

Male Announcer: 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'm your host, Dan Breslin. And this is Episode 181. On Anchorage, Alaska real estate investing, developing million-dollar homes with Joe Bell. If you're 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. So, Joe Bell is a serial entrepreneur from Anchorage, Alaska. And during this episode, Joe and I discussed the nuances of the Anchorage Alaska real estate market, you know which industries drive the market, who the buyers are, and even the exact size of the market in terms of the number of transactions that close each year.

Joe knows all these numbers because he's doing a volume of business there. We also discuss his new book assets, acquisition, and abundance and cover his belief that anyone in the real estate business, especially real estate agents, should think and act as real estate investors. So if you're a real estate agent, watching clients earn large profits by investing in real estate deals, why not figure out how to participate yourself? Lee says Joe's advice. And of course, we touched on his recent development deal, which totally hit the rocks as COVID shut down the world. \$900,000 in funding simply vanished leaving Joe holding the bag. After fall like that, do you think Joe was able to get back up on that horse and ride again? AKA ever finished a deal? Let's find out.

All right, welcome to the REI Diamonds Show. Joe, how you doing today?

Joe Bell: I'm doing pretty good. How are you?

Dan: I am well I'm good. It's bright and sunny here, which we don't get every day in Chicago in the wintertime, it feels like we'll go eight, nine days of cloudy at a stretch. The weather's great, you know, 30-40 degrees here, totally loving it. And usually, I start with a little bit of kind of context and talking about where our guests are from. And today, we're going to start with that. So let's actually start with your baseball career taking you away from Alaska where you grew up, and then currently live.

Joe: Alaska is probably the most interesting part about me, right? Yeah, man, I was 16, I had an opportunity to go play with a Cleveland Indian Scout Club down in Washington State. And so I basically guess my mom and dad go by and said, I'm going and I went and live with a host family never done anything like that. So it was a big, big change for me made me grow up real quick. The level of competition was unlike anything I experienced growing up in Alaska. So it was a, you know, as a situation where basically I just kind of jumped into the fire, not knowing what to expect. And that's played well for me, you know, in the following years, leading up to where we are in life now. So, you know, from Washington, I ended up having a couple of opportunities to go put play baseball at a few different colleges. And I ended up choosing the University of Hawaii. Because why would not I, right? It was still somewhat in that triangle from the Alaska Washington Hawaii sector. So it kept me closer to home than some of the other options and went out there and got to play some D-one ball. They were brand new division one

school, so we got our butts handed to us a lot. But we're also bringing in some really big teams because they would front-load their season with warm weather. So we're playing teams like Wichita State when they're number one in the nation. They're bringing their big boys out and we're battling them. You know, and having a great time really great experience, you know, outside of some of the mercy rule games that they ended up putting put into us, but it was it was a really, really great experience. So after two years out there, I got tired of being on the rock, so to speak, and ended up transferring out to Iowa State University got to play in the big 12 again, playing with the big dogs and that was such a unique experience as well, I've never really experienced, you know, middle America, so to speak. And being out there playing against Nebraska when they're number one in the country, like it was just, you know, baseball was such a gem in my life. And I am so grateful for the experiences they gave me and also the education that it provided.

Dan: Yeah, that's pretty cool. I never made it past, you know, the kind of a little league thing, I think by high school, I gave it up, because that wasn't really my strong suit. But I remember we, we were in games. So I played baseball, too. I was, and we were in games where we would get creamed. And we would have the mercy rule. And we would be taught, you know, 22 to one or 20, to another, like, really, really rough score situations and be behind. And then we had like, the pleasure of being in the seasons, where, you know, I got selected for the all-star team. And we went to play at the state championships at Williamsport. And we were really good guys, locally, but when we got the Williams Sport, man, they cleaned up with us. I mean, those guys are just so much better than what we were that, uh, it was shocking. But you're, you're right, in that it's a gem because I think it prepares you for the real world where you know, you are a kid, you grow up, maybe you're in a career, then you transition careers, and you get into, you know, I'm kind of being an adult here, right? And, you know, there's some really heavy competition in life, right?

Joe: Oh, yeah, no, for sure. You know, I, I hate to lose. I still have a disdain for it. And I don't think anybody ever really learned to love it. And growing up when, when I'd be in those scenarios, I played hockey as well. And, you know, the town or the side of town that I grew up on, ended up being a little bit of the lower level, I'm not to say lower class, but lower level from another part of town. And, and I found myself in those situations like you said, you know, the 20-1, 12-2s, the, you know, more often than not, and I hated it, I hated every second of it, like it just couldn't stand it. And it was such a blessing. Because it, it totally developed my character, to be able to handle the losses.

So that when I experienced the wins, because when I transferred down to Washington State and played with a club, a high school down there, that we ended up winning before A state championship. So experiencing the wins, like it was such a euphoria, right? Because it wasn't what I was used to. And so it gave me this, this taste for life to, you know, enjoy the middle, enjoy the highs, enjoy the lows because it's all part of the experience. It's all part of the path if you will. And it's given me such a, you know, sense of gratefulness for that sport and teaching me those aspects of life.

Dan: Yeah, it's funny. So the mindset to win is something that may be in certain circles, or conversations or people I know myself would think like, well, I don't want to articulate that I want to win, right? I don't want to sound like this chest boasting, blah, blah, blah, right. And

these are maybe some limiting beliefs that I've had to deal with over the past is my company has grown and, you know, my career has grown. But I look back earlier in my career, maybe two or three years in the real estate business. And I had a friend who was football, right, football was his thing he was, you know, he sounds like the coach when he's talking. Oh, yeah, we got to win and the competition and we're gonna cream I wanna, and I remember him saying that, like, he had so many lessons you learn on the football field from his coach and apply it to real estate. And at the time, I was like a one man, you know, show. Dan's gonna go out there, it's gonna close the deal. Dan's going to find the money to fund the deal. Dan is going to run the contractors, Dan is going to go to the settlement table, sign the deed, etc. And so at the time, I kind of in my mind, I laughed at him a little Oh, yeah, yeah, football taught you all this. I mean, he was much further along in his career. And he had the ability to put together a team and manage a team at a higher level than I could do then. But now looking back, this is a 10 years later, and I say wow, like how right Jimmy was when he was mentioning like the ability to build the team and have the culture and be able to rely on you know, the teammates, and whether that's transaction coordinator or a title company or an attorney or the contractor. There's a certain amount of this codependency that comes along with being successful, whether as a real estate agent, or real estate investor, that looking back I'm like, wow, I learned that lesson. Thanks for giving it to me. I apologize for mentally, kind of laughs in there. Jimmy way back when you mentioned that. How true it was, you know?

Joe: Yeah, well, I think I think anyone that's spent any time around sports not necessarily at the highest level, or the best player or anything along those lines, you understand the aspects of a team, right? I've noticed the parallel. So I used to run a brokerage here in Alaska was the largest brokerage, they did about a billion dollars in business, which is super fun to say that I was a part of that. It was by no means because of me. Right? I was just on the coattails of some really great players if you will. But I noticed this parallel in many of the successful individuals within that company, that they have a sports background, not necessarily the best, right, but they had an innate sense of finding talent or knowing what to look for knowing what to ask, like, it was, it was almost like a sixth sense, if you will, in the, you know, talent classification. Okay, they can spot it, they can harness it, they understood the culture around creating a team.

And, you know, it's not to say that those are the only individuals that are going to have success in this industry. Hell no, not even close. But I just noticed that there was a group of folks that seemed to seem to run this parallel with their sports background.

Dan: Yeah, totally agreed. So we are going to get into what I would think of, in this section here briefly, and we're going to talk about the markets. We're going to talk about Alaska. But I think that we have the lower 48 have some misconceptions, perhaps about what Alaska might be like, and maybe the Alaskans have some misconceptions too, about what the lower 48 might be like? And I wanted to just take a few minutes to hop highlight that. So you get to Iowa, and you were sharing with me how you thought it was going to be one way before we turn on recorder, and then you got here and you're actually shocked that it was another way would you mind kind of briefly touching on that piece of the story?

Joe: Yeah. It's funny, right. Coming from Alaska. I thought I was, you know, the cat's meow when it came to dealing with weather. Right. And it's funny, because my senior year of high

school, my parents ended up moving out of Alaska, and they, they drove down from Alaska, all the way down to Florida. So I was fresh off a break in Florida. And we were talking about what I needed for school. My mom's like, Oh, do you need a winter coat? And I'm like, from Alaska? No, I don't need a winter coat. Now remind you I also just spent two years out in Hawaii. Right. So anyway, I show up to Iowa and oh, my goodness, like that, that wind that came off of the lakes. I mean, it smacked me right in my face. The minute I stepped outside, chilled me to the bone. I mean, it was a cold that I had never experienced and I and then on the Arctic Ocean for about six years. I mean, in some of the coldest climate that there is, and that was a that was just an eye-opener going, Oh, okay. You guys got it rough out here. I did. I had no idea. I was a shock for sure.

Dan: Yeah, it's hilarious. I really wanted to capture the spirit of that I live on Lake Michigan. And when I first moved out from Philadelphia, I rented a place a few buildings up from where I finally bought when I settled, you know, settled here. And people probably remember memories telling the story, but they were like, they're like these icebergs that formed and it got so cold out on Lake Michigan. Eventually, the entire lake turned into the sheet of ice. It looked like you might walk on it, but you kind of know better than to actually walk on it. And it was just one of the most amazing things I've ever seen. It's like seeing an ocean completely frozen or I mean, right. You probably have seen this living in Alaska but uh, yeah, that cold when we step out on that balcony in the wintertime with that wind, it is it's it's a it's a whole another thing. But let's so let's contrast now shift gears and we'll go with Anchorage, Alaska, where you live, where you operate your business. And let's talk about the real estate market. what's what's the size of the market? Is it driven by seasonality is there you know, dead of winter versus summer? Do people generally have, you know, two homes? What kind of industries do people work in your market just to kind of paint a picture of how it operates?

Joe: Yeah, so if we take a historical approach, right, you have to bring up the pipeline, right in the oil boom. So late 70s, early 80s. Homes just started flying. Like they were just putting homes up left and right. Not really paying attention to any sort of architectural flavor. They were just thrown out. Right. So we have a ton of like split-level home, they like a basement. And today our town is roughly right around 300,000 I think we're just Just under 300,000. And we fluctuate with oil. So we have executives come in, you know, in big oil spikes, and we have executives go out, and there's just this flux. And that's primarily been our driver here, you know, over the last 40 years, we've got a big healthcare industry, it is expensive to get seen by a doctor up here, for whatever reason, I mean, we've heard about stories of doctors coming out of retirement down on 48, just to come up here and run their business because the premiums are such a vast difference from what they are down in the lower 48. And I can't speak too much to that other than just some of the conversation and experience that I've had, you know, personally with some of my bills that have come up as a result.

And then tourism, tourism is huge for us. So, you know, with the COVID shut down, and the boats not visiting this year, it hurt a lot of people it impacted businesses, we typically have, shoot, I want to say, I could totally be misquoting this, but I want to say we have over a million even like one and a half million visitors every year that come into the state. And so we're very reliant on that piece of it. But as a market, you know, we're 300,000 people we have about anywhere from 4500 to 5000 sides. So that's buy and sell, and about 1000 licensees in the

market. And our average sales price, it fluctuates this year, actually was very surprising how well the market did this year, given everything that's going on. But you're in that 360 to 375 range for, you know, your average single family home.

Dan: Is it 4500 sides. Does that mean they were actually only 20 250? transactions? Correct?

Joe: Yep, yep. Yeah, you can you can bank on 2000 to 2500. sales. Typically per year. This year, we saw about a 40% reduction year over year in the fall-winter months. So, our inventory was lagging. It was a big seller's market. But, you know, typically what we would expect is around that 2000 Mark, for sure.

Dan: Yeah, so I'm gonna highlight that, Joe, I think that almost everybody listening to the podcast, including myself, who's hosting the podcast, has no idea the exact number of transactions that occur in the marketplace, and I'm looking at the numbers on yours. And I'm saying, okay, 300,000 population 2250 transactions, and you know the numbers and maybe you're above average, with paying attention to details in the market, maybe not. But how much more important or how important has word of mouth and reputation been in your career? Because I'd imagine like we have in these. In my markets, I'm thinking roughly 5 million or so in Atlanta, people were about 5 million, we go up to 8 million if we include our tri-state around Philadelphia and we're at about 8 million people in the Chicagoland metro area. Those are the three markets that I'm in and we say, yeah, your reputation. And we keep a blacklist and people who've done things like try to back to worse on deals or, you know, operate their business in an unethical manner. But like, man, it feels like we're in a giant ocean where, yeah, some of those people, agents, attorneys, they burn their reputation with us like, but it's probably such a big market, it doesn't make a huge dent. How much different if any, in the Anchorage, Alaska market, if someone burns their reputation, is it going to harm them? And how important has it been maybe for reputation with you and your career so far?

Joe: Yeah, no, it's a it's a great question. And I don't have any bearing on operating in a in a bigger market as a real estate professional on the licensee side. I flirted down in Scottsdale, Arizona, and that blew my mind just the number of agents out there. But reputation here is huge. And if if you do mess up, and it is something that it's one of those scenarios, right, where I can be talking with a potential client and they say, Oh, yeah, I'm working with so and so. And in my mind, it's either, Oh, that's great. They're, they're awesome, right? Or it's a, ooh, you know, but you can't, you can't go stepping on people's toes in that sense. But it is a pretty tight market. It is a pretty tight niche town. You know, the local Alaskan vibe up here is something that is very strong. We are very much support Alaska, support Alaskans.

So yeah, reputation is a is a really big deal, you know, and I mean, I still run into people, you know that I meet that, you know, I bring up my name or that I played baseball and they go oh yeah, I remember you, you played for the exclusion plot pilots blah, blah, blah, that's our semi protein summer league team.

You know, and that happens more often than I would imagine it does out in Atlanta or Philadelphia, or anything along those lines. And it's, it's something that we can utilize and play to, you know, our benefit, if we want to, I don't like carrying around. And I'm just not, I'm not

driven by the oh, and the real estate guy, right. It's not in me, it's not part of my culture. It's more that, you know, I've been doing this for 15 years, I'd love the opportunity to help you, you know, here's some of our past clients. And I just let our reputation precedes us as much as possible. Because I, I find that when you focus on attraction versus you know, hardcore door knocking you know, phone call, and, you know, recruitment, lead gen, prospecting, the attraction stuff, it works better for who I am, my personality, and how we do business, if that makes sense.

Dan: And there's something to be said for how much easier it is to, you know, to get the listing contract signed to buy the house if we're on a by appointment, on a word of mouth referral, and I noticed that we do a ton of outbound in these large markets. But when we have people, there's people, Joe, who they see our advertising on television, let's say, and then they refer their brother or sister in law friend, oh, yeah, you need to call Diamond Equity through business, even when they refer us and that person hasn't done business with us that word of mouth referral, lead it, a lot of the heavy lifting is done, right, we were positioned by the referral. And I think that that reputation driven business, if you're lucky enough or persistent enough to get there in the business of agency, or you know, transaction as an investor, it's a really, really good, wonderful place to be because it makes doing business that much easier. So why don't we switch gears here a bit? With the context of we have a transactional mindset, that real estate agency, right, that's transactional. Some of some of what we do as investors is also transactional. But you know, we're gonna go with transactional mindset versus the investor mindset. And I want to go back to Joe Bell, the real estate agent, who's kind of looking, looking over at the investment business, and was like, wanting to be over there, you know, so bad early on, right? Just like me early on, in my business, there was a time I never did a deal. And I'm like, man, if I could just flip the house, like the whole, all of my problems would be solved forever from that one house. And that was kind of like how I felt but like, you know, what, what did it feel like for you, Joe? And like, what stopped you initially that you had to overcome in order to become the investor agent?

Joe: Yeah, I remember having a conversation with a buddy of mine. And the it all revolved around, man, if we could just get \$10,000 if we could get \$10,000 to change our life, right? Like I cry about that all the time, because I jumped into real estate and then two, probably 10-11 years later, He jumped into real estate. So it's kind of funny to reminisce about some of those conversations. But yeah, no, i. So graduated college with a finance degree. I had a finance mind, I almost went into the mathematics side of the game. I love numbers. I love analysis of numbers.

So investment was absolutely something of me. And I just had to figure out how to get there. I started with pursuing like a financial advisor role out of out of the gate, working with like a city group, Smith, Barney at the time, realized that really wasn't my shtick. And, again, I bring baseball back into the scenario because I was doing some coaching. I started a business, interpersonal coaching, you know, where I'm working with individuals. And I ended up meeting this commercial real estate agent. He was a dinosaur at the time. I think he was 25 years in the game. And here like 14 years later, he's still in it.

So I started talking to him. And one thing leads to another where I told him I want to get involved in real estate. And he's like, yeah, yeah, you know, I'm sure he's heard it time and time again. But we developed a relationship, and he helps me get my foot in the door. He's a

commercial guy. So I started my, my journey in commercial, and I would stay up at night, like, no crowds, 2am--3am. And I would just be analyzing properties, big properties, right? In my mind, I was like, my first ever property I'm going to buy is going to be a 20 unit complex, and that's gonna, you know, pave the way for me. So I got to know, cap rates, I got to know the language of business language of real estate, the language of investment, early on as a result of being in that environment, but also just hammering on the number side of the game and the analysis side of the game, right? Learning some of the important aspects and going through it. So when I would meet with clients, I could say, Oh, yeah, you know, the cap rate on this is this. And here's what you would have to look out for. And I just internally started digesting a lot of this information.

It wasn't until about three or four years later that we actually got the opportunity to invest because I didn't, I didn't have any money, right, I got in Oh, six, our market was becoming a challenge. And it took me three years to actually get to the point where I made any money. I think in oh nine was the first year we cracked \$100,000. And if you understand anything about being a real estate professional, and the licensee side of that, you know, that actually meant I may be kept 55 to 60 as a result of brokerage fees, and taxes, and yada--yada. So it wasn't until 0910 somewhere in there.

I came across a conversation with my girlfriend. At the time with her boss, he was an investor, they did multifamily, they did flips. And so this was one of those plays, where it was what I lack in talent I make up for with persistence. And I just kept knocking on his door. Just hey, you want to go check out a property hey, I've got this one coming up, you know, and it just kept sowing seed sowing seeds. Finally, I get a call and I think it was like 8:30, almost nine o'clock at night. It's right around Christmas. I think we're on like, Christmas break mode, right? And he's like, Hey, Joe, there's this frozen property. I need you to meet me over there in about 30 minutes.

Right, and I'm like, Okay, here we go. You know, you do what you got to do. So, he also tells me bring some boots. Okay. Yep, sure. Closing property. You don't know what you're gonna get into. Right now roll up and, and you you've been out in Chicago and understanding the cold, right? You can tell when a property is cold. You roll up and you see the frost on the outside of it. Like Yeah, okay, here we go.

And we go plunging into the crawlspace. So the first thing we did, and you know, I've been through some properties. I've been through some, you know, junkers, but nothing like this. And we go rolling in there. I've got my boots on, and we're walking around in, you know, probably just over the ankle, maybe mid-calf. I'm gonna call it liquid. Because I didn't realize what was going on. Right.

I knew the place had frozen. There's obviously pipes that have broken, and water is filling up this, this crawlspace. What I didn't realize is some of the stuff that was floating around. Now. You guys have crawlspaces out there in Chicago.

Dan: We have some in Chicago, a whole bunch more in Atlanta, but the basements get to the sort of where I think this is going we see that in the basements of the so we're not talking like a few inches. Usually, it's like three or four feet.

Joe: Yeah. Okay. So in a lot of crawl spaces, there's just stuff typically, right, like, whether it's construction debris, whether it's insulation, whether it's personal goods, but like any anything can be out there. I've got a good --another good story about a cockfighting ring that I ran into, but that's another time. So there's stuff floating in the water. Right? And so my brains like, Oh, it's insulation, or it's, you know, construction debris, whatever.

Come to find out the sewer line broke. And so there's feces that have creeped into this crawlspace and that's part of what's floating around. Like, you want to talk about disgusting, right? The minute that you realize that you go what in that have I gotten myself into, but it was almost at that exact moment that I kind of stopped. I looked around, I'm standing in, you know, feces water, mid-calf. I'm in a frozen crawlspace. And I just realized I was like, Yes, this is where I want to be like, this is real estate investing. This is finding the shit junk property sorry and creating a beautification to bring them back to what they should be.

And that was that was just my moment of clarity where in I realized that that's where I wanted to focus. And I had to find a way.

Dan: Yeah, I love it. And I think it's important for like real estate investors. Now, when we first get in, it's probably more than \$10,000 question at first, you know, I'm sitting here with 100 bucks in my pocket. And the people who taught me real estate were throwing these checks have literally 6000 ,10,000 I'm like, Oh, my gosh, my head spinning, and you get in probably, you know, for the money at first, but then you start to realize, just like you did, right, like I am in the business, I'm on a mission from God, Joe, to get in there. And it could be we're answering prayers. So like, we had the older woman who was sitting next to this, you know, meth-dealing house with the guy with a shotgun in it. And we managed to get the people out of there. And you know put that thing back on the rent roll all renovate it nice and new, like do you think that that woman is a little happier with the situation she is, sometimes it's somebody who has that same house, they may be living in there with the sewer line broken, and you know, the basements full of feces, and they don't have the money to fix that up, that that person's better off selling the house moving on and having a landlord who they can call when a six or \$7,000 problem occurs. And the list goes on and on of these properties that it's almost like teeth that have cavities right in your mouth, and the dentist goes in and fixes that one, and then puts it all back together. So you can use it again, I feel like we're kind of looking for the cavities in the neighborhood as investors, whether they were in foreclosure or a tax sale run down distress, because they can't keep up the condition like that's our function, as real estate investors in society is to kind of like, bring these neighborhoods back to another level, by taking the risk, you know, we're buying these properties, we're then taking the risk with the capital, there's chances that you know, we're way off. I mean, I lost \$100,000 on a deal. This year, we renovated it, we bought it, we paid what we thought was a good price. And we had to cut a really big check to get out from under that.

And of course, we did a lot more deals where we actually made money and we got our numbers, right. But uh, you know, it's not, it's not a game that's completely full of winds 100% all the time. But we do know that the more volume the higher number of deals that we do, the more impact that we're going to have on the neighborhoods where we're doing business. And I think that's important for people to recognize or remember, you know, or acknowledge sometimes, but at the

bottom end of the day to \$10,000 in the pocket, it really does help and you kind of have to have that in order to keep going with the transformation. So Joe, I think you mentioned that you were doing some development deals, was that correct?

Joe: Yep, yep, we're currently doing some development, which is, which is a newer part of the world for me, right? I've been through some new construction in the past, but actually having it as you know, the individual leading the charge.

You know, this is a really awesome opportunity for me to learn and, and exercise some of my talents and my abilities in a different manner. So yep, we're, we're in in the middle of one right now we've got another one that is potentially coming around the pipe.

Dan: So what gave you the confidence to pull the trigger? Let's go back, you know, you haven't had a contract? Or maybe you're at the analyzation point, right? Like, how did you come to the conclusion that this was a deal that you were going to set forward and put in motion and get to the settlement table and build-out?

Joe: You know, sometimes I you know, it's one of those where it's like, open mouth, insert foot. And that was one of the scenarios I live in a small little resort town, there's 1200 people we live at the base of a ski mountain inventory is just not there. I mean, it is non-existent to a degree, right, we have a list of 12 to 14 buyers that are looking for a spot and I ran across a piece of land and the land has challenges does basically any, you know, potential investment, slash development opportunities, because the majority of the land has already been built on the good, the good, right.

And it was it was just one of these scenarios where, you know, the evolution of any profession, right? You know, I started as a 26-year-old not knowing how I was going to make my, you know, next rent payment, unsure of what I was going to eat, My car broke down, I don't have money to fix it. And I had to figure it out, right to running a billion-dollar brokerage nine years later.

And through those years, we had a lot of challenging times, we have a lot of wins, we have a lot of success. And I am always focused on growth and evolution.

You know, there's, there are two mindsets there, it's, it's stick with, you know, find a niche and just stick with it. Right. So, if you're good at listing homes, and just go and list homes, right, and that's just never really matched up with who I am, I like to learn new things, I like to do new things.

And so, you know, going through the evolution of investment of, you know, flips, multi families, wholesale, blah, blah, blah. development was something that was not really on my radar. And I, I just had that in my brain that I wanted to get into, I wanted to experience it. So it was an elixir have all the right pieces coming to coming together to where the piece of land showed up. The owner was willing to finance carry paper, I had some folks that were interested in participating from the financial side. And so we pulled the trigger, because I know that this market is really, really solid. And it could be one where I could, you know, trip over a few of the parts as I'm

working through it, but I know enough to be dangerous, right?

And so, you know, I had confidence in my abilities. But I also knew that there were going to be some, you know, stumbling learning opportunities along the way.

Dan: Yeah, that makes sense. Now, like the evolution mindset, I mean, for me, personally, I'm in the middle of a zoning change, so that I could put two basement units into eight units, all of a 10 unit building was done, then I have to rebuild the entire, you know, two units at the bottom there because they're not legal. And there's been a lot of experience and learning about the city of Chicago, number one, how zoning works. Number two, how permits work, number three, learning about the timeline on a project like this, number four, that a lot of these lessons, right? My niche is buying and selling houses very quickly. Like my goal is to buy and sell it almost instantaneously make a profit, keep going. Sometimes we buy them, we renovate them, etc. But in that openness for evolution, personally, and getting those lessons that are in zoning, all of a sudden, that brings these new angles that I can put into the main niche, which we're very good at whether it's negotiation lessons experience from you know that that \$100,000 loss has caused us as a company, right as a whole to negotiate better deals and stay a little bit better within our budgets and know which projects to pick to do a renovation and which projects to pass on.

So I think it's as critical as the evolution is going, I'm always on the lookout for. Okay, so how does this other thing that I'm doing over here, which seems completely unrelated to this first thing? How do I actually extract the lesson from that and apply it to this and I've gotten, you know, so many of those lessons come from listening to this podcast, you know, listen to a real estate agent, I don't list properties. But there's something to be said in the lessons that come from learning how to develop a team or talking about getting a contract or talking about heuristics or whatever the conversation thing is, and then applying it to my main niche. And I think there's just so much so much value in that to be able to continue to grow the career Right?

Joe: Yeah. There's a quote, the archer looks in for the fault. Right. And that's always stuck with me when we've had these opportunities of stumbling and opportunities for learning. You know, there's got to be a little bit of a pullback in a bow and arrow in order to launch forward. Right and, and I have no archery background, so I don't know why it sticks with me, but for whatever.

So what's what's fun, you know, you're talking about your \$100,000 loss this year. So this development that we're just talking about when COVID hit, I lost all of my funding. I had designs, everything worked out, we were ready to fund. COVID hit mid-March, I had notes and payments due April 1 and May 1, less than \$900,000 in funding.

Now you want to go into, you know, this, you know, some of these conversations when people find out you're a real estate investor, and they're like, oh, you're a shark, oh, you're taking advantage of people? Oh, this Oh, that. Right? I think your point about making sure folks understand what you're doing for others, right. And the help that they need in the process is such an important aspect. And, and an important point to make with people because they don't, they don't understand it, right, they just see the glitz and the glam side of investment. But they don't, they don't know the hardships that a lot of us go through in order to do what we do. So when all of a sudden, I had \$900,000 just disappear, we had to really dig deep, and figure out how we

were going to get through it. Right, we had to fall back on our abilities, our experience our expertise, right, and, and find a way to move through that challenge.

Because that's, that's all it is. Right? Like it's just, it's a challenge, we don't see the the answer to it. And we have to work through it to figure it out. Now, luckily, we were able to, you know, go do that we found some other investors, it took about six months, to get everything back in place to where we felt better about the situation, but we did it. And you know, this, this investment game is not for the faint of heart, you've got to have some moxie to you. And you've got to be able to grind in moments where you really need to show up.

So I think I kind of got off tangent there. But you know, it's so, so important that we deliver the message to individuals of really the opportunity, the benefit that we're providing to help people, you know, in moments of panic, and also to go in and rebuild some of these areas that have, you know, started to fade and need some love. It's just it's a really important aspect to me.

Dan: Yeah, there's a function to what we're doing whether as a real estate developer and investor, you know, yeah, there's a function to for the listing business, but the listing business is not going to have the same level of risk attached, I would say that there still is a lot of risk attached for a real estate agent in the listing business. Because we're dealing with people's lives here, there's moving trucks pack, the deal false. There's a lot of really rough people are making life plans here. And whether we're an agent or an investor, and we're supposed to perform on the deal, like we have to be aware of, since like, the stakes are kind of high to your point. And I do that \$100,000 loss. I do mention that to my team, a lot of time, it's like, Hey, this is not, you know, free money, like people like to say to the glitz and glam, what people like to do is, you know, look at only the wins, and likely the people on Facebook posting about their great real estate investment deals, they posted about the one where they lost 100 G's and the gal or guy who, you know, invested on their first or second deal and they lost, you know, 40--56, they made a big loss early on, they're mad at the business, they're not, they're not coming back to the table, either.

Some of them once, you know, they've kind of had to take their wounds and go home. This is a risky business. And we have at our company, we do our best to set ourselves up to win as often as possible and take the lowest amount of risk that we possibly can. But even in light of that, like we're still risking real dollars here to help bring through the process of these houses being rebuilt the solutions for people who are trying to get out from underneath us properties that are too overwhelming. But yeah, there's risk involved in investing. That's why it's investing, right. A lot of people don't learn about risk, probably until they're like our age 40 years, 40 years old. Joe, you and I, or older, right? It starts to take a little bit of experience before you understand what people mean by Oh, yeah, that's, you know, you're taking risk. Well, Oh, I didn't realize we were taking this huge risk, right?

Joe: Mm-hmm. You definitely have to live through a couple of battles, to get a better sense of appreciation for risk.

Dan: One of the kind of big ideas that I sort of took away from doing my research on who you are and what you're about legacy beyond listings, etc. Maybe it's a little off base, my big idea

here, but I feel Like you would agree or be able to elaborate on the fact that real estate agents you've seen have gotten caught in the trap of remaining too transactional and perhaps not, you know, spreading over to the investor side? Should it real estate agents consider or maybe, in your opinion, really embrace the investor side and make that part of a cohesive real estate career? Or is that you know, only for those that are not faint of heart, Joe?

Joe: No, no, you, you hit the nail on the head with that thing. I've been in so many conversations with a lot of real estate professionals that, you know, aren't taking advantage of the deals that are passing them by day in and day out, right? We're participating in the exchange of millions and millions of dollars each year, and we're not participating at the same level, right? So for me, it's, it's really how do we help individuals get involved?

It's funny, there's a, there's an old crony in our market. And I had a conversation with him. No disrespect in that statement, but it just is just an old dog. And early on in my career, he, he caught me and he goes, Joe, you're in the business of real estate, to buy real estate. And then that was something that just really hit me. I mean, here's, you know, one of the top dogs in the real estate industry here in our market. And, you know, he's telling me go buy real estate. And so as a result, it, you're right. I mean, as I, as I build this picture of my path, my journey through real estate, is all been pointed towards being involved in the transaction, not at the transaction level, but more so at the ownership level or the control level, right.

And so my, my movement, as we continue forward, is how do I help real estate professionals gain the confidence, or the hate saying the know-how, or ability to get themselves involved in the asset, because exchanging the asset is great, and a lot of people make a lot of money doing so I just think the better long term play is to understand how the asset works, understand how the investment and return work in a much different manner.

So, for example, right, if you're participating in the \$300,000 transaction, and you're getting two and a half percent and \$7500, that's great, right? And what if you had a network of financing behind you to participate in a \$200,000 transaction get two and a half percent, that's \$5,000. But you also get a 10% stake in the business or in the property. And we're going to utilize some of that those funds to go in and, you know, build out a \$40,000 return, right, I use 40,000, because that's kind of the normal number in my market.

So what you did is you just categorically increased your participation, by \$2500, or whatever that number comes out to be 4000 plus 5000, 9000, 7500, or \$15000, right, which isn't huge, but you're just looking at percentages. And you're looking to grow those percentages. So maybe the next property, you go for 30% involvement, right, and so on and so forth, you're just looking at ways that you can get involved in the transaction, as a result of your, your expertise, your zone of genius, if you will, and you at the same time, you're looking to build your network, in order to be able to participate in order to be able to bring in funds because people know what you do who you are, and want to participate with you. That paint that picture, okay.?

Dan: You did. And I'd agree I'd even point out right, so when I got into business, 26 like I didn't have family connections, I had a family I'm grateful for my family and they gave me a lot of skill sets that I feel like that was an inheritance beyond what perhaps money inheritance could have

come or something right, you know, looking at, like, Oh, we wish we grew up in some wealthy house. That wasn't me, but I inherited this wealth of skills. Some of mine happened to be around doing electrical work and contracting and just being confident to go in and fix houses up myself.

But that aside, I kind of took inventory of my own skillset and my own intangible assets that Dan Breslin brought to the table and I did this like maybe 2009, 2010, 2011 so this is after I was in the business, closing some deals, did some flips did some wholesale deals. So it wasn't like I was brand new and starting up, but I looked at what I had and when I didn't have it, I didn't have this endless source of let's say, money partners who could step in and fund my deals, which might be an asset that somebody would have bring into the table. I didn't necessarily either have this great long length of contractors with this, you know, great contracting business, I had some skills there, but not, I didn't have you know, contracting asset inexperienced to bring to the table at a level where that was something that was going to be valuable to other people in the network or in the business of real estate investing already.

One thing that I did have was I knew how to go out and find a deal. And it's a it was a paltry number of deals that I would put my hands on in 2009--10, or 11, compared to the 283 we did last year. But I made a comment, I literally wrote it down as if I was walking through a store and seeing how many of this product or that product, I wrote down the assets I could bring to the table and the number one most valuable asset that they embezzling could bring to the table and real estate investor business to single-family fix, and flip rental, small apartment building investor business in Philadelphia, Dan Breslin could be the source of deals.

And if I was the source of deals, I could decide whether or not it was going to be a 10% stake in the deal. Or it was going to be a 5050 deal. Or perhaps at some point, because I developed the source of deals thing. First, I learned what a deal look like I spent those late nights studying cap rates, like you talked about Joe, I, you know, pencil deals until I was blue in the face. But when I started bringing those deals to the table, I formed joint venture with a flipper. And then we rode that deal from start to finish. And I got to see how much the construction actually cost there. And I got to see the project, develop and I found the next deal, the next deal, and the next deal. And I decided no one in the world was going to generate more deals than Dan Breslin, I was going to find them so that I could figure out what participation I was going to play. And by having that thing of value, the other people in the network would take my call, they would sit down, they would hear me out, they would come look at the deal they wanted to participate.

So I didn't show up empty-handed demanding a seat at the table, I showed up with a deal. And I was looking to gain valuable experience from running those deals to the point where I can go out now and do these rezoning deals and run projects if I wanted to. Of course, I've gotten to a point where you know, the entire team is enjoying the fruits and contractors that we you know, way on told through our volume, or enjoying the fruits of that initial small asset of that I was going to be the source of deals and I had like probably one contract when I sat down and did that right. But it's like, how do I bring something of value to the table so that I can get the attention and deserve to keep an ownership stake in a deal, right?

Joe: Absolutely, yep, that's exactly. And, you know, for the real estate professionals out there. That's what you do, right? You find deals, you bring them to, you know, interested parties. So it's

just a, it's a really nice, easy play. And I've loved the opportunity now to have conversations with individuals that are needing to get out of their property, and it's probably lackluster, it's probably in need of some updating, there might be functionality issues. And as a result of what we've been focused on in building our network and funds and of people, you know, we can either help them fix it up, we can either help them just get them out of the asset, if that's what they're looking for. Right? There's, there's a number of different ways that we become the fixers, so to speak, and it's just, it's, you know, what do you prefer option A, B, C, or D? And if it's a win-win on both sides, great. Let's move forward.

Dan: Nice. So cool. Appreciate it, Joe. So are there like maybe a book or two books that you either read, you either read somewhere along the career and thought it was impactful? Or maybe when people come to you and say, Hey, Joe, I want to get into real estate that is that, you know, what, what one or two books would you recommend in those situations?

Joe: So let's say specific, I really like The Millionaire Real Estate Investor. That one just hit well with me. That's Gary Keller, the founder of Keller Williams, and I was with Keller Williams for nine years. That's the billion dollar brokerage that I was I was running here and in Alaska, and so I got to see Gary's mind to a degree and millionaire real estate investors just it's just one of those solid-solid foundational books that I would definitely recommend for folks, that looking to either grow their investment side or get participating in the investment side

And then for me, growth mindset, you know, really continuing to play in the space where I'm thinking big, coming from abundance and being, you know, more of the potential driven side versus scarcity. So there's books like, played bigger is definitely one of my go-to's and it's kind of an unspoken, you know, it doesn't get a lot of play. The author on that is Ramadan[?], and Peterson. I think there's a third that was involved in that one. You can go Grant Cardone [inaudible], regardless of what you think about him, personally, some of the points and you know, really just the vision of that book is super cool, right? It's, you know, how do you, you know, land on the moon in for the stars, so to speak. You know, so that's a, that's a really good one. And then, because I am more entrepreneurial, I like the Millionaire Fastlane. That was one of the first books that really made me think a little different. And that's just getting out outside of your box and looking at ways to create opportunities for yourself and in your world. And then I would say one other thing for the team aspect, since we hammered on sports, the book, Rocket Fuel, and that one's written by see, I think it's Wickman[?] off top my head. But Rocket Fuel is super cool talks about a, you know, an integrator and a visionary and the combo of the two creates Rocket Fuel. Really, really solid book.

I go through a ton of books, I listen to audible at two and a half times. So I have a nice book, I've got a 35-minute drive between where I live and the market. I primarily operate in and it's so nice just to pop on audible and go through it helps me expand my mind when I'm doing something that's pretty monotonous.

Dan: Nice. So crown jewel of wisdom time, Joe, let's set the stage your bank account is at zero, you have no deals on the board waiting to close and you are beginning your career right now in 2021, in Anchorage, Alaska, how would you get started?

Joe: So I think I mentioned earlier, what I lack in talent I make up for with persistence. And I would combo that with the concept of you're only one conversation away, you just have to find that right conversation. And so look at the source. So what do you want to be involved in? Where do you want to make money? Who has the money? And then I would focus on conversations within that realm. And it's, it's super easy, right? It's so for real estate, you reach out to the absolute best person, you can think of whoever is top of mind in real estate. I'm interested in getting into real estate, I was wondering who you might have in your network that is absolute best Top of Mind real estate person in your rodex[?] I do you think I could potentially get a conversation with them?

Dan: Great.

Joe: Do you have that conversation? You ask them? Hey, who's the best person in real estate? absolute top of mind? Do you think I could get some time with them to have a conversation, right? And you just you play the part right and out of the conversations, you never know what's going to come out of it. So you know, focusing on conversations within the realm that you want to play in at the source of who has either the assets, or the resources. Right, and you know, just continue moving forward, being possibility driven with a growth mindset. And I think you're right there.

Dan: Yes, solid, I love the fact that you included the phrasing of the question. So if anyone's listening, and they're newer, and they're going to be starting now in 2021, do not glaze over the actual phrasing of the question, it was done in a very pointed manner that's going to elicit a very specific result. And I'd also add on that I have multiple people on my team right now, who came through the podcast listening to episodes just like this. And they essentially they essentially did the same thing that you're talking about. It was a persistent follow up. You know, there were some adding value these guys did whatever they thought they could bring to the table. They were mentioning it and they you know, they called and they kind of asked those same questions and literally been part of the team. Some of my most productive business partners even to this day, have come through using this exact same strategy.

So solid info there. Before we get to the contact information, information piece here as we wrap up I just want to ask with a little bit of a fun question. So where are you heading today? Joe, once we wrap up recording our episode here?

Joe: It's a great question. So here in Alaska, it's 10:01 am. I live at the base of an amazing ski mountain with shoot, I want to say possibly the top three in the nation in regards to how much snowfall we've gotten. So the mountain opens in 28 minutes, and I will be up on that mountain in 29. So I'm going to go, I'm going to go read some laps, shred the gnar[?]. Have some fun, get lost in some towel. And then, you know, probably an hour and a half later after my legs won't really keep me up anymore. I'll make my way into town and go have some fun in real estate.

Dan: Nice. Love it. So where can listeners get more Joe Bell?

Joe: Yep. So we've got a website that we set up legacybeyondlisting.com. That was the whole premise of working with real estate professionals to help them get involved in, you know,

controlling assets. So we started with real estate professionals in mind. And then we just opened it up and said, Hey, this can apply to anybody so legacybeyondlistings.com, you want to schedule some time with me to just have a conversation and not enough people take me up on this. Like it's it's a, you know, a consultation of just having a conversation about real estate. There's a scheduler on there that they can reach out to me otherwise, an email address, joe@joebell.life and if they really want to dive into my mind a little deeper. I've got a book on Amazon called Assets, Acquisitions and Abundance

And we put on there super cheap so we could get it out to as many people are interested.

Dan: Sweet. Yeah, I love it. Our philosophies are the same, you know, we both make our money from real estate and real estate coaching. I love guests like that that are totally value add just like you are Joe. So really appreciate that. I appreciate you blocking out distractions. I know you're busy and given us an hour of your wisdom here on the show. Thank you for coming on, Joe.

Joe: Yeah, no, absolutely. You know, to me, it's, it's just how I run life. And if it's wisdom or knowledge for somebody else that, like you said, just added value in that regard. I enjoyed these conversations. Thank you so much, Dan, for, you know, the opportunity and I look forward to reconnecting here in the future.

Dan: Low-cost capital is the fuel of any volume real estate investment business. As a real estate investor, I am sure you're well aware of these two facts. First, your business is driven by access to capital, or starved from a lack thereof. And two, you make more money when you reduce the cost of said capital. Whether you're looking for hard money loans to fix and flip houses, rental portfolio loans, or even a line of credit. Lending home offers the most competitive rates in the market currently as low as 6.49%, which is good for fixing flip single-family loans. I paid 10% of myself at fundrehabdeals.com to my private investors. So at 6.49% if you like that interest rate, go to our [REI line of credit.com](http://REIlineofcredit.com). Even if you're not currently in the market for a loan at this very minute, I encourage you to still go through that one-minute signup process right now so you can get on the email list. That way once you're ready, and you have a deal or a few, their name is top of mind. Plus as a bonus for signing up through our [REI line of credit.com](http://REIlineofcredit.com). You'll receive a free iPad when you close your first loan. That's our [REI line of credit.com](http://REIlineofcredit.com).

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In 2020, my house flipping business, Diamond Equity investments bought and sold 283 houses. And so far this year we've closed out 14. We have 117 more in our inventory, either under

construction or under contract waiting to close. And we also have a huge number of leads, and plenty of capital to close those deals, but I could use your help. Right now we are looking to add an acquisition manager in each Atlanta, Chicago and Philadelphia market.

To help us out on the buy-side. We invest heavily in both time and money to create a \$150,000 a year and up opportunity for the right individual. This individual would be very busy very quickly closing deals. Plus being on the diamond equity investments team is the only path to participating in the diamond mastermind, our internal weekly skill-building discussion. Click on the careers link at dealswithroi.com. For details on how to express interest. We are at the end my friend.

Next up we have Chris Arnold joining us to discuss radio advertising for off market deals. Catch you next time.

Male announcer: 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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