Automated Voice: Welcome to the REI Diamonds Show with Dan Breslin, your source for real estate investment, Jewels of Wisdom.

Dan Breslin: All right. Welcome to the REI Diamond Show, Jim. How are you doing today?

Jim Sheils: Good, Dan. Good to be here.

Dan: Yeah. So we usually location-stamp. I'm in Chicago. The listeners know all about my history. Maybe you want to kind of give us where in the world you're at and sort of maybe your markets for context, and then we'll dive into some of the other stuff.

Jim: Yeah. I'm in St. Augustine, Florida. That's my hub market. Like you, I grew up in the cold, just north and Jersey, and I don't do well in the cold anymore. So I'm in Florida and Costa Rica part-time, and we're in about 12 different markets in Florida.

Dan: Sweet. Alright, cool. Do you want to give us the reader's digest version of sort of the business model, maybe the evolution of your real estate investment career, and then we can kind of get started there, Jim?

Jim: Yeah, sure. Like most of us, I started out pretty clueless 24 years ago. I remember the first offer I had accepted in Lompoc, California for 152,000 on a three-family house. And I hyperventilated in my kitchen when it got accepted because that just seemed way above my anything. And that was the first deal. And I went into a pretty active model in the central California area, a place called Bakersfield, buying, fixing, and reselling, and renting HUD foreclosures. I did that for a number of years. It was crazy in California. I didn't like the landlord laws or the taxes. I'd always liked Florida. I had grandparents there and went off to Florida and started doing the same thing. The meltdown happened, which was not fun but we survived it and there were tons of deals. So we went into bulk foreclosures, buying, fixing, and reselling HUD foreclosures, not HUD foreclosures, bank foreclosures. Fixing them up, keeping our own portfolio, working with investors. And then by about 2015, we just got two screwy around here. It was getting bid up, you had to cut corners as a rehabber. So my now building partner and I said, well, what if we could build our own houses in properties instead of finding old ones? And that started as about a $3 million experiment and bring it up to last year we did 185 million in sales. So we build new construction only. No more rehabs. Rehab shoes got hung up. We're just new construction, single-family, duplexes, and quads are our main focus. And we're in high-growth markets in Florida. And all that means is markets that are experiencing economic growth, population growth, have a good affordability index, healthy supply and demand, and something desirable drawing them to the area.

Dan: Fantastic. Before I go down the tangents of real estate-specific questions, and we're going to dive deep into that in a few minutes, but you have 18 Summers on the wall behind you. And for the listeners who are in the audio version only, we're on the video, you could check that out on YouTube. Would you mind kind of touching on that and the family values-driven nature of how you've built your career over the past decade-plus?

Jim: Yeah, about, whew, 12 years ago, my wife and I started 18 Summers. It was just a simple family education company that was doing some retreats and workshops, and it was about bringing families together with this simple premise. We wanted to be successful in business and at home. And getting invited to some real estate events at a young age, Dan, I got to get too close to some heroes with huge balance sheets and absolute nightmare personal lives. And I didn't want to be like that. I was like, I don't think it has to be that way. And now a father of five, myself ranging from two to 20 and both biological and adoptive, it was just a big value that I held for myself. So it was really built out of a need for my own that I didn't want to fail at home. So how could we find easier ways to get it done? How could we be more present at home? How could we bring more families together to kind of mastermind, if you would, family life and how to be more engaged and enjoyable? And that's where 18 Summers started and our book came out of just some simple stories and strategies we were using at home and just got a following that we were not expecting. So it was an unexpected thing, but I'd say I'm definitely known more for family than I am for real estate, and I'm okay with that.

Dan: Yeah, that's pretty cool. When I first saw the booking agents kind of putting it through, I was like, huh, what is this? Oh, okay. He is like a real estate guy, but he has this 18 Summers thing and I'm exploring your name online and the different companies. And I'm like I'm not sure which is the company. It kind of seems like the 18 Summers in The Family Board Meeting was more of your public-facing figure, right?

Jim: It is. And Dan, I got to tell you the thing that I used to be told as I started these things out. You can either be a real estate guy or a family guy in the business sense. And that was terrible advice because what I found is some of the biggest partnerships I have now, someone heard about me, like you did, and they said, hey, will you come in and do a family talk at our event? Well, I ended up being, let's say a large event of doctor investors or real estate investors. And I would do a family talk. And the next thing I would know, I was creating deals and doing JVs with the people that brought me in to talk about family and real estate or opposite. So the two have really worked together and I'm really happy they have.

Dan: Yeah. I think one of the things I found, I don't recall where it was online, something to the effect of I built the business. I'm sure I'm butchering your quote. I built the business with family values first. Something of that nature. Do you recall?

Jim: Yeah. With that family priority, I wanted business to fit in with the family, not family to fit in with the business. And that one distinction has been really important. And a lot of that came from just that 18 Summers equation. See, I had a mentor when I first started wanting to do these talks and this craziness of doing family talks at business events, real estate events. Really. He said, man, I love this. He said, let me tell you, my kids are grown and if I learned anything, you got 18 Summers. Do those first 18 Summers right. They'll come back for more. You'll never regret that you did. And for me, it was a really powerful math equation. If you read my book and go into the story, my wife and I met, she was divorced with full custody of two young boys and that's part of our whole story. And they asked me to adopt them. Here I am, an instant dad. And that was at the age of seven and five. So when I did the 18 Summers math equation, I only have 11 Summers left, man. I only have 13 Summers left. That doesn't seem like a lot. And that put a positive motivation on the time I actually had and going on to have more children together and adopt more children together. It's always been in my forefront, Dan. Yeah, real estate's great, but

I know that time is fleeting. Now that young seven-year-old is now 20. So the time goes. But I mark the times with some of our strategies and I've never had a regret of saying, gosh, I spent too much time with my family.

Dan: Yeah. I don't know, maybe you have met people who have families and you're like, yeah, fuck the family. I don't care about that. No, they can go to hell. I think, right? When I saw the 18 Summers, I kind of knew exactly what it meant at first. Okay, the kid's going to be 18 years old. I have this short period of time and I'm like, man. My daughter's 21. so I'm at negative three now.

Jim: There you go.

Dan: And that was the whole reason I moved to Chicago. So her mom moved with her from Philly. I guess I was 25 years old, 2005. I struggled with addiction, drugs, alcoholism, that kind of thing. Finally was able to clean my life up, knock on wood for good, I hope.

Jim: Yeah, good for you.

Dan: January 21st, 2012. So it was 2015. And I remember praying for what's the next vision for my life here for the next chapter. And the Philadelphia market, we're flipping houses and we're making money, and things are going well. And the vision was, hey, I got to go to Chicago because we're doing the equation, I guess at the time, maybe she was 12 or 13. So what do we got? Six left at the time?

Jim: Yeah. Good for you.

Dan: And I knew I'd regret that on my deathbed making that decision, Jim, to move from Philadelphia to Chicago. I never would've went into another market. I would've stayed flipping houses in Philly, and that would've been plenty of a great life and it would've paid all the bills. But the fact that I went to Chicago as the catalyst to open the office in here in Chicago and then grow to the Atlanta market, and now we're doing deals in Arizona like all across the country with our three primary markets that never would've come had I not made the decision to come hell or high water, get out to Chicago and figure out how to make it happen so that it could be there for, not those last couple years, right? She's-

Jim: That's a big chunk of years. Yeah. So it's like, you did what was right and then the money followed.

Dan: That's right.

Jim: Well, I think there's this bad advice out there, Dan, where people are like put your head down for the next five years, seven years, 10 years, your family will understand. I think that's horrific advice. Horrible. It doesn't have to be like that anymore. We're not in the madmen era of life anymore. We have to be at a big corporate office. So many things can be done afar, but also, we all have fuel in the tank. And I got to guess, and I don't know you that well now, but I can understand your path and values now. Your tank would've been half full if you were still trying to do what you were doing in Pennsylvania because you would've felt that separation. We're talking a deep-rooted fundamental value purpose. And you answered that. And I guarantee the gas in the tank went up for you just by doing it.

Dan: That's right. Yeah, that's absolutely right. So Jim, I'm curious, you've had The Family Board Meeting is the book you wrote.

Jim: Yeah.

Dan: And you said that did pretty well. Are you on the third edition now?

Jim: Yeah. We just released a third edition with some updated stories and a little piece on marriage as well. We had always self-published it, but we had a publisher approach us, and we just did it Memorial Day weekend with that 18 Summers theme, and it went to number one on Wall Street Journal. So we're pretty proud of that.

Dan: Congratulations.

Jim: Thank you. Yeah.

Dan: What is the essence of that book for somebody who may not have read it already?

Jim: Yeah. The essence is you have to set some clear, simple, yet powerful rhythms in your family life to keep it intact, keep it engaged, to keep it below the surface, to keep you being the one your children or your spouse's go-to for advice instead of their friends or the internet. And so, I tell my story about coming into the life of two young boys. My wife was married right out of college to a high school boyfriend, horrible situation, alcohol abuse. She stood up for herself, got full custody and I met her a few years later. And we hit it off famously but the boys reviving for a father, but also had trust issues. And so, we started to do these days of just them and I. And the stories I tell about those one day a quarter with each of them. And we talk about the transformation that happened in the first year of these boys with trust issues and just where they are today. Just the miraculous things of my oldest had been said. He was put on the spectrum for autism. They retracted that within a year. And he had night terrors every night. Those were gone within a year. These are just really powerful things. And we talk about these, what I call board meetings where I'd spend a day with each of them with a few guiding principles. And now this one simple strategy is practiced by predicting right now over 300,000 families worldwide because I started at business events to tell this story very uncomfortably. I got pushed to do it more. And the book basically explains a few rhythms and a few principles to put into the family life so it doesn't pass you by so that you can actually be there. And when you're there, you're really there. You're not working on a deal in your head, you're not distracted, you're fully present with them.

Dan: So it's an action item, if we're keeping it simple, could be one day per quarter, we're scheduling the board meeting with each of our kids individually.

Jim: It's what I did. Yeah. So every quarter, I spend, and I don't care what you call it, dad day, mom day, fun day board meeting day with each of my children every quarter. They're my most important investors, clients, key team members, whatever you want to call them through your entrepreneurial mind. And there are only three guiding principles, Dan. The first is the one-to-one. This is the game changer. If you don't hear anything else today, whoever's listening to this, get one-on-one with the people you love. You got to separate the parts to strengthen the whole. That gets you below the surface. That puts the magnifying glass on the relationship in a positive way. One-on-one time happens so rarely. I came from that big Irish Catholic family, which I got like 5,000 cousins, and those are great getting together. But real, getting below the surface and real deeper conversation happens when I'm one-on-one. I talk in the book, I had a big experience of donating a kidney to my father 12 years ago. Yeah. We got an extra decade with him. He died on Christmas two years ago. But leading up to that kidney surgery, I feel really lucky. Yeah, I had to give up a kidney, but it's the first time my dad and I really had one-on-one time in deeper conversation. It's just not an Irish Catholic jersey way to have a deeper conversation. Everything's fine. Your arm could be falling off. So that's the one-to-one principle, the power of it, getting one-on-one.

The second thing I talk about in the book is a term we coined called intermittent tech fasting. So intermittent tech fasting. Now you look like you're a pretty thick guy, Dan. So you've heard of intermittent fasting. You're not giving up eating, but you're deciding to eat only between this time and this time. Why? Because it's good for organ revitalization, fat-burning muscle. There's a purpose to it. Same thing I do with these days. I'd spend with my kids, dates that I would take with my wife. I practice intermittent tech fasting. My phone is not invited on these days because what happens is you know as well as I, one text, one phone call, one useless Facebook thread, you've already lost purpose, and you're not focused right there. Does that make sense?

Dan: So, the whole day?

Jim: Whole day. Well, at least four hours.

Dan: Okay.

Jim: I probably just gave a few people out there a heart attack, Dan. Probably just be-

Dan: It's ironic. So literally a week to, I don't know, two weeks ago, I live right by Lincoln Park here, Chicago. It goes all along the waterfront. So I like to take a walk out there. I've been doing it for years. But I've been doing it with my AirPods and listening to the podcast, listening to the audiobook, right? And for some reason, I don't know, a week and a half ago, I decided to leave everything at home. The phone, my keys, the wallet. I left the front door unlocked and I walked. And Jim, it was strange for the first 10 to 20 minutes. And I got used to it for the last 20 or 30 minutes. I did it a second time. I haven't done it again yet. But the second time was very interesting to be able to separate the tech even for that very short little piece.

Jim: Yeah. We don't realize how much we need to be rejuvenated. And of course, it's good to listen to podcasts, to learn, and audiobooks. But we need that rejuvenation and especially when by ourselves, phenomenal. Bust with my wife. These quarterly board meetings with my kids. And then at the end of the day, I always turn off my phone for an hour or two every day. So I break my own rule when I get home, Dan, instead of leaving my phone in the glove compartment or just where I can't get it, my little five-year-old Maggie was sitting there. She's like, daddy, let's go on the trampoline. And I'm like, okay. I have my phone in my pocket. So I'm getting on the trampoline, Dan. And I hear in my pocket that dreaded, right? Now, I don't even have to look, but I've gone into 17 different ADD entrepreneur scenarios of what's happening with that. I pull it out. It's about quarter after five, and someone just screwed up a simple closing. It was real basic, like, how did we mess this up? It was supposed to close today. And so it's 5:15. Everything's closed. I can't do anything about it. So there, I am going into the scenario. I'm not there on the trampoline with her. I'm swearing under my breath. And all of a sudden I come to and there's my daughter standing in front of me and she has got a quivery bottom lip and tears in her eyes. And she goes, daddy, why are you so mad at me? What did I do?

And right there, it made me realize we get so involved in our work for good reason. We want to provide. We want to, as entrepreneurs, achieve. But right there, I couldn't separate the parts. And so, we're not that good. We think we can multitask on that. But if we're always on, especially in real estate. Look, whoever said this is an easy sport, I don't know, they're just selling you a commercial or something. It's not. So we get emotional. We get into it. If I hadn't had that phone on and I'd left it in the car, none of that would've happened. I would've gotten the text two hours later. I would've had to deal with it tomorrow. Anyway, there was nothing I could do. And there, my poor little five-year-old actually thought I was angry and bitter at her. She'd got caught in the crossfire. And too many times when we're too available, Dan, especially as real estate investors, it's a badge of honor. I'm available all the time. Call me anytime. Well, you have no rest. And then, you're not having that time of unavailability where your family takes precedence. Because all of a sudden, you get that one, you don't even look at the text. You don't even pick up the call, but you've gone somewhere else. So I've found intermittent tech fasting for your like, walk experience, it's so rejuvenating. You're going to sharpen the saw. You're going to be more effective. And definitely, you're going to feel more connected. Like where you said that slowdown period happens, if you're one to always keep your phone on, you're listening to this, make sure your phone's off for the next date with your wife or husband for two hours. Go out for an afternoon with your child and no one can reach you. You'll be okay. Business won't blow up. But see how much more aware, and you're going to get a sense of like, holy shit, I'm on this thing all the time. That nervous check and all that. So, intermittent tech fasting is one of the most important things that we teach at 18 Summers.

Dan: Nice. So we had the one-on-one interaction, intermittent tech fest. And then there was a third, Jim?

Jim: Yeah. The third is all about fun activity with focus reflection. So you know, I'm like an education buff because I always did so bad in school. I wanted to figure out other ways to learn, which I'm sure a lot of my entrepreneur buddies agree with. So that's the shortest definition, fun activity with focus reflection for experiential education, which I think is the best in the world. Get in the trenches. Learn by doing. And that's what you're doing when you're spending these days with your kids. I let my kids choose the day, whether they're three or 19. They build the day. We all say I want to support my kids' gifts and talents, and interests. Well, let them plan a day. You're going to start to see those things. My son, since he was young, the one who overcame all those things, well, a lot of our board meetings turned into fishing adventures. And

Dan, I like fishing. I don't love it. If I have the chance to go surfing or fishing, I'll surf every time. But my son loves it. And guess what? Now at the age of 20, he has his own charter fishing business. So you know where these things are going to go. But the fun activity with focus reflection just means you have a good time together. You're not distracted because your phone's not on. You probably share a meal and then maybe a little conversation. And this isn't like you have to be Dr. Phil or a family therapist. You can ask what was your favorite part of the day and why? Or what we've really learned, and I've put this into the last book. When you've come to a point of this where you've set a day, you're just one-on-one, the phone hasn't distracted, you've had fun together, a good meal, you're more vulnerable.

Your guard goes down. And most of us have our guard up. And, for me, Dan, it's been a magic time for both my sons and my daughters now to either give a sincere apology or a genuine compliment. And I didn't realize how much I was lacking those for them. And I'm kind of ashamed that I was. And I talk a little bit about that in the book, a sincere apology. I can't tell you how far one of those can go. It can recover a relationship that is hurting like that. A genuine compliment can give a kid something to live up to that they were hoping you would notice or they didn't even notice was special until you brought it up and then they go deeper in it. That's the third principle. It's fun activity with focus reflection, which just means let your kid choose the day. Go all in. Save the time at the end to talk a little bit. Don't lecture. Don't be that jerky parent that has 50 lectures. We all try to do it and give that sincere apology you might've been holding back or that genuine compliment that's way overdue. That's the whole thing. It's a paper napkin book. I just kind of gave you the book, there's good stories around it, but you got it all on one paper nappy now, Dan.

Dan: Yeah, it's pretty cool, as you're talking about it. So I do growth sessions with a lot of the executives on my team.

Jim: Cool.

Dan: We book out a block out an hour, not super structured. What is it that we have to have as actionable items, right? It's not like we're answering the same five questions every time on those. And then, I started doing them with a variety of different people in the organization. And I think my daughter must've been going off to college. Maybe she was already there. So the irony of me going from Philly to Chicago is she decided to go to Temple College in Philly and move back to Philly.

Jim: I know it.

Dan: She moved back there right as COVID was starting. And I had the idea, okay, why don't I do these growth sessions? We'll do them on every Sunday. And we were having them scheduled. We would do her to-do list. And what I would do sometimes, Jim, I would kind of catch myself sort of like you said, lecturing. And as you were talking, I'm like, yeah, that was me. I'd start needling on the goals and what's the future going to be. I could feel the energy shift sometimes. I think we came up-

Jim: You can.

Dan: We came up with good goals, right? She wanted a dog. She's got the dog now. She wanted the apartment, had her find the apartment on her own, and build out some cool things in her life. But there were a lot of them where it was like the energy shifts and the needling starts, and it's kind of turned it into a bit of a lecture. So it's cool to hear. The very simple format for these days is number one, allowing the kids to plan the day and come up with the idea and then adding in that sincere apology or genuine compliment.

Jim: Yeah.

Dan: Have the kids. It may be early on, someone's going to try this this afternoon, and the kid is 13, 14, or 15 years old now. It's going to be awkward at first. Maybe you have a story or an anecdote of somebody who did this or one from your own. What if the kid couldn't pick? I don't know what I want to do, dad. You figure it out. What do you mean? What is this weird day, right? How do you do the first one? How do you break the ice, Jim?

Jim: Yeah. First of all, if with best intentions, sometimes we get pulled away from our family to provide and protect, and we're not there. And you can't blame them for being there with their guard up. So you just got to accept that. But what I've found is honesty goes a long way because kids, especially teens, they have a very finely to tuned bullshit detector. And if you are baiting them to go into something where you're going to grab those first 50 lectures that they need to have to improve their life because they're at subpar and you need them better, they're going to sense that. So what I always tell people is to be honest. Most time when they read my book, say, look, you're 15 years old, and a few years you're going to be going out and taking adventures as a man or a woman, and I'm excited for that. But I'm going to miss you. I want to make the most of the time we have here. There's no strings attached. I just know time is fleeting. I just want to spend time with you. That's all this is about, having a good time. And when you say that, it's not going to work 100% of the time, but a lot of the time, Dan. That sounds all right. Another thing I like to do, and again, maybe I'm not the best judge, is I like to bribe by letting them cut a day of school. If you had to start it off, and think about this, let's say if you did four-year, and every year they missed two days of school, I was never a fan of the perfect attendance award.

But me looking back, you do this for, let's say, 10 years, and then 30 years from now, you've expired. It's the end of your life. What do you think your kids are going to say? They're going to look back and go, I missed those two days of school every year. No, they're going to look back and go, man. I remember all those adventure days we took. And dad would pull me, or mom would pull me out of school for a day or two each year. And that's what's going to stick. The conversations, the moments, at least, that's how I feel. So bribe. Let them miss a day of school. Do something fun, and then don't screw it up by starting to lecture them. Actually, get down to their level, have a good time. And that can go a long way. And again, I have not found, and I've worked with thousands of families now, me included. Remember, I'm on my own Guinea pig that is not due and overdue for a compliment or an apology. If you do something fun, and again, this is important too. So you and I, Dan. might be Phillies fans, right? And we're like, yeah, Phillies. You're going to take your daughter to a Phillies game. She might like be like, I have no interest in the Phillies. I don't care about them. I don't like them. Yeah, but here you and I are punching ourselves in the arm. She might want to go to something else, to a concert, to whatever.

That's why you let her pick. We always try to pick like we know, but if they have some ideas or you've seen they've been talking to their friends about, it doesn't have to be expensive, but sometimes I like it. Your daughter might love Ed Sheeran. I saw Ed Sheeran is coming to the stadium. Do you want to go see him? You could make the idea, not pick it for her, but just based off of things you've heard her wanting to do. Does that make sense?

Dan: Yeah, it does. Very cool.

Jim: And I can tell you I've had more princess parties, Dan, than I want to admit to with my daughter. Not my proudest moment, but it made her happy as hell. And I do it again for her. I probably will have to have another one or two. She's only eight. But yeah, the best thing here, I think, I could say, Dan, if I've learned anything, look, we don't have to be a family. Psychologists and therapists are awesome, and there's a neat time and a place, but we don't all have to become one to be engaged and effective in our family life. The solutions don't have to be as complicated as made the problem. And what I've found is if you follow a few principles and only a few rhythms. I spend a day a quarter with each of my children. I do weekly date nights without fail with my wife, every week, same bat time, same bat channel. We sit down on Sunday for an hour as a family, like, hey, how was last week? What is coming up next week? In just a little conversation and then we always had an adventure planning. That's four rhythms. I only have probably about seven, eight rhythms in my whole family life, but it holds everything together, holds the thing together. And what I've found is a lot of entrepreneurs that have really good rhythms in their business, and then it's just a free for all trample over at home.

Dan: Yeah. How about that? I think I remember Don Wenner mentioning these board meetings with his kids in his book if I'm not mistaken.

Jim: He did. Yeah. So Don jokes that, he said, Carla read Jim's book twice before she would read my book. So we friends. Our wives are friends. So Don, to his credit, and Don is running a, I forget, they have 1.5 billion under management now, and a large conglomerate, and he does not miss a board meeting with his three boys every 90 days.

Dan: That's impressive. For those listening, Don Wenner runs DLP Capital and a whole other slew of companies that come under, I think, his DLP brand. And he's right outside of the Philadelphia market. So I think some of our listeners right there local probably have had Don's company funding their rehabs. I know there's a lot of people that are using DLP Capital for that. Maybe you'll connect Don and I, and we could have him on the show if he were here.

Jim: Yeah. No, I'll get him on for you. And for anyone out there to think that putting your values out there seems corny or scary or a waste of time, that's a perfect example. And I can speak about this. Don read my book, and then I had him come in and do a thing with his leadership team, then speak at a few of his annual events. And then, he also ended up investing about 40 million into a growth project we needed for our build-to-rent venture. And then we built an RV resort together. So, sometimes showing your values without any strings attached or an ulterior motive can help you. You win trust. And I know that's what happened with Don and I. If he was on here, he would say the same thing. But yeah, don't be afraid to live on some of the values you really feel have impact because it's surprisingly done some good things for me. I guess I shouldn't say surprisingly, but I kind of doubt it. I always thought showing your family values could get in the way, and it's done the opposite for me.

Dan: Cool. Yeah, great stuff there. I have to pick the book up so that I can become as informed as you said Carla was.

Jim: Carly, yeah. He says that on stage. It's pretty funny.

Dan: Yeah. That is cool. So why don't we shift gears here a little bit, Jim? You kind of alluded to the build-to-rent and we started off the episode. You were talking about the build-to-rent, replacing the rehab strategy. And it's a very interesting iteration to deal with the compression of inventory that we saw from the years of, let's say, 2010 as foreclosure activity was humongous to 2015, where it started to tighten probably in Florida, first in 2015.

Jim: Yeah.

Dan: I'm amazed here in the Chicago market to see the inventory that has gotten as tight as it did even in Chicago. So a lot of the challenging areas that had no investment or honor investment for a really long time. And these were still challenging areas. There's high crime in some of these areas, not necessarily high-rated school districts. There are still a lot of issues there, but one good thing that happened is with the values rising, we saw a lot of south suburb neighborhoods and south side Chicago neighborhoods really climb.

Jim: Of course.

Dan: And those climbing values allowed for a high-quality renovation to occur. And across the board, challenging or not, I'm just amazed to see the inventories in Chicago. Obviously, all around the country, the inventories have shrunk, but it was kind of like Atlanta's inventories shrunk probably 2016 through 2018 where it really started to have an effect. And we were there. And then Philadelphia and Chicago, both are much older cities than the Atlanta area. And Philadelphia and Chicago's inventories really tightened 2019 into 2020. And then, 2020 really supercharged the tightening in both of those MSAs. So would you mind kind of giving us the, I don't know, the benefits that you discovered, the wide open blue ocean, I guess you could say, of the strategy?

Jim: Yeah. But just like anything, you're in multiple markets now for your niche, but also draw a bigger need because buyers need multiple markets. So you've even been able to expand. I could have never expanded rehab and old foreclosures the way that I did new construction. And from any of the top real estate economists I know, from James Burns to all of them, we were behind on building, no, wait. It happened. Certain areas got overbuilt, but overall, there was a housing shortage. Now we're at a real shortage. I think, forget the quote, it was like, we've formed in the last five years over 12 million new households, and we've only built 7 million new houses, and we were at a shortage. And so, what I liked about the build to rent, it's a tougher barrier to entry. Just like you being in multiple markets or moving to Chicago is a tougher barrier to entry, but then it has an upside. So building is a tougher barrier to entry, but then there's a few things that open up for you. First of all, you can pick in better areas and do more projects in one place. And another thing that's really nice is when all we were looking for was old fixer-uppers. And again, that was our thing. Bulk foreclosures it's a great niche. You can do really well at it, or old fixer-uppers, but there became so much competition, Dan, in northeast Florida. Like you said, there was a compression on the inventory. Now we're not stuck within the inventory. We're creating our own inventory.

And so many people didn't think like that. And so, that gave us an advantage to do a volume. And again, we keep properties for ourselves, but we also have a large client base looking to build their own portfolio, and they want less headaches, less maintenance repairs, less turnover. And we found with the new construction, for me personally, and I own old houses obviously, but it seems for me that even I put in a new roof, new heating, cooling, new plumbing update, kitchens, bath, electric, after three years, I'm going to have to budget for a higher maintenance and repairs. It's just the way it was. And that's fine. I'm getting a lower basis getting into the houses, but a lot of our investor clients are busy professionals, business owners. They don't really want to be that involved. So we found that going into new construction, the turnover, the maintenance, and repairs, like there was no three-year curse. We have properties nine years old now, and we still haven't seen it. Because with the new construction, we're building right from scratch. So we can build them for better aesthetics and better durability and in better areas. And that's been kind of our key thing. There's no way. I'm impressed all the markets you've gone into, but I guess with wholesaling be your focus, since my focus was more, I'd buy a property from you, Dan, and then I'd renovate it. That was kind of my position in it. I don't know how I would've been able to scale into 12 to 14 markets in Florida with my old model. There's just no way. The new construction, since we were going to bigger levels, bigger contracting, now became our own self-builder, we are able to scale much larger. And also, management became easier. We provide management. We'd always open up management in the market before we built. Let's face it. It's a lot easier to manage new construction properties in better areas.

Dan: Yeah. Superior product. The new construction, I'm blown away, right? How many houses in a year? What would be the-

Jim: Well, we started. The first year was an experiment. We did 3 million in properties and last year we had 185 million in sales. So we've built over 2000 properties. And right now, our company is sitting on a little over 6,000 lots that we want to continue to build out in Florida.

Dan: And how many of these lots would be in a given project? Are we talking to 20, 30 house subdivision? 100?

Jim: Yeah. So what we do, Dan, is we do a lot of infill lots. Going back to our old-school real estate training, I'm sure you got it too. It's like, well, try to buy property where there's a mixture of homeowners and renters, right? So that's where we would go. We'd go to infill lots, I'd say B plus neighborhoods, we'd find infill lots, and we'd build a single family or a duplex in there. And there's already a good amount of home ownership. So those are infills. Now, we'll also do what we found, the thing is, big builders, they like to jump to the next project. So there might be a big project where they build 250 homes, and the last 30-something lots, they're just moving on, and we buy those final lots and make those build to rent. Or, since we have a whole land division now, let, one of our bigger projects. We bought a defunct golf course in West Jacksonville. It ended up being 1000 lots. Now that's a big risk to build out. Plus, we don't really want all rental.

So what we did is we sold about 850 of the lots to National Home Builders, and we kept 150 lots to do our build to rent. But again, that keeps that nice ratio of homeowners to renters. Now, for some of the larger family offices and institutions, we'll do whole communities. Like we just did a deal yesterday of the group buying 15 quads from us. And it's a nice little community. So that'll obviously be all investor-owned, owned by one group. And so, we will do those as well. So we do a mixture. But well, a lot of people in build to rent really just wanted to do, I'm building a whole community. Even Don. Don and I talk about this. Don loves whole communities. We like doing infill lots in nice communities. And we do both, but there's different ways to do it. But we always liked the infill. We seemed like it was less risk for our individual investors. And also, the neighborhood was up and running already, and there's something benefit to a neighborhood already being up and running.

Dan: Yeah. From the perspective of the investor who's buying that, whether it's you and your own portfolio or someone listening right now who decides to buy this next new construction infill lot, you have much more of a vibrant, perhaps retail market to be able to sell that one off asset, right?

Jim: Exactly. That's huge. Resale ability is huge for us. You buy new construction, and a lot of people hold a property seven to 10 years. Well, in seven to 10 years because I always look at exit. A lot of people don't look at exit, which I bought some properties. I was like, what? You never even gave a thought about exit on this. Did you? And I learned the hard way. But these, we know exit is very healthy because for a single-family or duplex in these right areas in seven to 10 years, it's only a home, seven to 10 years old. Very resellable, good areas. Normally, these are good equity growths just below the median. So it has that nice exit not only selling to an investor, but also to a first-time home buyer or a retail buyer.

Dan: Yeah. It blows my mind because I've been following Burns Consulting, and if anyone's listening, you can get on a free email list from, I think, Burns Consulting, if you look them up. Great information. A lot of stuff on new construction. A lot of stuff on the build-to-rent. So I've been following that for four or five years now. And every time they said build to rent, I automatically assumed it's communities. It's 1500 houses, and they're all being sold. And then, when I was doing the research to get ready for today's episode, I kind of saw what you were doing. I'm like, wow, this is almost this quasi-like a timeshare model in a sense almost. You could build this build-to-rent community, and you could sell that entire community off to individual investors, perhaps if that was how you exit it. I like the strategy you just described even better, where 850 go to national home builders who are going to infill and sell the 850, and you're keeping 150. And it's probably going to be 150 sold to 47 investors separately.

Jim: Exactly.

Dan: And now they have this very liquid asset in a community of mostly homeowners, not going to be a jump for a homeowner to pay a premium price for that product in this well-established neighborhood five to seven years out.

Jim: Exactly. And that's the whole thing, Dan. We tried to look at it from start to finish because look, before I did this, I had made a lot of mistakes and I'm like, okay, where, I call it the brother-in-law rule, like what advice people said would you give your brother-in-law? I really like my brother-in-law. He's a vet. He's a great guy. So imagine if you like your brother-in-law, what advice would you give him in real estate? And I always said I would own less of better quality with less leverage. For most of my clients, that was it. I got into this thing, I got to own. Once I got the 100 House club, your life is set, and I way surpassed that. But again, I had deferred maintenance and not the best areas, and way too much leverage, and just trying to buy. And what I found was now I own a lot less property, and I have a lot less equity and more cash flow. So it's not always about the number of properties. What's the performance? And with the new construction, I found we can just take a lot of that guesswork out, and the people have exactly what you're talking about. You can liquidate it. Certain times, you know if you're going into lower margin areas and yeah, you get that low basis. It could be hard to liquidate.

Dan: That's right.

Jim: And we like the option of our people being able to liquidate retail without an issue or to another investor. And so, that's why we picked that sweet spot of the market just below the median.

Dan: Yeah, I'm just looking over mentally in my portfolio right now. My newest house is probably 1958 or something like that.

Jim: That was-

Dan: Old stuff.

Jim: [inaudible] Before I went into this. Yeah, but that's what we had, right? You and I are rehabbers. We love sweat equity. And sweat equity is a great way. You know what I mean? I would never take that away. That's what made my bones. But what I found is if you can get into new construction, it will be a slower seed sprout in the beginning. You're going to be at a higher basis, and it will be not the 1% rule. You're going to go below the 1% rule. However, what I've found, the wind does pick up for your back. And in those first few years where we've seen through two different semi cycles so far, as that picks up, there's a big importance to less turnover and less maintenance repairs. I didn't realize how much. It's crazy. I can't believe, Dan, that less than a decade ago, I was still putting carpet in all my houses. Someone should have took me out back and shot me.

Dan: Not in Florida.

Jim: Everywhere. When I was in California, I figured that the amount of money that I spent on carpet, I could have bought two houses cash. A nice house is cash. And I'm like, why wasn't I using vinyl plank flooring or something else? And you just learn these things.

Dan: Yeah, I guess you're right.

Jim: Yeah, it took forever. The new construction, I think, gives better placement, especially for people who want to be more hands-off. And we work with people who want to be more hands-off. They're busy doctors. They own another business, they want to be involved in real estate, they don't want to source themselves. And we're able to give them a lot more comfort and less involvement and great returns. And that's the combo we've always sought after.

Dan: Yeah. And I think probably for people listening just like myself and why I own all this other product that is older and a little harder to sell, I probably spend a lot of money in maintenance. And I think the big pill that's hard to swallow, Jim, is the smaller seed sprout, as you called it, on the front end.

Jim: Yeah, absolutely.

Dan: Right. So there's this fair price for a quality asset, that's Warren Buffet said. Happy to pay a fair price for a quality asset rather than a good price for an average asset. So if we look at one of these deals, this would be the superior asset that we're going to have. We're going to thank ourself 10, 12, 15 years forward, assuming we hold it for that period of time. Can we color in the example or color in this concept for an investor who's going to buy one house in one of these developments? You're building it now, what's the purchase price? What's the down payment going to be? What is the expected delivery date of that asset? And maybe kind of what is the return on that down payment upfront as they're getting in day one, day 180, right? First six months.

Jim: Yeah. Great question. So our main menu, Dan, is 240,000 ranging up to 850,000. That's a single family up to a quad. That's going to be in one of our high-growth markets in Florida. Again, our five factors are population growth, economic growth, good affordability index, healthy supply and demand, and desirability. What's drawing them there? We're looking right now in the new construction about a five to seven cap for cash on cash return. That'll go anywhere from 6% to 11% cash on cash return to start. You don't have to buy our properties cash. I know some properties I bought, you had to buy them cash. We can get Fannie Freddie financing on any of our stuff ranging from 20% to 30% down, so your average down payments. So when you start to look at that, you are starting again below the 1% rule. But when you start to look at our performance of how we've seen, especially incremental rents go up, and also the maintenance and repairs and turnover, how that's just plummeted, that's really cool to watch what happens in those first three to five years. But that's where your starting point is.

And delivery date, like I talked about, Dan, a piece of our company was acquired by a group out of Dallas called Breland Homes, who's owned by Sumitomo. And Sumitomo has been in the news. They are like the standard oil of Japan. There are so many different conglomerates. They got broken up after World War II. They're a huge company with a great reputation. Warren Buffett is involved in some of their stuff. And they purchased us. So we still require to keep a piece of ownership, and they have a piece of ownership, and they bankroll all of our projects. The advantage to this, for any builders out there, they're going, man, that's nice. You don't have to keep putting a file in with every bank to keep your building project going on. So we have a parent company backing us for all our builds. So that means we can just build as we go. We don't have to build on contract, which gives us the chance to get our clients' properties quick. So where some builders right now might be 12 to 18 months out, you can close on our new construction with us in less than 90 days.

Dan: Meaning less than 90 days from now?

Jim: Yeah.

Dan: You have product right now that someone could-

Jim: We are coing properties every day, and we don't even put them out for sale until that is a certain point now. We don't have to have a contract because our parent company will just say build. We believe in build and rent. We believe in Florida. We got your back. And so, now we do that. And yeah, you can close in less than 90 days. So if someone called me, hey, listen. You're on Dan's podcast. I'll say, great. Looking at that duplex in Palm Coast, I know that area. I like it. Great. That property is supposed to CO in the next five weeks. When do you want to close? 65 days. Okay, no problem. So that's how it works.

Dan: And how long after the CO is a tenant going to be placed in that property?

Jim: We're averaging about 37 days right now. During the pandemic, we were down to 12. Now it's back up to pretty normal levels.

Dan: And you typically will have this sold before it gets marketed for rent?

Jim: Most of the time, yeah. Once in a while, we'll have a property that is sold, and then people might lose financing or they lose a job. And then, so that'll come back on the market and there might be a tenant moving in. So you could get a tenant-occupied property. The nice thing, too, as I explained it with the infill lots, Dan, so we're building similar properties in a similar area. Well, we handle all the management, and as your leasing agents are going around, so you can actually say, hey, here's a property. They like it and say, this one's already sold, but we have this one that will be ready in about another four to five weeks. So not always. We don't promise that, but plenty of times since we are in a similar area, we can pre-lease a house even before it's done because they've seen a similar model finished, and they're like, yeah, if you have another one like this coming up, I'll take that.

Dan: So, of the product you described, single family, duplex, triplex, quad, would I be correct in assuming the quads, the triplex, and the duplexes are probably a little harder to get my hands on than just come to the table and buying a single-family?

Jim: Yeah, the quads. Right now, we build triplexes. We don't have any active triplexes. Again, to simplify the menu, we went to duplexes and quads. Those seem the most popular, and it made the most sense. What we could get approved, we could stretch it to four units. They'd only give us two; then we'd do two. So we've built plenty of triplexes. But right now, the main focus is duplexes and quads. Quads are unicorns. You know. You've been in the game a lot. No national builder wants to build them. They're harder to get approved, but they're also this unicorn because it's a residential property with the most amount of units for a residential loan. So going into the pandemic, about two-thirds of the way through, we were sold out of quads for about a year and a half, two years. Now, since we've been able to really put the jet engines on, we're back with them. And we still have quads available every month. Definitely less than single families, but still available.

Dan: Yeah. And the reason I ask looking at my portfolio mentally and putting it on the chopping block, and I'm like, wouldn't it be nice to 1031, whatever amount of cash came from the sale of small said single family, $100,000, $200,000, throw another $50,00, $60,000, $100,000 in with that money, defer the taxes in the single-family, but then level up into the four-unit, which is brand new construction in an area that has far better demographic tailwinds than where I currently own. And maybe I'm in a position to sell, let's say five paid-off houses, and each of them sell for $100,000. I'm putting $500,000 down. I'm taking only a $300,000 loan, but yeah, I guess I'm exchanging the five properties for four. But again, in theory, that would be in a better location and a higher quality asset because it's new.

Jim: Possibly less maintenance and repairs too.

Dan: 100%.

Jim: Yeah.

Dan: Even if it is rehab stuff. Unless it was just rehab, then it would probably sell for more than the $100,000 I'm kind of throwing around. So I'm talking it out as I'm thinking. There are probably people listening who are thinking, yeah, mine 3, 4, 6 rental properties and kind of making this shift into that. It's not only the potential growth market. It's also the potential of the higher quality asset with a modern layout that the architect just put together with 2022, 2023 standards versus 1957 or 1922. So I want to think through what are the black swan event risks. Hurricanes in Florida. People, who are not from Florida, right? Insurance. What are some of the things that are problematic?

Jim: Let's talk about that. That's a really good one. And one thing just about the 1031, you learn, and then you get, I don't want to say you get lucky, but you get focused on how you can fix something you never thought you could fix. We had to turn away so much business when we first started doing this new construction model. We're saying, hey, I'm 1031 exchanging a property out of California. Can I buy five of your properties? And we'd have to say no because if our build time was eight months, you know what I mean? We don't flirt with 1031 deadlines. That's just a no-no. But now that we're able to do this continual building pipeline, we're able to fulfill 1031 exchanges, which is pretty exciting. And for a lot of people out there, new construction can be harder, especially if you're saying, okay, I'll have you build me this house. Well, you're never normally done within a 1031 exchange guideline. And so, that's where we feel really lucky about that. So that's been a huge assistance to our business.

Dan: And that's probably the biggest problem with the 1031 is finding the replacement property. So you end up in this position where you're a motivated buyer having to take something that's in a marginal location, or you're having to pay not a fair price for an asset that maybe is okay.

Jim: Exactly.

Dan: It's catching lightning in a bottle to 1031 into the perfect value add next deal that you sort of have lined up unless you already have your buyer lined up. So in your instance with inventory of newly constructed homes, always coming on the market, yeah, they're not 10 cap properties, Jim. But we talked about why the 6, 7, 5 cap might be more desirable in the near term. But they're ready, and they're on the shelf.

Jim: Exactly.

Dan: So now you can go out and find that market rate buyer for your 1031 property as opposed to having to sell your 1031 to your buddy at probably a little below market rate because he's kind of the right buyer who will wait eight months for your next thing to close. So it kind of gives you the other side of the coin there.

Jim: Yeah. No, it's lined up really well. Again, back in my rehab and refi rent days, I couldn't have seen this model. And that's a great model too. That's what made my bones. But there's been a lot of pluses to go into new construction with some barrier entry, but some pluses. And one of the pluses, getting back to your question, is hurricanes and insurance. So a big question right now or comment, people say, I've heard about insurance in Florida. And I always follow up that question with, which property? Because this is a very important thing that you have to understand. So we had hundreds of projects going on when Hurricane Ian hits Southwest Florida. Okay. If you remember that last one that everyone watched, it was almost a hurricane five at one point. That's pretty serious hurricane. So we were building both Fort Myers and Punta Gorda. Both those markets, that's where the eye of the storm went over. And Fort Myers was just decimated. It's so sad. It's such a beautiful downtown. It was decimated. And then, if you look the Punta Gorda area, in some presentations I do, I show this video, the day after Hurricane Ian. It looks fine. It looks like there was a windstorm. There's one roof that had some things off. The houses are all standing. Why? 2004, Hurricane Charley hit Punta Gorda. My dad's cousin was living there, got decimated. And the government stepped in and said new rules. We can't have this. You got to build on higher ground. You got to build with much stronger structural integrity and fasteners. They changed the game. Anything 2004 or newer, completely different. So when a house is built the old way, we'll say like in this Fort Myers area, two feet above sea level, well, we're having to bring in dirt to build at 13, 14 feet above sea level.

Huge difference. Plus, and with the structural fastening and structural integrity that's required to build today since 2004, so we had about 278 projects, let's say, in that area during the storm. We had just four that required insurance claims. And let me tell you about those four. Those four, they were just freestanding walls. We were just in that stage where we had just put up the walls. So the strength comes from tying on the roof, but we just had freestanding walls, so the wind knocked them over. And so, it was just over $5,000 to do it, and we had to file claims on those four with just freestanding walls. But we had no flooding with any of other houses. No flooding at all. And hurricanes damage in two ways. By far, number one is flood. Number two is wind. And so, we didn't have any other insurance claims for that area which showed that for me and Chris, my partner, look, I used to bitch and moan a little bit like, it's so expensive. Dirt's more than gold and you got to drag in all this dirt. It's like when your parents used to say to you, Dan, wear your seatbelt. You're driving out there. Wear your seatbelt. But then you got in that first fender bender, or you got T-boned or whatever, and you're like, man, I'm glad I had my seatbelt on. That's what just happened with us with this past hurricane. And so, insurance companies understand risk analysis better than you and I. They have these big analyzing departments. And so, insurance is much different for one of our houses at 13 feet above sea level built past to new construction standards compared to an old house built in 1950 at two feet above sea level, if that makes sense. It could be the difference of $1600 a year and $6,000 a year.

And that's what you have to look for. Another thing you have to look for for insurance is five miles inland. We build in coastal communities, but a lot of our projects are more than five miles inland. And when you do that, you get another insurance break because they analyze that as less of a risk. Like me, I live one off the ocean on a barrier island that's only nine houses wide. I take a risk, and I pay insurance for that. But for my investment properties, especially if they're five miles inland, you get a break on insurance. So hurricanes are something you have to be aware of. But if that's a major concern, that's another advantage of being in different markets. Just like how you said, you're in different markets. So I'm sure some request comes in, you're like Chicago's not really the best, you want to be in Arizona. Or, however, if people are really afraid of hurricanes, we say, okay, why don't you go to Ocala or Jacksonville? Those have the two lowest hurricane risk zones in the states. Look at the difference in activity for hurricanes in those two areas compared to Southwest Florida, which will be higher. But again, I do think new construction is one of the best ways to hedge your risk of a hurricane if you're coming to Florida, whether you're with us or not.

Dan: Yeah. Great information to know. So if you have this infill lot, Jim, are you guys building this molehill with a house on top, all the other ones [inaudible]?

Jim: You know what? It doesn't look that much higher. It's not like, yeah, that's kind of funny. Like Jack and Jiller up here, and you're down. No, it brings it up just enough when you're bringing it up and the way you can grade it up. It doesn't look like it's on a hilltop, but it's definitely higher. And again, it makes all the difference. I would've never known the importance of, oh, you're only four feet above sea level. I'd be like, yeah. Who cares? You don't know until you're really tested. 13 feet, man, there'd have to be something catastrophic for it to get in there. And that's been great for us.

Dan: So, can you give me an example of how many truckloads on what size of an acre lot? If you did a 10-acre lot, you're raising the entire thing, or you're just raising the pad sites?

Jim: You're raising the pad sites, and then the rest can come down. And as far as the truckload, I'd have to talk to my COO. I don't get into that. I just bitch about it.

Dan: Okay. Yeah. That's fair.

Jim: Yeah.

Dan: I hear it's the going thing. So we're starting a couple of paper lot subdivisions on larger lots as we speak in Atlanta, Georgia area. And we looked at Florida, and the word was, you got to spend a lot of money on the dirt. I don't know what that line item's going to be. And we're conversing with some partners. Yeah. Florida, it's a flood zone. It's all flood zone, Florida, right? You got to bring the dirt in. It's like, well, we'll hold off on that for now until we figure that out.

Jim: Yeah. And there are plenty of spots you can get out of flood zones. FEMA redone the maps. So there were some fringe areas they included in it. But surprisingly, there's lots of floods. You can find lots of areas without flood zones, which can be really helpful. But you do have to, if you're coming into Florida to build, know this new ruling after your 2004 Hurricane Charley like you got to build to a certain level. So bringing in dirt is required. And something you want to look for, this is anywhere, but the impact fees can definitely vary from market to market in Florida. So the impact fees that we pay in Jacksonville are very different than the impact fees we pay in Southwest Florida. And there can be other things, but make sure you don't just do one if you're looking to build your own property down here. Get specific with impact fees because there can be such a difference by area that could really throw your budget out of whack if you're building. Just a little advice to any of my builder friends out there.

Dan: Nice. Good to know. All right. What about the build-to-rent, the examples? Is there anything that I just forgot to ask that you feel like would be important for us to cover?

Jim: No. Again, our most successful clients buy about three to eight properties. They want to have a free-standing business that they can lean on for cash flow and equity down the road. And I always say if you're looking for a down the road, you better get something that is durable to last for down the road. But I think most people, once they buy one or two with us, then they go on to do more because they do want to have a performing asset with us. One of the nice things, too, is sometimes, when you go into different real estate markets, you have to set up a different team in each one. Since we're in so many markets right now, you have one team covering different markets. And so, you don't have to reform a new relationship in each market you go into. And our goal is, especially with our parent company, that our next two markets will be Texas and Tennessee, which is pretty exciting because I like both those markets both for the growth but also landlord laws. And that's something that I recommend everyone look at. Just certain areas are tougher to collect rents. And one thing I like about Florida is you can collect your rent, and otherwise, they're not going to be able to stay. And that's not always the case right now, especially through the pandemic. We saw some craziness, and I think that's just an important thing to watch for wherever you're investing.

Dan: All right. Cool. Good stuff. So as we wrap up, Jim, I want to ask you, are there any other books? We talked about your book, and I hope the listeners want to check that out. Maybe you could give a plug for that. And then, if there were any other one or two books you felt like were impactful, maybe throughout your career to recommend.

Jim: Real estate-wise, what I felt was the best starting point, if anyone's just getting into real estate investing, and I think it's out of print, but you can still get it, was from the original Rich Dad Poor Dad series called Real Estate Riches. It was called Dolf De Roos. He's a New Zealander guy. It was just such a good book. It was just such an easy playbook of how real estate worked. It always stuck with me. So for real estate people, that's a really powerful one. The next one that I would say, just for more mindset and business, I love the book TED, The

Empowerment Dynamic. It talks about the dreaded drama triangle. And this book is such a good way to stop being a victim, stop being a rescuer, stop being a persecutor instead of you can be a creator, a coach, a challenger. And it changed my mindset on how I approach business relationships. That was a really good one, both personally and professionally.

Dan: Cool. Good stuff. So The Crown Jewel of Wisdom, Jim, if you could go back beginning of your career 24 years ago and share The Crown Jewel of Wisdom with yourself, then what would that be?

Jim: Buy less of better quality with less leverage. That's it.

Dan: Cool. What is the kindest thing anyone has ever done for you, Jim?

Jim: Man, well, in 2008, it was heavily invested in Florida and California. Rent dropped 40%, values 50%. I was in trouble. And my very good friend and mentor from Australia floated me a loan to see me through the pandemic. Just through that 2008 year so I could keep my feet stay viable and then get into the bulk foreclosure business. That was the nicest thing anyone's ever done for me.

Dan: Nice. Good stuff. If listeners would like to get some more information about you or your companies, where should they go?

Jim: Yeah, if you're interested in learning more about our build durant model and principles, you can go to jjplaybook.com. It actually just talks about my wife, and I is a journey into passive income. How do we start, how do we end up in build-to-rent and go to 40k a month greater than in passive income, and how to follow that lead? That's right there. And it talks about our building company, Southern Impression Homes. And if you're interested in our family things, you can just go to 18summers.com. There's lots of information. Our book is available on Barnes & Noble, Amazon, any place you want to get it.

Dan: Cool. Good stuff. Jim, I had a blast. I got tons of notes here. I really appreciate you coming on the show.

Jim: Yeah, happy to be here. Thanks, Dan.

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