles like Ray Dalio's Principles and The Hard Stuff About the Hard Stuff. I love those types of books because they are bluntly pointed out in real-life lessons. I also love the McDonald's story Behind the Arches because it is the one movie that was done because it is about real estate and if you go through that, it talks about the struggles, his frustrations, his doubt. It talks about he built his empire. Those are cool books. I think I mentioned, too, before, Real Estate On Your Terms, which is a best-seller in '17. We totally revised. We have planned on revising it. It was almost finished right during COVID so we updated it even more and added about fifty percent to the content. It is out and on Amazon. It is very current after COVID.

Dan: Nice. So, what is the best route listeners should take to get themselves up to speed on anything that we are talking about today?

Chris: Let us keep it super simple. Just jump over to reiterms.com. That is going to take them to take a peek at the academy and anything else they want is there. We are big on free. We both know they could go find stuff for free anywhere on the internet. But this niche is something you think you want to dig into. After you do your research, jump over reiterms.com. You will find the academy.

Dan: Nice. In closing, Chris, is there anything that we forgot to touch on, questions that I forgot to maybe ask that you feel like the listeners should know about before we wrap up?

Chris: Real simple. I want to make sure of what I said earlier about guidance and clarity. I want to make sure if people know, regardless of the niche, just two to three simple steps. Number one, pick the niche. Something you could really get behind. Well, you love the few paydays, if you love doing flips, if you love doing bigger [inaudible], it does not matter. Pick the niche.

Chris: Second, take some of those then throw some storms in some market cycle of it. I cannot stress this one enough, that the success of a real shitty teacher, unfortunately. If you are taking a mental and have great success in the last three years, that might be good now, but I would strongly suggest that you find someone who spent through some storms and some market cycles that you can get by and that is still currently active.

Chris: And third, that is the tougher one, easier said than done, put the blinders on to thirty-six months. Do not look left, right, or backward. Do not get tripped off by the shiny objects, and go at it with whoever that person, group, or thing is that you are following because you will have a great experience. I do not care if you are running a restaurant, a real estate, or whatever industry, those three steps, you will have success.

Dan: That is impactful. I was taking notes there. Pick the niche, pick someone who has been through some storms, and then stick with them for thirty-six months. We hear this shiny objects syndrome, and I would chase that myself but until I buckled down and did what was in front of me where I was starting to get a little bit of success early on and then really staying with that obsessively. You know, Napoleon Hill's burning obsession there. Sticking with and figuring out the details, making it work, and at the end of the thirty-six month period that I am thinking of, wow, there is no looking back. I did not want to get out of the niche. It did not look like everyone else's niche is doing better than mine for sure.

Dan: Solid stuff there. Chris, I had a blast. I really appreciate you for coming to the show.

Chris: Well, I appreciate you for having me back. Always good to hangout with some cool experienced people. I appreciate it.

Dan: Low-cost capital is the fuel of any volume real estate investment business. As a real estate investor, I am sure you are well-aware of these two facts.

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Dan: Here are three more ways that you and I can 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 you can buy at low enough prices to actually profit after renovating and reselling. If so, go now to accessrealestatedeals.com.

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Dan: Number three, of course, I am always buying houses that I can flip and occupy the apartment buildings with below-market rents. If you have a deal that fits that description, in either Atlanta, Chicago, or Philadelphia region, please send me an email with those details.

Dan: We are at the conclusion, my friend. Next up, we discuss how to find off-market real estate deals with Zach Boothe. Catch you next time.

Man: 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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