

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

Dan Breslin: Welcome to the REI Diamond Show. I am your host, Dan Breslin, and this is Episode 179 on Motivated Seller Leads From Radio advertising with Chris Arnold. If you are into real estate, investing, and building wealth, congratulations, you are in the right place. My role here on the REI Diamond Show is to identify high-caliber guests who specialize in building wealth such as real estate investors and other industry service providers. I invite them onto the show and then draw out the jewels of wisdom, those tactics, mindsets, and methods used to create millions of dollars and more in the business of real estate. So on this episode, Chris and I debate the benefits of negotiating face-to-face versus closing deals over the phone. You know, virtual deals are immensely popular now in 2021. advertising on the radio for motivated sellers and high-level masterminds. Chris has mastered the art of radio advertising to generate motivated seller leads in Dallas, Texas, and now helps other investors do the same. Let's jump right in, shall we? All right, cool. Welcome to the REI Diamond Show, Chris. How are you doing today?

Chris Arnold: I am doing well, man. Thanks for having me on. Glad to come in and add some value today.

Dan: For sure. It is always exciting for me, right? The weather is this obvious topic a lot of times on our show. I don't know if the listeners are sick of it or what, but I know that a lot of my listening audience is in the chilly Chicago, Philadelphia Market, some were all looking out the window at snow storms as we speak and canceled flights. And it always brings a different perspective when I ask the guest like, how is the weather where you are at in the world, Chris?

Chris: That is a great setup, man. I love it. Obviously, I am down in Tulum, Mexico full-time. And that is about hour and a half south of Cancun on the Caribbean side. I had been down here for about three and a half years and the weather is great. I have come to realize I do not need seasons. I am literally fine with sunshine everyday and if I want to season and experience that, I will just travel to that season but I don't need to live in it. That is what I've come to know.

Dan: Nice. Where was home, just for perspective, three and a half years ago prior?

Chris: Yeah. Now I was in Dallas, Texas, right in the heart of downtown doing real estate. And again, that is still where we do predominately most of our real estate is in Texas.

Dan: That is cool. So I am sure we are going to get into it in just a moment about how you ended up there and part of how your business got there. It sounds like you are living that dream, umbrella drink sitting on the beach and the Caribbean lifestyle that many real estate investors are sold at the seminars like you. No one else who's ever been on my show has ever done that, Chris. So you actually are doing it.

Chris: Yeah, man. I mean, I got into real estate again. It's the same thing. I think everyone says it. And I think the core value that drives a lot of us as entrepreneurs is freedom. But I think for a lot of people they get in and they actually end up having less freedom than when they worked to just traditional 9:00 to 5:00. And so, freedom was a key piece for me and I was going to fight

however long it took and however hard to make sure that I had freedom of time and freedom of location to really create a lifestyle business because I am an adventure guy. I am a guy that gets replenished by being outdoors. I love being around people. I am not the guy that is going to wake up and grind it out every day. I just don't believe in that philosophy.

Dan: Got you. Yeah, I used my freedom of location early on. I read Tim Ferriss's book probably the year it came out. You know, 4-Hour Workweek.

Chris: That is really great.

Dan: Yeah, it was like, "Oh my gosh. I could organized a business." And I kind of did that early on when I was in Philadelphia and I was able to get the freedom of location and was able to pick up and then confidently moved to Chicago where I wasn't doing business at the time and I still live but so I could be near my daughter who was in their teenage years and it was to be a father. It allowed that freedom location. It allowed me to be a real father in my daughter's life. Now she's getting ready to head off to college and I am wondering what the hell I am doing in this icy cold tundra. But that is a story for another day.

Chris: Such a great descriptive word of cold weather. Cold tundra.

Dan: Yeah, you are right about that. So, enough of this stage. The stage is set. So, you run Cosa Investments. That is what I think leads in doing some background history there to what your life is today and where you become an expert, Chris. Do you want to start with the creation story of how you got started in real estate? Maybe the brief description of how it developed to what it is today and then what you've gotten really good at doing.

Chris: Yeah, absolutely. So, I started 15 years ago. I have been in the game for a while. I started immediately once I got out of grad school. For me, I actually have a Master's Degree in Theology. So, everything that I was trained and wanted to focus on was always the impact to people's lives. Social Entrepreneurship is what attracted me. And so, finishing up my degree, I was looking for a vehicle that would give me the freedoms that we talked about. Right? Freedom of time, freedom of money and location. And so, what seemed best at that point being 25 years old, knowing really nothing about this is that the juncture was real estate. And I was like, "You know what? It seems to be a great vehicle from what I see, so I'm going to get off the bench." I'm going to get in the game until I got licensed as a real estate agent, smiling and dialing, calling expired and Fizz bows. I can remember those early mornings pulling those lists. This was back before technology did that for you automatically. And so, I went to the brokerage route. I still have an independent brokerage and built that up to a pretty sizable team.

Chris: And then probably about 8 or 9 years ago, I started the investment arm to go along with the retail piece. And you know, that is fix-and-lip wholesaling, little bit of everything above. At this point, it is a completely virtual platform. So we have no brick-and-mortar office and we do all of our deals out of Texas, but say that about 80% of our staff live in other states around the U.S. So not only do I have that kind of freedom of location, so does the staff as well. And I've got a great COO and a great leadership team that pretty much manages all of the day to day. So I have little actual oversight over that business, so I get to focus on some things I am more

passionate about.

Dan: Nice. Nice. What are those things you are more passionate about?

Chris: About four years ago, five years ago, I launched Multipliers Brotherhood. What the need that I saw and the thing that I wanted to fulfill was the fact that entrepreneurs doing what we do at the stakes in which we have to do them under tend to isolate and really not have one confidant or person in their life that they can open up to when the shit hits the fan. And so, because of that, you see a lot of sideways behavior that comes out and see substance abuse and alcohol abuse, some extramarital affairs, and so forth. And so, what I launched about five years ago with the Brotherhood were really the top 5% of the real estate investors around the country creating a safe place where we could come in, grow our businesses, but at the same time become the best fathers and leaders that we could absolutely be and knowing that we would not really become those things if we didn't have the right men in our life. So that business is what gets me out of bed every day. I love, love that organization.

Dan: Yeah, it's pretty cool. As the listeners here have probably heard me say before, I struggled with drugs, alcohol for a long time. I got cleaned in 2005 and I stayed clean for a period of time. I built my business, real estate. I got in in 2006 around the same time that you did, Chris. And then as I see a lot of real estate people run into those same challenges, it did the same freedom. And sometimes the checks that come with commas; it opens up a pathway of choices and you can make bad choices. In 2008, 2009, 2010, I kind of fell back into my old habits. And finally on January 21, 2012, I quit drinking, smoking a little marijuana here. Nothing at all since that date, and it is obvious that my life is much better. I mean, I am here for my daughter and things are things are going well. But I do see my own history, without having people to lean on and see the example of, and I was kind of that like lone soldier. It is not the way it is for my company. Now, we have a strong culture of self-improvement and helping each other and picking each other up internally. It is great to have a group of partners, 20 or 25 people or so, on the team right now to lean on and have as example to make sure that I kind of looking around making sure all keeping on pace with all the areas of our life. So it is cool that you put that together for the top 5% of real estate investors around the country. I can see why that is a driving force and excites you to wake up in the morning, Chris.

Chris: Without question. I had the same type of background as you. And that is true, I think, for most entrepreneurs. We tend to be risk-takers. We tend to be the kid that got a lot in trouble in school. I see that story line again and again. We tend to rebel, to disregard rules. Those things are an important part in the traits of a great entrepreneur as long as they are put in the right direction. They are put in for good. Right? And so with that I realized that as much as the men need it, I needed it myself. And for me to think that I was going to get the top of Everest by myself, that is a delusion. There is no way that we are going to really become who we need to become as men in our lives without having other great men around us. So, as much as I built this to administer to these guys equally, if not more administered to me, being a part of my life as well and keep me together and continue to help me be the man that I need to become. So, absolutely. Super passion.

Dan: Love it. Love it. Cool. So we got some purpose behind you, Chris. That is definitely a great

place for us to start there. So let's go back. I don't know if it was 8 or 9 years ago when you put the investment branch of the brokerage together. I don't know if it was before then or if it was after them, but I am thinking I am going out on a limb here, Chris. That somewhere along the line was an inflection point, and you went from this hard labor of pulling these expired listings. I don't think that was what led to the success you eventually started to have that maybe open a door for you to work virtually in three and a half years and the latter portion of your career's growth. What would you say was the inflection point and what would point to as hey, this is kind of the thing that really made all the difference?

Chris: Yeah, you are talking about where I really started to see growth and change and development. Yeah, I think it was the few things. It was when I really understood the value of coaching and being coached. I think at this point, like as of today, I have about five coaches that I work with in my life. And so, if you go back and look at the biggest changes and transition, that was one. The other was hiring a true integrator and Chief Operating Officer. When you get that, you can rocket fuel visionary integrator relationship going as well that created some major change. And then I think thirdly, from a perspective as a leader to be humbled by the fact that there is somebody out there better at every job in my organization than I am and stop walking and ego thinking that I can do it better, and then it is my bidding [?]. So as soon as I truly embraced a delegation, truly embrace having the right coaches in my life and the right peer, that was when things really started to change. So if I could go back, those are the three inflection point.

Dan: Nice. Okay, cool. So, what about when you started to scale your lead flow, right? You are calling expires still to this day or you have a better idea?

Chris: Yeah, so for speaking in terms of just scaling lead flow specifically, it would be about radio. I am the type of guy that has gone in and done literally every type of marketing channel that is out there. I think probably some of the listeners know what that is like because you are trying to find whatever is the best fit for you. But without question, and I've actually been doing it for 10 years because I even started on the retail side before I flipped it to the investment side was radio. And I like to call radio as the best way I describe it is the marketing channel that everyone knows about but nobody is using. Usually what will cross people's minds when I say this and all I have to do is connect a couple of dots and it's like, "Oh, I got it", is number one, people go, "Well, radio is old." And I will go, "Absolutely, and so is your demographic."

Chris: The problem is people confuse themselves as their avatar and so you evaluate your behavioral style and say, "Well, I got a Spotify account where I stream music." But I'm sorry, people over the age of 50 do not do that. And the primary demographic for real estate investors across the country, without question, is over the age of 50. Those are the people that when we are going directly to sell that were picking up a lot of our deals from. So if you understand that those people by nature still have the habit of listening to radio, they do not stream their music, that gets you literally right in front of the very people that you want to get in front of. And it has been completely overlooked all these years that I have been doing it.

Dan: Yeah, it makes sense. People sometimes maybe would turn the nose up to it. I'm curious because I don't do the retail brokerage side and I do know that there are some other people who

advertise on radio in the markets that I am doing business and they do a lot of retail brokerage. And I am wondering, like, economically my radio ads, Chris, they didn't pan out and I can't keep them going with the exception of one or two small radio stations. I can't keep them going because it really doesn't justify the cost. We are not getting a lead flow in. The cost per lead is too high. The cost per deal is too high. But I don't really have the other tool and the tool belt to give a retail listing because we never developed the retail brokerage side. We strictly flip houses and kind of focus on that niche. What am I doing wrong?

Chris: I can tell you a few things. Again, most of the people that I work with on the setup radio, or even like our self, don't really do anything on the retail side. We are talking about using radio as a hundred percent marketing channel for distress seller leads to, again, do whatever you want. Fix-and-flip, owner finance, et cetera. So a couple things I can tell you that have been done wrong for you or anyone else, and I see this again and again, is most people are going in and here. It's their process of buying a radio. I see it. What you are going to do is call in to your local radio station. You can ask to speak to a sales rep and you are going to ask for a media packet. They are going to send over a media packet with the pricing of the stations and then you are going to lean on that sales rep to give you a little bit of guidance and you are going to pay pretty close to that price and feel good maybe you got a five to ten percent under.

Chris: That would be just like me saying I don't understand why I can't get investment to work because I go to my local real estate agent and I sit down and I look at the MLS with them and then I go to buy properties, but for some reason I am not making any money and of course, you are already laughing because you do not go to a retail agent to find investment property and you do not go to a rep and ask for immediate packet to do radio. It is about as 180 backwards as it could be. So here is the process in what we do. We buy radio like we buy our real estate at a deep discount and wholesale price. I am talking 25 to 50 cents on the dollar. And the way that we do that is we go in and we subscribe and get access to what is called Nielsen.

Chris: I want you to just think Nielsen is like the MLS for radio. It has all the data and staff and statistics on each radio station. We pull a certain amount of report, and based on those reports, we call a station and we tell them what they are worth. We tell them what they are worth based on how many people actually listen to that station, which we referred to as [inaudible]. How many people over the age of 45, hour by hour reports, et cetera. And I am telling you, stations are not used to this. They are like, I am used to people just asking me for a media packet. These people are coming in talking DR reports and coming in and telling us what they will pay for it. So what I can tell you is most people are not making money on radio because they are just like someone going and trying to make money on investment property by using a real estate agent. It doesn't make sense.

Dan: Yeah, that makes sense. Are there one or maybe two other mistakes you would say that people would make most often when trying to run radio advertising?

Chris: Yeah, without question. They are choosing the wrong genre station. They are not understanding that radio is meant for the avatar people over the age of 50. So, they are going to go in and look at a station and they are going to see certain things like, "Wow, that station based on the rep tone be is a super popular station." And you look at the stations like, "Oh, there is

Taylor Swift and whoever else on there, Bruno Mars." And then the reps are telling you, " That is a great station. It is super popular." But the problem is you didn't connect the fact that people over the age of 50 don't listen to Taylor Swift. They listen to classical music. They listen to old school rock, old school country. So people are literally going in and just choosing the wrong genre station. I see this happen all the time. Again this isn't rocket science, but you have to understand that you've got to match the type of music to the type of person that you are going after.

Dan: Yeah, and that kind of makes sense. And we did do that, I thought. We had it on the Sports Talk Radio, which was usually like who watch the baseball?

Chris: That is wrong. Wrong. Wrong. I will tell you why it is wrong. You want to focus on music because when it comes to sports and talk radio, yes, you are getting people that are over the age of 50, but you are dealing with an affluent demographic people that listen to talk radio primarily do not find themselves in the distress situation. I am not saying that talk radio doesn't work, but the people that we are going after that are going to have a circumstance that creates a deal, I'm sorry, do not tune in and listen to whoever, Rush Limbaugh, Glenn Beck, or whatever man. These are people that listen primarily to music. Again, you are asking me what mistakes I think were made, I'm just kind of pointing out the differences here on how we view radio and how we set it up. And you know as well as I do, every marketing channel out there works if you know how to work it. I know people that have built businesses off of text blasting or bandit sign, pay-per-click campaign. It all comes down to you got to crack the code on the marketing channel. And so, what we are talking about today is that radio is such a substantial marketing channel if you understand how to crack the code on.

Chris: And again, I think if anyone's listening they are like, "Okay, I get this." I can see how everyone else is thinking about doing this, they are doing it completely backwards from the way that we are talking about now. Let's speak numbers, right? I hope you will set this up all over the country. So, I am talking most markets at this point that we tell people set up statewide. So, what I can tell you is for the last 10 years of us doing radio and I see this also for people that we do this with, is that they get a three to four dollar return. So again, that's what matters in marketing. Again, cost for me, cost-per-acquisition. Yeah, those numbers are great to look at, but the number we care about is what comes out the back end. And that is for every dollar we spend, how many dollars are we getting back in return? And so, I can tell you for the last 10 years, we always land consistently between three to four. And that is what I love about it because when I did like the direct market, we are using a hundred thousand pieces of direct mail box at one point.

Chris: The problem I find with these other marketing channels is you get a very roller coaster effect on your dollar per dollar return. It's just doesn't create a consistent flow of leads and there are just things that come in and affect what type of return we see on a monthly basis. Radio for us has just been tried and true. We always land somewhere between on average 3 to 4 dollars and that has been that way year after year and that is what I see across the country as well, which is great because you can triple the quadruple in your investment, on your marketing channel. That is a good healthy marketing channel to keep.

Dan: Yeah, it has to. It has to be around there. Otherwise, it doesn't make sense. So we had number one, don't pay retail for the radio spots. Number two, choosing the wrong genre. What else am I missing as far as mistakes go, Chris?

Chris: I think that those are probably two of the biggest mistakes. And then the third is going to be probably the ad. Again, I am going to back that up in favor. What is being missed are the other 20 variables that need to align for you to create distress early. So we could come on radio and sell different products, right? You could try to generate distressed sellers. You might try to sell a product. I might be an attorney trying to generate lead. You have to understand that every industry has a certain way in which radio needs to be aligned. So the question you start to ask, let me just start from. Do you run a 30-second spot or a 60-second spot to generate motivated seller lead? To get motivated seller lead, is it better to advertise on weekdays or weekends, mornings or evenings? Do you put a phone number or do you put a website address, or do you put both on there? Unless you split tested and begin to figure out that there is a certain way that those variables need a lineup, you are going to miss the boat because it differs from whatever it is you are trying to sell on radio.

Chris: So for instance, when I did retail in the beginning as I mentioned, I got into radio tinkering on the retail side to generate listings. Those ads in the sense of when they ran, all of the variables I just talked about were entirely different. And that is still underneath real estate. We are just talking about generating a listing lead versus a motivated seller lead that wants to sell cash. And it was that much of a difference. And so, what I would tell you is those variables have to be lined up, and on top of that we've got to be running the right type of AD as well.

Dan: Got you. You are doing this for some other people with some people coaching them, etcetera. Do you find that these variables are differing from market to market, Chris?

Chris: Nope. It is the same set of variables.

Dan: Interesting.

Chris: We literally copy and paste the same set of variable.

Dan: Interesting.

Chris: The only thing you might see is you might tweak the language in the ad a little bit just depending on your area, so forth in the sense of having a certain level of let's say pizzazz or style based on your culture of your company or the way that you understand maybe demographically how people in your area communicate. Again, people in the Midwest are a little bit different than the people in New York, et cetera. But other than that, we are copying and pasting the same one.

Dan: It kind of makes sense. This sounds like it is not a strategy for someone who is just starting out or flip seat a couple houses per year. You kind of have to be running the advertising.

Chris: No. No. I will tell you that 80% of the people that lead helped set this up have been in the business less than two years. Here is why. Most people think that in order to get on radio I am

going to have to start with a budget of 10 grand. Everyone and including myself when I started on my first station to get on a radio station and advertisement, we do the exact same formula. We advertised 100 times per month on a radio station. We started a hundred. We ended a hundred, and then we just go buy another radio station and do another hundred act. Is that makes sense? So most people are like, "No, I am probably spending \$10,000 a month on each station." Nope. We spent around a \$1000 to \$2000, which means we are buying ads at \$10 to \$20 for a 60-second spot, which means that the student that is newer to the game who is spending a couple grand on direct mail. Probably more, three or four thousand a month on direct mail can actually get on radio a lot less expensive.

Chris: And here is the real kicker of what I've seen. If I knew and I am working at 9:00 to 5:00, or I am new to the game, I am really stressing with how to balance my time and I go launch direct mail, which is what I call a high maintenance program. I got to get the direct mail card, right? I got to beat everybody out on building the best list possible and list stacking. And I am dealing with the mail company and then let's not even talk about the headache of all of the calls that come in and half of those calls are hate calls and I am new to the game. I am like, that is a big waste of my time. I don't think I can even hire someone to come in here and filter it because I can't afford it.

Chris: If you look at radio, it's set it and forget it. You literally just pay your monthly bill and answer the phone when it rings, and the call volumes a lot lower than something like direct mail. And the quality of lead is way higher because people don't call in off a radio Ad and tell you to stop playing your Ad like they do on direct mail. So what I found is people that are new to real estate love it because it's low maintenance for them, it is creating an immediate call volume for them, and it is creating a good quality leads for them to be able to convert. And so, I found not only is it great to scale, but man, students that are new are like, "Man, this is a great channel to start with." So I've had spent literally like this is the first thing they launched before cold call, before ringless voicemail, before Tech boxing. It is crazy.

Dan: Nice. Nice. How many leads do you expect for a thousand bucks a month? I mean, talking like two three leads a month, ten leads?

Chris: Depends on a lot of variables there, but let's say--

Dan: Hundred leads?

Chris: An average station of a \$1000 to \$2000 a month would be generating let's say anywhere from 10 leads to maybe 30 leads a month, something like that. Super reasonable.

Dan: Nice. Is this better in big cities with big radio stations, or is this better in secondary areas where not huge population?

Chris: If you lined up people that are in all of those markets, they will tell you why they think it is better. If I am in a small market, they are going to argue that my campaign is literally sometimes it's 10%, 20% of somebody like me in Dallas. So they are going to look at my budget and look at theirs and go, "Dude, you are paying way more than I am because I am in a small

market. I like the fact that my budget will never be as expensive as yours to scale." Right? So, people in large markets will say, "Well, it's more expensive but I love the fact that I have so many more stations to choose from and I am not going to hit a ceiling before you do because I could spend and get on literally 20 stations in somewhere like Dallas, Fort Worth that has so many stations unlike to the other side." So, to be honest with you, to answer you straightforward, it is a pros and cons. Do you want more supply and the ability to scale really high? Then be in a large market. If you want super inexpensive, they could go and advertise radio on a small market.

Dan: Makes sense. Makes sense. Do you still run? Do you still run real estate companies from the Caribbean completely virtually? Do you guys are still doing deals with these, right, and to shut everything down and do the mastermind?

Chris: No, we are doing deals a hundred percent all day long.

Dan: Nice.

Chris: Yeah, for sure. As I mentioned, my team runs the show and they handle all the day-to-day operation.

Dan: Do you guys actually do the living room, some boots on the ground where you are doing business and located in specific marketplaces, or do you do everything over the phone and like on a FaceTime call now at this point?

Chris: The main thing we have is boots on the ground as we have in-house runner and inspector. So the way our process works is a lead will come in, the acquisition network, and we have a calling assistant that will screen the call because we don't send anything to our acquisition managers that is not warm or hot. When the acquisition manager gets on that call that looks like a viable deal, what they do is they actually send out our inspector. So they are setting in an appointment for the inspector, not themselves. And then the inspector goes out, does a report, does all those types of things, brings that info back, and then we negotiate. The reason we do that is we negotiate once and we get it right. So again, the other model is just tie it up and then get into doing price reductions. What we prefer to do is actually get it right the first time, but because we have that, you know, I have acquisition managers that are not in Texas and so they can contract over the phone because we have an inspector that can go out and see the properties and the back reports and pictures for them to do their evaluation.

Dan: So the acquisition manager doesn't necessarily need to be in town there. I am just trying to wrap my mind around it. It's a big topic on my mind too, Chris, because like here we are in the second surge of COVID right now as we record this. Hopefully, it dies down a bit by the time this episode goes live. But we, like many real estate investors throughout the country, we tried to make this quick and immediate shift to doing everything like nearly virtual. And we did a handful of deals, but it was nowhere near effective as us showing up and doing business face-to-face. Have you attempted any of that completely virtual experiment? And if so, have some results to share.

Chris: We do most of our stuff virtually. We did that Pre-COVID. Again, there are two models. I will not argue that you will have a higher conversion ratio if you go belly to belly, eye to eye with someone. There is no question about that. But the other thing that you have to look at is the scalability, your company's ability to close over the phone. So what I would argue in this is what we find when we are doing deals in Dallas, Fort Worth. And again, I let my acquisition managers choose. I do have one that is in Dallas. He is a little bit older school and so he prefers to go out on the appointment. So that is fine. If you want to do that, great. But the other ones that aren't even located in Dallas, they don't even have that option.

Chris: And so, what I have found though is some of my top producing acquisition managers will tell you, "You are not going to put me in a car and sit through traffic and know that at max, I can go out and pitch two or three appointments in a day because of drive time." Particularly in the Metropolis where one 45-minutes this way and 30 and so forth, and then you get worn out. When they could literally sit on the phone and tie up contract over the phone. So what I am telling you is it becomes a debate of one creates a higher conversion, but the other one is more scalable. And so, that is where the debate comes in. Do you want something you want to scale or do you want to stay nimble and small and get everything you can out of the guide and go face-to-face? So I don't think it is right or wrong. I think it comes down to preference and how you want to run your company systems.

Chris: Where we've landed is we've just given our acquisition manager the choice. If you prefer to lock it up over the phone and that is your game and that is how you are going to do it best, then do it. If you feel like you need to get out there and get belly-to-belly, you can go do that. And so, that is where we've landed by allowing them to choose.

Dan: Got you. And you guys are in one market or have you started kind of scaling out using that model beyond-- Forgive me. I think you said you were in the Dallas, Texas Market.

Chris: Yeah, rather than going to other markets meaning like in another state, we just continue to expand our radius. So again, virtual sounds great. I've got buddies in numerous market. My overall philosophy, and again, just preference. It is not right or wrong. First, we could go an hour outside of Dallas and service that with our buyer's list, right? Then we can go 2-hours and I think we are probably up to like a 3-hours radius to Dallas. And again, I have a lot of home, man. [inaudible] never 3-hour radius of Dallas, Fort Worth. So when you say we go into other markets, yeah, technically we are in other markets, but we are just doing it by expanding our radius rather than jumping to, "Hey, I'm going to go now do deals in San Diego, California."

Dan: Yeah, I find myself with the same radius expansion kind of a thing. Me and my team, even acquisition managers, are like a little more willing to drive an hour and a half two hours now than they were 18 months ago. I mean, you close a healthy deal an hour and a half away that you kind of sized up on the phone. They are going to go out there. I give them the option too, in those scenarios. They will go out there right now. I think for me and maybe for you to your degree, Chris, but I think that there is a certain coming to terms with the wider radius and the longer drive times for the sake of having deal flow and deal volume. Now, when I am fixing and flipping houses, doing it the whole start to finish versus a transactional kind of wholesaling a deal that is two hours away, or selling it as is. Buy it, clean out, may be paint it with a local

person and then sell it without a tremendous drive two hours away. That is fine. But if it is going to be something I am changing kitchens, bathrooms, renovate from top to bottom, that is got to be inside a smaller radius.

Dan: But when I first got in the business in 2006-2007, I had one county, Chris. I was doing business in Delaware County, and that was it. And I had giant County of Philadelphia probably three times the size like 20-minutes away, and I didn't realize I was going to have to get comfortable with that new larger market if I wanted to sustain any kind of deal volume. I have seen other investors go through that same kind of thing where the willingness to drive a little further to find the next deal is just part of the long-term growth strategy or evolution of an investor.

Chris: Yeah, and there is less competition out there. To be honest with you, if you can build a buyer's list to serve those smaller rural towns, you can have people's complaints. Well, I would pick a deal up there, but I can't move it and I always argue back to build a better buy in with the marketing strategies in other county, because good discount and properties will sell in every town. You just got to figure out who in that town that lived there that wants that deal.

Dan: Yeah, that is true. I have run into quite a few worthless deals where the neighborhoods are just so low cost and the properties are in need of too much repair where the numbers don't really justify anyone buying them. Some are like far cities in Southern Illinois, and some upstate Pennsylvania areas, Upstate Georgia ones we've run into. But on the flip side of that same experience, Chris, are this very sparsely populated two-and-a-half hours outside of Atlanta, Georgia. And I am expecting the, "Oh, this is going to be a hard to move deal." And the thing flies off the shelf. It is the hottest deal. There is a bidding war. I'm like, "Wow, I can't believe how vibrant that is."

Chris: You just never know. You just never. And that is the thing about doing deals. I mean, I do think that is a little part of that old strategy of sometimes just wrapping it up because we can as much as we think we can predict. We are always sometimes surprised on deals we thought were slam dunk that aren't, and deals were like nobody's going to want this and it's like, "Oh my gosh, I have people go crazy over that deal." Funny.

Dan: Exactly. Exactly. So I have a couple wrap up questions here, Chris, with an eye on the clock here. I do want to ask you these few. The first is, what two books would you recommend most often? Maybe like kind of the newer just in real estate a year or two, and then maybe like an experienced real estate investor recommendation?

Chris: Yeah. Honestly to tell you truth, there are not a lot of great straight real estate books out there. I get this question on podcast, but I will give you what I would consider foundational business reads and so forth. For some, it is a little bit more advanced book that really changed my understanding of business. It is called Organizational Physics. It helped me really understand the growth cycles of business. It's kind of did from my understanding of business what traction and scaling update from my understanding of systems and processes. It was just a game changer. It changed my entire thinking. And for people that are newer, I always recommend E-Myth Revisited by Michael Gerber. I think that is such a foundational read for people to understand

that they have got to learn to transition from being in the business to working on the business. Because I see people get so stuck in the business and never really take their selves from being a real estate entrepreneur to an actual business owner.

Dan: Perfect. I am going to get Organizational Physics, and I have ready E-Myth, but I am looking forward to checking the other recommendation out. So Chris, this is the REI Diamond Show. It is all about the jewels of wisdom, hence, the diamonds. That said, let's talk about the crown jewel of wisdom. Is there one thing you would share with your younger self? Maybe one thing you wish you knew then that you know now?

Chris: That is a great question. If I could go back and talk to that guy, I got to be honest when I mentioned it a little bit at the top of the show because it has been such a life-changing understanding for me. I just don't think that people understand the importance of mentorship, coaching, whatever you name. I don't really go to accomplish anything in my life anymore without first asking "who?". Who's going to give me here? When I need to better my marriage, I don't get in and go, "What I need to do?" I asked, "Who do I need to bring into this marriage that is going to help us and give us the wisdom and guidance when we need it?" When I need to take my fitness to the next level, I don't ask it what question I have to. Who is the right trainer that is going to get in here and help me meet my goals? And so, I wasted too much time in the beginning trying to figure stuff out myself and trial and error in it rather than just taking the time to always get in and understand that whatever I want to achieve, I am always going to go find the very best person that is going to help me figure out the fastest and most effective. And again, people just continue to miss this point I feel like again and again. They waste too much time without going to the experts.

Dan: Smart. How can listeners get some more information about you, or you got radio, or maybe even closer investments?

Chris: Yeah, absolutely. On the radio, someone's listening going, "Man, this makes a lot of sense." These are the people I hear like, "Man, wow, I'm tired of competing with everybody else on direct mail and everything else that just seems to be so oversaturated right now and you are looking for a blue ocean." You can go to wholesalinginc.com/reiradio. Again, wholesalinginc.com/reiradio. If the whole multipliers piece was something that you go, "Man, I never really experienced brotherhood. I would love to have those type of men in my life." You know, if you are doing a minimum of a million in revenue per year, you can definitely check us out at multipliersbrotherhood.com. And of course, you are always just free kind of content and want to snoop around a little bit and go over to my YouTube channel and subscribe, it's Chris Arnold Real Estate.

Dan: All right, cool. I got pages of notes here. Chris, I had a blast and I really appreciate you coming on the show.

Chris: Hey, man, I appreciate it. Good to come on and have some good conversation today. I like it, and it is great to come in and add some value, man. So, thank you.

Dan: So, are you interested in doing deals with no money down? You know, creative financing.

Sounds like a good idea, right? Then you might consider diving deeper into the mortgage note business. The mortgage note business is the creative financing strategy and real estate. First, negotiate. No money down deals with sellers. Then find a buyer willing and able to put some money down and continue making payments until the deal is paid off with the profit for you and in between. And one of the things with creative financing is that you can sell properties for much higher prices using creative financing. So here is an example. I bought a package deal a few years ago and as part of the package. I think there were five houses that I really wanted because they were in the right area. And there was a sixth house for \$20,000, not in the right area. That house that I had to buy for \$20,000 part of the package, it was worth about \$20,000. And I tried selling the house on the market for \$20,000, plus or minus leaving the room for the commission, but to no avail the house did not sell. So I removed the listing and I wrote a Craigslist Ad offering that same house for \$45,000. And this time, I added creative financing. So the deal sold for a price of \$45,000 with \$8,500 down and \$443 per month for 10 years. So the deal was off my plate collecting payments.

Dan: Now, if the deal runs all the way through the 10 years, I will end up with a total of \$61,660 on a deal I couldn't sell that I had to buy for \$20,000, which amounts to a profit of \$41,660. Not a bad deal on a deal that I couldn't even sell to break even, right? So, what is the best way to learn about creative financing, no money down deals, and the mortgage note business. Well, you are in luck. My friend Brian Lochner is hosting a full-day virtual workshop in a few weeks on exactly that topic. And normally this cost \$97 to attend, but as an REI Diamond Show listener, you can attend free when you register at REINoteSchool.com. This class is a full day of content, tons of examples of real deals. And of course many of these deals are the crowd favorites. No money down and extracting a nice chunk of cash upfront followed by years of additional payments. So go check the schedule and sign up at REINoteSchool.com.

Dan: Thank you for tuning in to the REI Diamond Show. Remember to review and subscribe on your favorite podcasting app. Just search REI Diamonds and click subscribe. I read and I appreciate every review. So thank you in advance for taking the time to write one. Would you like to get my weekly big idea email? In that email, I provide the most valuable jewel of wisdom that I discovered during the recording of the most recent episode. Sign up at reidiamonds.com. At that site you can also access the 182 episode archive organized by category. The Long-Form Gold category is a particular favorite of mine featuring long play episodes not limited by time, which take an even deeper dive into the topic and the guests' wisdom. Again, that website is reidiamonds.com.

Dan: In 2020, my house flipping business, Diamond Equity Investments, bought and sold 283 houses. So far this year we've closed out 27 and we have 116 more in our inventory, either under construction or under contract and waiting to close.

Dan: That said, here is how you and I can do business. Number one, if you are interested in having access to real estate deals that you can buy, fix, and flip in your desired market, go to www.accessrealestatedeals.com. Number two, if you are an accredited investor interested in passively investing in my private mortgage investment opportunities, go to www.fundwehavedeals.com. The average deal pays two points and ten percent interest. And number three, last but not least, I am always buying houses that I can fix and flip as well as

occupied apartment buildings with below market rents. If you have a deal that fits that description in either Atlanta, Chicago, or the Philadelphia region, please send me an email with the details. We are at the conclusion.

Dan: Next up, we have high volume Atlanta virtual wholesaler, Brandon Barnes joining us to discuss his strategy of making offers over making appointments. Until then, my friend.

Voice-Over: 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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