

Property Radar Founder Sean O'Toole on Investor Data

Dan Breslin: All right, Mr. Sean O'Toole. Welcome to the Rei Diamond! Show. How are you today?

Sean O'Toole: Awesome, Dan. Thanks for having me.

Dan Breslin: Cool. So is, that is that like a real view vista there in the background, where are you recording from here? Sean.

Sean O'Toole: I do. I live in Lake Tahoe, and I. I kept caught your episode with Roger King on the waterfront you mentioned Tahoe and the mountain vistas. And that's definitely

Sean O'Toole: why I'm here. It relaxes, brings down the blood pressure. But that's Emerald Bay right there, and Lake Tahoe, and yeah, so, and and that's that's where I live. North Lake Tahoe. So.

Dan Breslin: Sweet, sweet. Okay, cool. Well, I'm back in Chicago. Some of my listeners I don't know if I mentioned it too often on the show, but I got married on Saturday. That just passed.

Sean O'Toole: Oh, my! Gosh! Congratulations!

Dan Breslin: Thank you. Thank you. So we ended up doing like a dinner cruise kind of a boat out on Lake Michigan. Small thing. So it was like just a little smattering of my family, a little smattering of Katie's family, and it was it was the time of our lives, and I think the guests had a great time, you know, experiencing Chicago from the lake. It was

Dan Breslin: It was great. So back to work.

Sean O'Toole: Nothing better than being on the water. I'm out there as much as I can be.

Dan Breslin: Nice nice cool. So I wanna I wanna start if we could. And I know we'll talk about sort of

Dan Breslin: your real estate experience, and and tying that into property radar, which is the company that you founded. But I thought we'd kind of go through the woods a little bit and start at the age of 14. How did you.

Dan Breslin: I assume, you say professional software developer at 14? How did you manage to get paid to develop software starting at 14 years old, Sean.

Sean O'Toole: Yeah. So my Comp. Parents bought an apple 2 for their business when I was 10 years old, 1978,

Sean O'Toole: and

Sean O'Toole: I, you know, I just kinda my mom used my. My bedroom was kind of big. It was behind the garage. It was kind of big, and so she used my bedroom when I was off at school as her desk in her office and put the computer on that.

Sean O'Toole: And what they didn't realize was that you know I would spend the next every day staying up till 2, 3, 4 in the morning, if going to sleep at all and playing on this computer.

Sean O'Toole: and, you know, learn multiple languages, learned how to hack

Sean O'Toole: It even had a modem so learned how to freak for the folks that are into that. And it's it's EHRE. A. K.

Sean O'Toole: Just just got super into it.

Sean O'Toole: And my dad's friend had an engineering company, and they had a Mini computer

Sean O'Toole: that had a maximum of 16 terminals. And his business was growing.

Sean O'Toole: And he was having this huge problem in that he couldn't afford a whole nother Mini computer.

Sean O'Toole: And he needed 2 more terminals.

Sean O'Toole: And I said, Well, I can write that same software or the software that you need to do the data input, and then I can take away one of your terminals. Set up 3 apple threes. Now you have your 2 more people, plus the one we're replacing

Sean O'Toole: and then connect it back in using the other terminal connection to put in the data.

Sean O'Toole: And so he was able to expand his business from 16 to, I think ultimately, like 40 or 50 people working, using one computer and a bunch of apple iis.

Sean O'Toole: And so I designed that and wrote the software forum. And then.

Sean O'Toole: you know, wrote billing systems for another local company and other stuff and was making a lot of money bought

Sean O'Toole: brand new Gti. When I was 16, and bought my 1st house when I was 18, started my 1st software company when I was 18. So it just kind of kept rolling from there.

Dan Breslin: Okay. So it threw off kind of the cash to get you started on some of these other things. Then right.

Sean O'Toole: Yeah, for sure, for sure and straight line. So there's there's a lot more there. But.

Dan Breslin: Yeah, yeah, I mean, we're talking about years in a matter of minutes. Here. So was the Mini computer, an Ibm machine.

Sean O'Toole: No, it was a

Sean O'Toole: alpha micro

Sean O'Toole: alpha micro. I don't remember the model number now. But yeah.

Dan Breslin: And you had to get these 2 different type of Softwares and manufacturers to talk to each other because the Apple li was not really a plug straight in. This is not the computers we know of today.

Sean O'Toole: It was really simple. It was an Rs. 2, 32 interface and.

Dan Breslin: Okay.

Sean O'Toole: It wasn't it? Wasn't that it wasn't that ridiculous. So.

Dan Breslin: Yeah, I'm you know. Follow tech read, tech kind of stuff. It's helped to make our business do at diamond equity. What it's done.

Dan Breslin: I don't talk about that often on the show or in public, and I'm not a programmer, but I'm

Dan Breslin: you know, technically oriented. And as I would hear these stories. You know. It was like like you in 1978, at 10 years old. Your parents bought the apple 2, and I'm like, Oh, man I like. I missed the boat, and we had like one classroom that I was in.

Dan Breslin: It was sort of an extracurricular type of classroom, so we would go there for an hour or so a day, maybe once a week, and that was the only computer I had, I think, through, you know, second, through

Dan Breslin: 8th grade. And that was in, you know, mid eighties to mid nineties or or so, I guess.

Dan Breslin: And they taught us, I guess basic is what we were programming in there for, sure, and we just had such a limited time like Oh, God! I missed a boat, you know, if I was 10 years earlier, and blah blah blah!

Dan Breslin: But I look around now at the tools that I've been able to kind of cobble and assemble together and like it's way easier now to put together

Dan Breslin: a system for 40 to 50 people to start working together in today's environment than it was in. You know. What was it 1985 or so? Maybe if I was guessing.

Sean O'Toole: 85 is when I graduated high school, my high school actually, in 1981

Sean O'Toole: got a lab of 30 Apple two's.

Sean O'Toole: and we had a kid that went to our school. His parents were divorced, so we weren't in Silicon Valley, but his dad was a early executive at Apple.

Sean O'Toole: and so our school got this pretty early, you know, computer lab, and I ended up running the computer lab in high school. So yeah, lots of lots of that stuff.

Dan Breslin: Yeah, that's pretty cool. That's pretty cool. So you know, 18 years old, you bought some real estate. Was that a house to live in.

Sean O'Toole: Yeah. Yup. Yup.

Dan Breslin: Okay. And this is California real estate.

Sean O'Toole: Yeah, yeah.

Dan Breslin: You only gotta buy. You only gotta buy one and you get rich on California real estate right?

Sean O'Toole: I've done okay over the years. Yeah, yeah. Everybody says, Oh, you shouldn't invest in California. You've got to go these other places to get a return, but

Sean O'Toole: it always works out.

Dan Breslin: Yeah, I have a mentor in my commercial real estate investment activities. And you know, we're looking at the 4 and a half and the 5 and a half percent cap rates and every every other deal we're doing around the country is like.

Dan Breslin: it's 8 and a half percent cap rate going in. We're talking about, you know, ancient ancient industrial product built in like the you know.

Dan Breslin: forties to maybe the nineties. It's 8 and a half going in.

Dan Breslin: But he's like, look if you move the needle on the expenses and the income in California, and you're buying it at this 5% cap rate, like. I don't remember the exact dollar amount, but it's like you make more.

Dan Breslin: create more value per dollar saved or earned because of the low cap rate. And

Dan Breslin: you know, all things considered, is likely to continue at those relatively extremely low cap rates, so.

Sean O'Toole: Certainly has a good history to to date right like.

Dan Breslin: Yeah, well.

Sean O'Toole: Lots of California haters out there, but it certainly has a good history to date, despite the despite the hate.

Sean O'Toole: And yeah, so I'm I'm still bullish.

Dan Breslin: That's right. So at 20 years old you bought a real estate magazine. What was the real estate magazine? What compelled you to buy that I've never had a guest on the show that didn't start by like reading rich Dad! Poor dad, and buying a house or a duplex.

Sean O'Toole: Yeah. So my 1st software company did pretty well. We sold 1.2 million dollars in our 1st 90 days.

Dan Breslin: Wow!

Sean O'Toole: I did some bad partners, and it didn't. It didn't end well.

Sean O'Toole: I made some good money, but it just still didn't end well. And so after that my dad was a professor, and he always dreamed of moving to Hawaii.

Sean O'Toole: and he was an avid photographer.

Sean O'Toole: and you know.

Sean O'Toole: saw this real estate magazine for sale in the Hawaiian Islands, and said, Hey, you know. Look, Sean, you've got some money.

Sean O'Toole: and you've got some time right now.

Sean O'Toole: Will you go to Hawaii and run this for 2 years? Let's buy it 50, 50, and will you go and run it for 2 years, and then I'll take early retirement is 2 2 years away from taking early retirement.

Sean O'Toole: And run this magazine, and then you can go on and do whatever you want.

Sean O'Toole: I actually turned down a job offer from panasonic to design the terminal for Mcdonald's. You know that one with all the different colored keypads that we've all seen.

Dan Breslin: Wow!

Sean O'Toole: Yeah, so that would be.

Dan Breslin: Do the magazine instead.

Sean O'Toole: Then I did the magazine and went to Hawaii instead. I'm like, I'll go to Hawaii. That sounds good, you know.

Dan Breslin: It sounded like more fun. Yeah.

Sean O'Toole: Like more fun. Right? I was super into windsurfing and water sports and sailing. And so yeah, go to Hawaii for sure.

Sean O'Toole: Nice.

Sean O'Toole: what I didn't realize was what was happening in Japan and the debt crisis. And so we bought this magazine literally months before that hit and

Sean O'Toole: the real estate market in Hawaii, absolutely tanked.

Sean O'Toole: and it was probably the 2 years that I owned the magazine were probably the 2 hardest years in real estate, and Hawaii's history.

Sean O'Toole: and it was a very tough business for those 2 years, and you know I managed to make go of it.

Sean O'Toole: But my dad saw how hard I was working in the rest, and he said, I think I'm gonna stay a professor.

Dan Breslin: Oh, God!

Sean O'Toole: So I'm like, well, okay, you know, this has been a fun 2 years. But this isn't what I want to keep doing, you know.

Sean O'Toole: and and I learned a lot. We had some really great experts. Maybe some of some of the older folks in the real estate community remember Hobbs and herder, and folks like that we would bring out. It's kind of like

Sean O'Toole: bringing out Robert Kiyosaki, or whatever in the or Brian

Dan Breslin: He wasn't.

Sean O'Toole: Yeah or no. I was thinking more on the real estate talk.

Dan Breslin: Okay. Okay.

Sean O'Toole: Or Brian Buffini, or one of those guys. You know, we were bringing those folks out to speak to our agents as a way to to build business. But I just learned

Sean O'Toole: so much about marketing. And I've been a student of marketing, you know, since those days.

Sean O'Toole: But still it fundamentally a tech guy

Sean O'Toole: and

Sean O'Toole: so it was a great. It was a great experience. I split the magazine for one magazine for the Hawaiian Islands into separate magazines for each island, sold them off

Sean O'Toole: and and came back

Sean O'Toole: and to California, and then went to work in Silicon Valley.

Dan Breslin: So were these the kind of magazines I used to remember growing up that had all the listings in there is that kind of

Dan Breslin: it was. It would be like the MIs. In paper form for people who

Dan Breslin: don't recall that. That's how you sold houses at the time right.

Sean O'Toole: Yeah, absolutely. Newspaper ads and and homes and land magazine homes and land was huge throughout the Us.

Dan Breslin: And you would. You would give away these magazines for free and then charge for the advertising listings. Yeah.

Sean O'Toole: Now we actually were the because we were in Hawaii, and so many people would grab these things just to look. We actually were the only homes and land magazine in the in the nation to get approval, that we put them into newspaper style boxes.

Sean O'Toole: and we charged a quarter for each one, just so that, you know people had to be at least serious enough to get a quarter to get one.

Sean O'Toole: And but we were the only homes and land magazine that did that.

Dan Breslin: Yeah, I remember being at the Jersey shore growing up. I must have been 6, 7, maybe 8 years old.

Dan Breslin: and I would go get the magazine. I assume it was the same one. I don't remember the name, and I just stare at the listings years before I ever did anything.

Dan Breslin: So yeah, you don't want the 7 year old kid taking the magazine while he's on vacation in Hawaii.

Dan Breslin: Yeah. Makes sense. So

Dan Breslin: give me some of the background on your house flipping career. So that was at some point kind of, I assume a big bulk of your time was put into that, and you've kind of kind of scaled back a little bit on that. Maybe. What markets, what was sort of the strategy? How'd you get into it? Just a quick overview.

Sean O'Toole: Yeah. So just how I got there. When I came back, I

Sean O'Toole: brought an idea for

Sean O'Toole: streaming video to a a company that was a compression company software video compression company, we actually launched the 1st streaming video for the Internet. Mark. Cuban started his

Sean O'Toole: company broadcast.com on our software. And then I went to ran software for a hosting company.

Sean O'Toole: And we hosted Yahoo and Netscape and playboy. And you know, basically, most of the Internet back in the early nineties. So got this great experience in Silicon Valley.

Sean O'Toole: And then one of the 1st software as a service companies, and in 97, and we were actually filing our s. 1 to go public

Sean O'Toole: in March of 2,000.

Dan Breslin: Oof.

Sean O'Toole: When yeah, the market changed dramatically.

Sean O'Toole: And I left the company because the the board was like, Hey put the pedal to mental. We had just raised 80 million dollars. And they said, Put the metal, the metal. It's it's gonna be back later this year. And I just like this is gonna be a disaster.

Sean O'Toole: And I was employee number 1. 2 friends founded it, and I I left.

Sean O'Toole: And then I took a year off and you know, moved out to my vacation homes, got rid of the Silicon Valley home and was like, What do I do now? Right it's not a great time to start a software company, and that's all I'd ever done was be part of software startups

Sean O'Toole: and met a gentleman who was a commercial broker and real estate developer, and he had all this free time, and he was making a few 1 million dollars a year.

Sean O'Toole: And I'm like.

Sean O'Toole: Wow, he's got a pretty good life, you know. We're going kite surfing and snowboarding and surfing and wake, surfing all this stuff, and we're playing every day.

Sean O'Toole: and yet he's still making 3 million bucks a year. And I'm like.

Sean O'Toole: I want some of that. So he introduced me to a friend that was flipping foreclosures, said I should go write software for that guy.

Sean O'Toole: And you know, at the time in California there's like 40 guys flipping foreclosures, you know, we call them the 40 Thieves.

Sean O'Toole: And I said, I'm not writing software for 40 people. I want to write software for millions of people

Sean O'Toole: and

Sean O'Toole: But then, you know, I asked him questions like, you know, hey, what's your annual return on capital? Right? So your capital is going to sit in the bank sometimes, not being deployed. It's got to be available, so you can buy stuff.

Sean O'Toole: What's your annualized return on capital, he says. I don't know.

Sean O'Toole: And so we have this great conversation. We hit it off. We're still friends to this day.

Sean O'Toole: and he says, You know what. Here's all my files for last year.

Sean O'Toole: Do you wanna do you wanna look at them and tell me what my annualized return on capitalism, I said, you know I got time. I'm curious, you know. I think, like everybody in their

Sean O'Toole: gosh! What was I? 30? Maybe at this point, like you've all everybody's been interested in flipping houses. And here I get to peer inside of a guy who's clearly successful. He's got a stack of property he's flipped in the last year.

Sean O'Toole: you know. You go in his office. He's got nice cars. He's got all these cool antiques, you know, it's just it's, you know, he's clearly doing well, but he has no idea how well, right or

Sean O'Toole: so I took these files home and built this big spreadsheet, put in all the expenses, all the rest, and and did all the things and and the bottom line was you want to guess what his annualized return on capital. So his total pool of capital, his annualized return on that flip analysis was.

Dan Breslin: I mean, it's California. I'm going to say 7%.

Sean O'Toole: 80% annual.

Dan Breslin: 80%.

Dan Breslin: Oh, okay, all right. Well, Jesus, I was wrong. There.

Sean O'Toole: Crazy, huh? So it's not. He's not buy and hold he's flipping.

Sean O'Toole: And in the central valley.

Sean O'Toole: and I'm like, Oh, holy, Moly! Right at 80%. If I do this with the money I made in Silicon Valley like.

Sean O'Toole: I'm gonna make more money than I'm gonna make going back to Silicon Valley, taking, you know, a job with peoplesoft or oracle, or somebody like that, like I should maybe do this, and unless I,

Sean O'Toole: you know, just grab the grab grass ring and join a Google or a Netscape, or somebody in the early days like doing this.

Dan Breslin: The lucky position. Right? The lucky, winning lottery ticket position. Silicon valley. Yeah. Yeah. Okay.

Sean O'Toole: Outside of the lottery ticket. I'm gonna make more money doing this. And so I said, Okay, I'm in. And

Sean O'Toole: we partnered because I wanted his mentorship and guidance, which was super invaluable.

Sean O'Toole: and flipped a hundred 60 properties.

Sean O'Toole: and I did not do as well as him. I only managed a 55% return on capital.

Sean O'Toole: But it was okay.

Sean O'Toole: And you know, did quite well.

Sean O'Toole: And at the end of 0. 5, I just got the Heebie Jeebies about the market. It just was like.

Sean O'Toole: so I had that experience in Hawaii.

Sean O'Toole: you know, where the the debt crash or the debt problems. The debt crisis in Japan took me out. I had the the issue in in Tech, where, you know, filing an s. 1 to go public should have made tens of millions of dollars, and instead the company ended up

Sean O'Toole: being sold off for pennies on the dollars.

Sean O'Toole: And I felt like this was another one of those inflection points at the end of oh, 5.

Sean O'Toole: And so I just stopped buying. I said, I'm done

Sean O'Toole: and but I was collecting data on every foreclosure in California at that point.

Sean O'Toole: and

Sean O'Toole: had somebody believe in me. And

Sean O'Toole: tell me to start my own company using that data and kind of had a big vision for what that might look like over time. And that was

Sean O'Toole: the start of foreclosure radar, which is today property radar.

Dan Breslin: Wow! The 2,005 quit

Dan Breslin: was obviously a perfect timing of the market for anyone who hadn't lived through that. Oh, 5, 6, 7 as things unwound.

Dan Breslin: And you were you were doing this in California. I imagine this is up in all over the State. Maybe right. What was it.

Sean O'Toole: Most of my stuff was in Stockton, California.

Dan Breslin: Yeah.

Sean O'Toole: You know, 60 min, called the Epicenter, and I don't know if you remember, they did their 1st episode on the foreclosure crisis.

Sean O'Toole: About Stockton, California, and I was actually interviewed by Steve Croft on that to explain what was going on.

Dan Breslin: So you're what you're saying, is, you single handedly

Dan Breslin: did so many deals and got so many of these flim flammy loans in Stockton that 60 min had to come in. That's how you cashed out.

Sean O'Toole: So there's a long story there. But

Sean O'Toole: A friend had actually warned me not to do the 60 min interview, and he said, they're going to make you the bad guy

Sean O'Toole: and I'm glad he said it, because it kind of prepared me, and I got in, and Steve Prof's 1st question to me.

Sean O'Toole: aren't you one of the

Sean O'Toole: let's say you didn't say investor. But are you? Are you one of the investors that caused this crisis?

Dan Breslin: Houses.

Sean O'Toole: 1st question to me.

Sean O'Toole: and I said, No, Steve, you know this crisis happened on Wall Street, not on Main Street.

Sean O'Toole: and

Sean O'Toole: he got a. He was really brisk with me before that, and when I said that, and then, you know, it's just on it.

Sean O'Toole: He got this big smile, and then the whole interview changed, and and we had this amazing conversation, of which only a few seconds ended up, you know, 15 seconds or so ended up on

Sean O'Toole: on TV. But we had, like a 2 h, just in depth conversation about the whole foreclosure crisis, how it came about.

Sean O'Toole: what the problems were, you know all the rest, and a lot of it he didn't know. So it was. It was really good.

Dan Breslin: Hmm.

Dan Breslin: yeah, and had you not, you would have been the stool pigeon that got 3 or 4 min on there right if.

Sean O'Toole: Oh, yeah.

Dan Breslin: No war.

Sean O'Toole: Yeah.

Dan Breslin: Wow!

Sean O'Toole: The investor would have been the bad guy, and I really saved

Sean O'Toole: that episode. They were really coming in with the mindset, was the investor was the bad guy, and the investor was to blame.

Sean O'Toole: And I really think in that interview I changed that to be

Sean O'Toole: that it happened on on Wall Street, and the problem was with mortgage, backed securities. And the way

Sean O'Toole: that whole system was structured, and even

Sean O'Toole: even some of the, you know, kind of fed policy and the rest. So you know, absolutely investors would have been the bad guy in that episode.

Dan Breslin: What was the what was like the average sale price on? You know the last 5 or 10 out of the 160, because I imagine you're riding the market up 160 flips. This is going for I don't know. 5, 10 years, something like that.

Dan Breslin: The prices are going up just like they've gone up for everyone right now. We're in 2024, and we're like at literally record price piecing peak, pricing almost in every market around the country. A lot of them have started to sort of fall off, and it felt it felt a lot like, Oh, 5, 6, 7, 8 so far. But we would be like oh, 6, 0, 7 right now. Still, so what were the prices? Just to kind of help

Dan Breslin: figure out the inflationary dollar period there, as you got to the end on those 10, those 10.

Sean O'Toole: Yeah. So this was really one of those peak, you know, periods 2,001 to 2,005 that I was buying and flipping, you know, in early 2,005, I'd wish I'd kept everything that I.

Dan Breslin: Exit.

Sean O'Toole: The wall kept going up in value, and so I'll give you an example. My last deal.

Sean O'Toole: That I got rid of

Sean O'Toole: I bought it.

Sean O'Toole: I don't know, so let's say 2 40 somewhere in there. It was a maybe 2 20. It was a meth house

Sean O'Toole: and

Sean O'Toole: When I bought it.

Sean O'Toole: the! So I bought it in 2,005,

Sean O'Toole: and it needed a pretty full remodel, because it was a Meth house.

Sean O'Toole: and the way we would do those at the time is we would go in, wipe everything down.

Sean O'Toole: pressure, wash the inside of the house, use kills to kind of seal everything in, and then put the house back together.

Sean O'Toole: and that had worked well on probably a dozen meth houses I'd done before that

Sean O'Toole: but what I didn't realize is in January 2,006. They changed the rules to start doing penetrative testing. So I get all this done. The house is beautiful and ready to go, and they come in, and they start digging out the drywall, and they find meth.

Dan Breslin: Why?

Sean O'Toole: Strip the house back down to the stud, so when I bought it.

Sean O'Toole: I thought I was going to sell it for 3 20.

Sean O'Toole: So

Sean O'Toole: By the time I got it stripped down to the studs rebuilt back up

Sean O'Toole: the market was already coming down in early 2,006. I think I think I sold it in like

Sean O'Toole: June of oh, 6, and it sold for 2 60. So it already come down from 3, 20 to 2 60.

Sean O'Toole: That house sold a year and a half later on the courthouse steps for \$45,000.

Dan Breslin: Oh, wow!

Sean O'Toole: So that's that's how bad Stockton was.

Dan Breslin: Wow.

Dan Breslin: so.

Sean O'Toole: Probably when I started flipping in 2,001 that was probably

Sean O'Toole: a hundred 5,000 \$60,000 house. So it doubled

Sean O'Toole: from 2,001 to 2,000 early, 2,005, and then went down to a 3rd when it was, you know, at least at the courthouse steps was just.

Sean O'Toole: It was just a bloodbath.

Dan Breslin: Did you know whether the house was kind of torn up when it went to the courthouse steps? Did they sort of take off the appliances and all the copper out of there, and everything.

Sean O'Toole: I don't know. You know I didn't. I didn't look. I didn't go reach out to whoever bought it at the at the courthouse steps. Actually, probably. Yeah, yeah, I don't know it. It was a drop bid. So somebody bought

Sean O'Toole: but no, I I don't know what happened there.

Sean O'Toole: you know. My guess is, it was in as good a condition as I left it, and I left that house nice.

Sean O'Toole: I mean, that's how cheap stuff was selling at the courthouse steps before, before, you know, people found my software foreclosure radar. And then, you know.

Sean O'Toole: we went from 2 or 3 people in the courthouse steps. Because you remember when this, when the foreclosures 1st started happening so like late 6, and through most of 07, the banks weren't dropping the bid. So everything that went to foreclosure had an opening bid way above current market value. The loan was above market value.

Sean O'Toole: and so, like

Sean O'Toole: the people I knew that were down at the foreclosure auctions. They weren't buying anything. It was terrible time for them.

Sean O'Toole: And then suddenly the banks switched their approach and started dropping the bids.

Sean O'Toole: the below market value and even way below market value to get these things off their books, because at the time the Regulators required the banks to get these properties off the books.

Sean O'Toole: They had more reos than their reo departments could handle, so they just needed to drop the price to whatever

Sean O'Toole: would get investor interest at the courthouse steps. So like you had

Sean O'Toole: 5 guys in Stockton just loading up on everything they could.

Sean O'Toole: we launched foreclosure radar which made it a lot easier to go track these things.

Sean O'Toole: And suddenly there was 50 people at those auctions, and you know, a year later the prices were were coming coming way back up. So I really feel like we played a big role in in the recovery. Here.

Dan Breslin: So we're going to touch on foreclosure radar in a moment. But do you feel like the market is right now, like it was then. Right? So it sounds like there's a lot more systemic problems there

Dan Breslin: with the way the banks, the Regulators kind of how everything was handled where we had this dramatic.

Dan Breslin: It's almost like, you know, when Covid happened and all the stocks went down. I mean 40 50% overnight. It feels like that happened more in real estate, and is probably not likely to happen again. But where do you? Where do you kind of see our

Dan Breslin: nationwide us real estate market going in the next 1224 months.

Sean O'Toole: There's so much to unpack with that. So a couple of things. There are some big differences between then and now. Right?

Sean O'Toole: So then, you know, 2,005. We had the pulse loan. If you have a pulse, you can get a loan, you know, and that was on 100% financing, and that was one of the reasons I got out at the end of 0 5 because I would go into new home subdivisions as part of my market research and just knowing what's going on. So not only did I see in the data sales slowing down.

Sean O'Toole: but then, when I went and talked to the sales folks at New home subdivisions. They're like, Oh, yeah, we're now giving away a free swimming pool with a house, and the

price is lower. And I'm going okay. That guy who bought last month, who had no credit and put no money down.

Sean O'Toole: He's going to go screw it. I'm not making my payments. I didn't get a free swimming pool, and they got the house cheaper, screw them. I'm done right because he's got nothing in nothing invested.

Sean O'Toole: And I said, this, this is an end. Well, so we had this crazy, lending policy then that we don't have now, except in one way. I'll come back to.

Sean O'Toole: And then we had this regulatory framework that required banks to get bad assets off their books as fast as possible. Fast forward to today. That regulatory framework is, keep homeowners in their homes as long as possible.

Sean O'Toole: and almost at any cost. Right?

Sean O'Toole: And so foreclosures are are pretty rare these days. We still have some. They got to keep that threat of foreclosure out there. So people keep making their payments, and we don't all just stop making our payments in mass, like they did in Nevada in 2,009

Sean O'Toole: and but you know so so there's some foreclosures. But the activity is still very low below.

Sean O'Toole: You know, the pre-pandemic levels

Sean O'Toole: and well below even good market times. Back in the 2 thousands. So very, very low foreclosure levels

Sean O'Toole: the mistake we made this time is we took interest rates down to stimulate the economy so low that you know I have friends with a 1.8% mortgage 30 year mortgage right?

Sean O'Toole: And you know, people buy homes based on payment, not based on price. And we always forget that right is, you have a certain amount of income. Before you go buy a house, you get qualified. When you get qualified, you can only afford so much house.

Sean O'Toole: and by taking interest rates that low right we allowed people to afford 2, 3 times the house they could afford before.

Sean O'Toole: And what happens whenever that happens? And we saw this with arms back in the seventies. We saw this with the Gi bill and 30 year loans in the forties.

Sean O'Toole: Whenever you change lending

Sean O'Toole: to make things substantially more affordable, it doesn't get more affordable. The price adjusts up and the affordability stays the same, or even gets worse.

Sean O'Toole: So you know, this period of low interest rates has created now an

Sean O'Toole: a price expectation that is unsustainably high at current income levels.

Sean O'Toole: And this has just seized up the market a little bit.

Sean O'Toole: a little bit a lot right? We've got our lowest sales on, you know, volumes in in years like back to the 2,007, 2,008 kind of volumes

Sean O'Toole: and

Sean O'Toole: but what we don't have is, you know, in 2,008 we had a whole bunch of people with no equity and no skin in the game. We have more equity today than we had total home value

Sean O'Toole: back then.

Sean O'Toole: I mean, it's crazy. The amount of equity we have right. People are ridiculously house rich

Sean O'Toole: throughout the United States. If they own own home. I mean, we've we've really created. We've made this wealth gap way bigger through this interest rate policy.

Sean O'Toole: And there's it's more to have have nots society.

Sean O'Toole: So the the bottom line is, we're kind of stuck, you know. People that need to sell may need to bring their price down a little bit to finally find that person that can afford to buy

Sean O'Toole: We don't have enough motivated sellers to really force prices down dramatically, because people are in their homes really cheap, with really low interest. And where are they going to go. If they sell, they can't even afford rent

Sean O'Toole: on the mortgage payments they have. So you know, we're we're a bit stuck. We need incomes to come up over time. We've had a lot of inflation. It's not enough from an income wage inflation standpoint

Sean O'Toole: to bridge that gap. It's gonna take, I think a long time, and

Sean O'Toole: you know, recessions. Other things can always happen. Black Swan can happen that can cause a a crash.

Sean O'Toole: But outside of a black Swan. I think we're we're in a a long period of of flat to slightly down while incomes catch up, and they ultimately well, because of inflation.

Dan Breslin: And what do you think you think that's 1 or 2 years? You think that's 3 to 5 years, I mean, if you were throwing a dart at that question, where would that land.

Sean O'Toole: Mathematically. It's probably 10 plus years.

Dan Breslin: Wow!

Sean O'Toole: Yeah, I mean, if we, if we can keep inflation back down to where we're getting it now, and where the fed targets, inflation and wage inflation follows that

Sean O'Toole: it takes a long time for us to catch up with this, with the growth in prices we had nation nationally on average, your. You know every market's a little different.

Sean O'Toole: and you always have gentrification where? Where you know wealthier people come in, and and that that changes things too. But

Sean O'Toole: on average, I think that's the case.

Dan Breslin: Yeah, a couple of the places a couple of the places I am suspicious of

Dan Breslin: would be the low amount of foreclosures. I'm sure that what I'm tracking is like?

Dan Breslin: I don't really have a good.

Dan Breslin: I don't have a good analogy for someone like you who probably has the most accurate data that you've been watching for 20 plus years now.

Dan Breslin: But I'm very suspicious of the low foreclosure data, because a lot of the deals that we've done that had some sort of foreclosure activity, and some of them are not in foreclosure right now.

Dan Breslin: But it's it's foreclosure bailout stuff from Covid. So they owe 200. They think they owe 200. We're under contract to buy it at 240, and then their actual payoff comes back at 250, because they took a \$50,000 bailout and thought it was just.

Sean O'Toole: Pretty honey.

Dan Breslin: Yeah. Free. Money.

Sean O'Toole: Yeah.

Dan Breslin: Yeah. So I'm suspicious of that kind of coming home to roost, if you will, especially as credit card balances are at record high and savings across the country. Savings rate is at record low. So I think that we could see a lot of the shadow foreclosure inventory like they're going to the steps. Some of those we like paid back

Dan Breslin: the payoff, and and brought it current to keep them long enough so that they could find a new place and then go to settlement. So like we sort of saved them from the steps. So they're getting to the steps.

Dan Breslin: and there's not another bailout after you took the 1st bailout. There's, you know, only so much runway there. So I'm suspicious. We may see more of that kind of shadow foreclosure, inventory start to come to roost. But I don't think it's going to be as compressed and fast and rapid as we saw in 200-89-1011, because we had the adjustable rate mortgages that were resetting.

Dan Breslin: and it sort of made them all happen at once, as opposed to somebody who can hold it together for 9 months, and now they're laid off and they're on unemployment. They don't find the new job because the economies are off. Well, that's 18 months from now, when that person's got to make a move right.

Sean O'Toole: And the banks have so much more flexibility on just sitting on these things right and and not, you know, leaving the person in there.

Sean O'Toole: you know, like one of the Nevada, changed their laws, I think, in 2,009 over this whole robo signing thing, and said, Hey, it's now going to be a criminal act if you sign a foreclosure without knowing the full story of the

Sean O'Toole: of of the thing, and you know nobody in bank. You know, computers keep track of that. People don't keep track of that. We're not in the 19 thirties anymore. Right? So you know, the banks just said, Hey, we're going to stop foreclosing. They largely stopped foreclosing in Nevada.

Sean O'Toole: and you know.

Sean O'Toole: my rough guess is, is, there was over 10,000 homeowners in Nevada.

Sean O'Toole: who just

Sean O'Toole: stop making their payments somewhere around 2,006, 2,007, and never got foreclosed on, and still aren't foreclosed on to this day.

Dan Breslin: Wow!

Sean O'Toole: Still have not made a payment in 18 years. We're finally starting to see a few of those come through.

Sean O'Toole: Some like hoa foreclosures where the person bought the house for 2 or 3,000 bucks has been

Sean O'Toole: collecting rent since 2,008 through today, 16 years they've collected rent.

Sean O'Toole: and the 1st mortgage that was not wiped out by the hoa foreclosure, because the Hoa foreclosure was junior right.

Sean O'Toole: That 1st mortgage

Sean O'Toole: is now coming through to foreclose 16 years later.

Sean O'Toole: and so that mortgage hasn't gotten a payment in 16 years.

Sean O'Toole: And so, you know, I think Banks have learned that lesson, that that dumping all this, foreclosing on things in mass and dumping a lot of inventory brings the values down overall and hurts their portfolio.

Sean O'Toole: They're not going to make that same mistake again. So yes, absolutely. A lot of that is out there. A lot of folks took to cut money. A lot of folks aren't making payments.

Sean O'Toole: That doesn't mean we're going to see a bunch of foreclosure, activity and prices collapse.

Dan Breslin: The other place I'm concerned with Shadow inventory is the people who bought the Airbnbs. So I think Airbnb sucked out 1.5 million units from from the market of, you know. 80 million give or take, let's call it.

Dan Breslin: and I think that

Dan Breslin: that may start to unwind as people's returns don't bear out 24%,

Dan Breslin: you know, year over year, like it was projected to do. And the economy kind of puts the cramp on travel. And I think a lot of these are probably going to be more. You know.

Dan Breslin: niche market, probably type of issues like for Florida, for example, or other places that you know. You see, the values go out.

Dan Breslin: And the other thing is that we have demand right now and demand is a psychological kind of thing. So I think you're right. I think we could kind of keep this sort of stable thing, but I think some more normalization of the inventory will come through, and I think we'll see a little.

Dan Breslin: maybe a little less, appetite from the novice investors who poured into the business in the last 3 years. As they heard these stories of everyone's values going up 10 and 12 and

Dan Breslin: 50%. And you know, hearing these remarkable stories about the house flipper with the 3 million bucks a year and all those kind of things.

Dan Breslin: I think I think less people like to raise their hand when the values are kind of. Maybe they're raising by 1.5% per year, and that still will turn out to be a great investment if you hang on

Dan Breslin: for 510-15-2025 years, tax.

Sean O'Toole: Advantage.

Dan Breslin: Yeah, but that's not, you know, 5. That's not 10% per year. Which is what a lot of people in the Bitcoin era that we live in are expecting.

Sean O'Toole: All the yeah, all the I made a hundred percent Burberry by, you know, rehab rent refinance. Repeat gurus, that then all sold their their stuff or hawked it on bigger pockets, or whatever.

Sean O'Toole: They're not gonna be looking so smart the next few years.

Dan Breslin: Yeah, that's right. That's right. So foreclosure radar, you're tracking all this data, Sean. And then this turns into property data. Do you want to kind of give me an overview of sort of you know what that was, where it started and what it is today.

Sean O'Toole: Yeah. So you know it it.

Sean O'Toole: We were the 1st foreclosure service that started tracking what was happening down at the courthouse steps each day, so every postponement, every sale we could tell you if it went back to the bank or to a 3rd party.

Sean O'Toole: and so all the trustee sale investors used us. And then we had this amazing transaction still do amazing transaction history that showed

Sean O'Toole: so much of the title. It really reduced the work for these trusty sale investors, which is the toughest type of investing, because you're buying

Sean O'Toole: for cash without inspections, without title insurance having to evict the owner like it's the hardest to do.

Sean O'Toole: and that's where we started.

Sean O'Toole: But I saw that coming to an end, I saw these regulatory changes, and in 2,010 was one of the 1st to kind of be out there saying, Hey, the foreclosure crisis is over

Sean O'Toole: it. Our business in the foreclosure business actually peaked in 2013. So I was a little early, but it was definitely the beginning of the end in 2,010.

Sean O'Toole: So then I said, we're going to go from being foreclosure information to property information, so that we're ready for this. And, in fact, our foreclosure business from 2013 to 20,

Sean O'Toole: early 2015 went in half, so our revenue dropped in half on foreclosures.

Sean O'Toole: so it was the right call to make in 2010 to expand, to cover all properties. So now you want to know absentee owners, or every home that has a Wells, Fargo loan, or every flip, or whatever you know, we have all of this in the

Sean O'Toole: in the platform property information.

Sean O'Toole: had a bunch of family

Sean O'Toole: issues happen and kind of walked away from the business. It was still running, but it just kind of petered along for a number of years.

Sean O'Toole: Lost some family members to cancer, adopted my niece, custody battles, stuff.

Sean O'Toole: and came back to the business in 18 and realized that

Sean O'Toole: the best use case was actually for

Sean O'Toole: marketing to homeowners. Right? So if you're an investor trying to find motivated sellers.

Sean O'Toole: If you're a roofer, maybe finding everybody with wood shake roof and a fire prone area whatever.

Sean O'Toole: And when we started bringing in phone numbers and email addresses and

Sean O'Toole: ages, demographics, data, and all kinds of other stuff. And

Sean O'Toole: now have built the the

Sean O'Toole: deepest property search in the industry or criteria more

Sean O'Toole: detail than

Sean O'Toole: a core logic, a 1st American, a black knight, any of the big boys and way ahead of all the 1st American resellers that are pretty much the rest of

Sean O'Toole: competitors in the market.

Sean O'Toole: And you know, we're seeing a lot of a lot of really good stuff with that. And you know.

Sean O'Toole: trying to figure out how many dollars I mean, we think it was around 50 billion dollars worth of properties that folks bought just back in the crisis days, were.

Sean O'Toole: we're figuring we're we're probably closing in on half a trillion dollars of property spot by our investors. Probably another half a trillion dollars worth of listings by our agent customers. And

Sean O'Toole: it's a system that works. You know, people use the MLs for finding stuff that is listed for sale. But if you want to find the people who are going to sell.

Sean O'Toole: you need the off market data, and that's what we do.

Dan Breslin: Nice nice was was foreclosure radar. Only a Western States kind of a yeah. I remember, I remember trying to sign up for it, maybe going through a whole thing I can't remember must have been like 2014, 2015. It was a long time ago, and I'm like, Oh, well, this isn't going to work for me in Pennsylvania.

Sean O'Toole: I'm out.

Sean O'Toole: I mean, we we own California with like 80% market share here, because that's where we started. And then it was only 2020 that we went nationwide. So that's after I kind of came back after the the family stuff and refocused on the businesses, said, Okay, we've we've got to be national. And we started to have some competitors.

Sean O'Toole: You know, that started national reselling the 1st American data.

Sean O'Toole: And you know, our data was better, our processes were better, and I said, we gotta get national and and go compete.

Dan Breslin: So why is it so hard to get the foreclosure data?

Dan Breslin: You know, for example, Pennsylvania.

Dan Breslin: I found nobody who can get pre-foreclosure data.

Sean O'Toole: Yeah, you know. And and you know this, this is one of those things where you know there's there's, you know, all these different States. They all have different laws and rules.

Sean O'Toole: and I really kind of hate that we've made up these terms. Pre foreclosure, auction bank own, and everybody kind of uses those those 3 things as the 3 groups, right? So

Sean O'Toole: pre-foreclosure in a trustee sale state is the notice of default

Sean O'Toole: right in a in a share in a in a judicial state it would be a list pendance.

Sean O'Toole: Typically right? And then a notice of trustee sale

Sean O'Toole: says, Okay, it's now scheduled for auction and a notice of notice of Sheriff sale

Sean O'Toole: in other States. But every State's different, and every you know

Sean O'Toole: Oregon is a 1 notice state.

Sean O'Toole: So their pre foreclosure notice is their auction notice. So what do you call it?

You call it? An auction, you call it pre foreclosure. We call it an auction, so there are no pre foreclosures in Oregon, but that notice hits about the same time as a pre foreclosure notice in California. It just gives you all the details that the auction notice has in it. So we call it an auction.

Sean O'Toole: And so you get all these vagaries. And then in some States, you know. Some of the notices don't have to be recorded with the county. They get posted on the door published in the newspaper

Sean O'Toole: with so many newspapers. We can't really get that notice right, or we can't reliably get that notice. So

Sean O'Toole: every state is a little bit nuanced, and we try to jam it into these buckets. We, instead of having 3 buckets, have something like 15 buckets of all the different foreclosure stages. So

Sean O'Toole: we're able to make that a little more detailed. We also allow you to search by notice type. So

Sean O'Toole: if you know list, pendants are used in your state, you can search by that instead of by pre foreclosure.

Sean O'Toole: So we've tried to provide a lot more detail there and a lot more ways to get at what you're you're looking at, but I don't remember exactly the details in Pennsylvania. I've got a database. Pull that up real quick if if you want to know, or we could talk about it afterwards. But

Sean O'Toole: but yeah, it's it's it is complex.

Dan Breslin: Yeah, I mean, from what I understand, it's a go into the county and research the records by hand.

Dan Breslin: and then put the list together is how I've heard people putting it. And I've had various people do that for us over the years.

Dan Breslin: And most of the time the foreclosure sales that are maybe not before they hit the sheriff sale

Dan Breslin: have the highest percentage closing percentage of like any other list. You know, you send an absentee owner list. I don't know. You probably got to mail 5, 10,000 records to get one deal out of it. Maybe you're mailing allegedly a thousand, and there's going to be 2 or 3, or 4 or 5 actual transactions, whether they respond to your

Dan Breslin: marketing or not. It's a different story.

Sean O'Toole: Crazy, crazy question that I've literally stumped some of the top investors, some of the biggest gurus.

Sean O'Toole: What's an absentee owner.

Dan Breslin: I mean, there's a million various reasons for that, right? So most of the time you're gonna have a non owner occupied like the tax bills being mailed somewhere else is going to be like the simplest.

Sean O'Toole: Right.

Dan Breslin: Absentee owner. But whether that's not actually the case is, you know.

Sean O'Toole: What I like to ask people is like, should you be sending the same marketing to a second homeowner as to a short term rental owner as to a long term rental owner. And what about, even on the long term?

Sean O'Toole: Is it? Is it the same marketing message to a landlord in his seventies as to a Burboro

Sean O'Toole: right like, is that the same message gonna appeal to those 2 people right? And everybody talks about an absentee owner list, but that really should probably be about 6 different lists.

Sean O'Toole: And you need to add, in things like age and area, like in Lake Tahoe, it's mostly second homeowners. It's not long term.

Sean O'Toole: you know, owners. And so, and then thinking about your messaging for that list right? And I gotta tell you

Sean O'Toole: all the gurus that talk absentee owner list. Don't talk about layering in a couple more things to get your messaging right

Sean O'Toole: right. And to that specific group

Sean O'Toole: you know. An elderly landlord that owns 15 rentals.

Sean O'Toole: you know, may have relationships with his tenants. Some of those folks have been in there for as long as he's on the property. He loves those people. He cares about how they're going to be cared for more than he cares about the price

Sean O'Toole: that he gets on the on the sale, and yet we don't. We talk about cash? And well, you know, they don't care about that. They've got cash like, give me a break. They're looking for somebody to take over their legacy.

Sean O'Toole: It's a totally different messaging. And you know, it's 1 of the reasons why we built so many different criteria, and you can bring in things like the age of the owner, and things like that, because

Sean O'Toole: you know and and this is this is such a common problem in the investor space, and it didn't mean to derail that. But.

Dan Breslin: Yeah, yeah, it's it's funny that you say that I only have 9 houses that are rentals in Pennsylvania. I'm getting rid of them as we speak

Dan Breslin: and just in the last, like 14 days, I got 3

Dan Breslin: fake checks I have. I have to grab one here.

Dan Breslin: Whoever these wholesaler guys are. They must have just had a big seminar because they're like, they're identical.

Sean O'Toole: Yep, yep, no, there's a company that is coming up that, hey? This is the hottest thing going right now.

Sean O'Toole: and that's it. Everybody does exactly. It's like, yeah, in the investor world is just a bunch of lemmings. I love investors. Most of my friends are real estate investors

Sean O'Toole: and the rest but

Sean O'Toole: Jeezy, because all I mean we all

Sean O'Toole: use the same post. Oh, yellow letters are hot! Oh, checks are hot, oh, like, and everybody does the same thing, and then you get everybody jumps in the same market doing the same thing

Sean O'Toole: and like, how likely are you to call any of those.

Dan Breslin: Yeah, I'm not. I'm not gonna call either of them.

Dan Breslin: And I got a 3rd one. I haven't opened yet. I'm sure it's the same exact thing, because it's yeah. They all came in the same week.

Dan Breslin: I digress.

Dan Breslin: That's pretty cool, so cool, Sean, I'm curious as we kind of get to our wrap up here are there one or 2 books that you found most interesting. And please don't limit the answer to real estate, just because it's a real estate. Podcast I think you bring a unique perspective. So if you have something outside of the normal

Dan Breslin: books, I'd love to hear those.

Sean O'Toole: Thanks for opening up beyond real estate. I mean, I think we all know that kind of a real estate book. So I've got 2 for those interested in ever starting a tech company and understanding like kind of

Sean O'Toole: what it takes to get adoption of your product. There's an old book by a guy named Jeffrey Moore, and I actually hired Jeffrey Moore in the early nineties to help us do our our marketing.

Sean O'Toole: and the book's called crossing the chasm. It's been updated a few times since, and I think it's probably the most important book written, or one of the most important books written.

Sean O'Toole: about how to launch a tech

Sean O'Toole: software company and how to get it to be

Sean O'Toole: a big company.

Sean O'Toole: So there's that one. And then a recent book I read, and I think this one is

Sean O'Toole: is super cool if you're if you like. History if you like. Mathematics, science, that kind of stuff, if those things are are of any interest to you.

Sean O'Toole: The book is called Maniacs.

Sean O'Toole: and

Sean O'Toole: it it ostensibly follows a guy named John von Neumann.

Sean O'Toole: who was pretty instrumental in the atomic bomb.

Sean O'Toole: among other things.

Sean O'Toole: And but

Sean O'Toole: this book really lays out how artificial intelligence came to be.

Sean O'Toole: and some fascinating stories about some of the early pioneers, and we're talking 19 fifties and sixties.

Sean O'Toole: and how some of them became so distraught about what AI meant for our future that they actually committed suicide.

Sean O'Toole: And these are like some of the most brilliant minds in the world.

Sean O'Toole: And I think it's a it's a fascinating book great bit of history. And if you really want to know, kind of like

Sean O'Toole: the

Sean O'Toole: the impetus for AI, as we know it today, and large language models, and how that all came to be.

Sean O'Toole: I really really enjoyed that book maniac so very different off the beaten path of probably anything never been suggested here, but

Sean O'Toole: both those are good.

Dan Breslin: So that one is that Benjamin.

Sean O'Toole: Look the booth. Something like that. Yeah.

Dan Breslin: Laba. Tut! Is how it's spelled. I'm sure it's I'm sure it's actually pronounced some way, some other way, but that will help the listener spell it correctly.

Sean O'Toole: Yeah, yeah, exactly.

Dan Breslin: Very cool. Your story reminds me of the show. Halt and catch fire. Have you ever watched that.

Sean O'Toole: No.

Dan Breslin: It's an interesting I watched it through Covid, and I remember

Dan Breslin: the main a lot of the characters. It kind of takes the Silicon Valley theme. So it starts, you know, way in the early days, and it's you know, it's the apple. Then it's kind of the

iphone like there's a there's a lot of the big, you know, bubbly kind of events, and like this cast of characters is there for every one of them.

Dan Breslin: and it sounds a little bit like you. How you kind of were there for a bunch of them, and then sort of shifted gears to real estate. But it was a. It was a really interesting

Dan Breslin: show. I was sad that it ended, and I can't say that for many, many shows when I get to the end. I mean

Dan Breslin: it was. It was cool, and I remember the main the main character was Gordon, and he passed away. And this is Covid, and I remember he had a daughter that was around my daughter's age at the time. Oh, my God! I can't believe they killed him off at the end. That was so.

Dan Breslin: How did you do that to me? And it made me have this like realization, showing that like life is short, and I was like, Oh, my gosh, I gotta! We were considering doing the sailboat thing and like getting, you know, learning how to use a boat and all that, because we're here in Lake Michigan like

Dan Breslin: show, and it was Gordon's death I was like, that's it. Life's too short. I got

Dan Breslin: that out here. That's it.

Sean O'Toole: Awesome. I love it. Yeah.

Dan Breslin: Yeah. So that's led to 4 or 5 years out on Lake Michigan with sail and powerboats. And it's been a. It was a great springboard for me. But your story reminds me of the story they go through on, on halt, catch fire, and it's a programmer oriented kind of show. So it was cool.

Sean O'Toole: Awesome. Yeah, I can't wait to watch it.

Dan Breslin: So the crown jewel of wisdom. Sean, if you knew everything, you know now. And, man, you started producing at an early age, if you could go back and tell yourself on your graduation day in high school, the crown jewel of wisdom. What would that be?

Sean O'Toole: You know, I kind of lucked into it right? Which is.

Sean O'Toole: you know.

Sean O'Toole: but what I'm telling my son's 22 his final year of mechanical engineering.

Sean O'Toole: and you know what I tell him is. Look, listen!

Sean O'Toole: 1st of all.

Sean O'Toole: you know, I'm on water matters right. It's just like learning the sail. At 1st you're an idiot, right? But the more and more you do it the better you get right. So

Sean O'Toole: try to pick something

Sean O'Toole: that you're gonna be passionate about

Sean O'Toole: and not just passionate about now, but

Sean O'Toole: try to imagine something like it's a big enough area field of interest that

Sean O'Toole: it can capture your attention and keep you passionate about it for decades.

Right so, and and lots of opportunity within that, within real estate. One of the things I love about about real estate for me. It was software

Sean O'Toole: and I just happened into it because my parents put a computer in my room.

Not even for me to use for them to use. And then you want to make sure, whatever that thing is that the rewards meet your needs right? So both in the software industry and in the real estate industry.

Sean O'Toole: If you're successful, the rewards are there

Sean O'Toole: in in bountiful ways. There are things that you can choose to do

Sean O'Toole: that

Sean O'Toole: are very competitive or just never going to pay. Well, right? Like, you know, I love washing dishes like you're never gonna get rich washing dishes. Probably maybe there's a way to do it, but I haven't heard it yet.

Sean O'Toole: You know I I don't think anybody loves washing dishes, so it's a ridiculous example. But you get the idea. So you know, pick something you're passionate about, and that you can stay passionate about where the success

Sean O'Toole: has the rewards to meet your needs, your meet needs. But maybe you want to be a commercial fisherman. You just love it so much, or a fisherman, and you know, and you can make enough money that it meets your needs. Great doesn't have to be, you know, wealth, if that's not what you care about.

Sean O'Toole: and then just put in the work, you know.

Sean O'Toole: I love all the hacks and stuff like a Tim Ferriss and the 4 h work week, and I put all those you know to work where I can.

Sean O'Toole: But at the end of the day

Sean O'Toole: there's gonna be a guy who takes all those hacks and puts in the 60 h

Sean O'Toole: with the hacks.

Sean O'Toole: And that's the guy who's gonna be most successful.

Dan Breslin: That's.

Sean O'Toole: You guys, 4.

Dan Breslin: That's funny that you say that, as you were saying before I work, it goes like, huh! I read that. And then I just work 40, 50, and 60 h.

Sean O'Toole: Yeah.

Dan Breslin: Great book. But, man, I didn't put just. I didn't never stop that 4.

Sean O'Toole: Yeah, yeah, you know, I I think that's that's the problem. Every time. It's just like AI and everything else.

Sean O'Toole: And and like the low interest rates like the low interest rates up home prices. And once that happens, that's kind of the new normal right? There's nothing you can't. It's very hard to

Sean O'Toole: to take those things away. So okay, we get into this life hacking thing.

Sean O'Toole: But then the next guy is gonna go. Okay, I'm gonna do all the life hacking and put the time in. And now now you got to do both

Sean O'Toole: to keep up.

Sean O'Toole: and that's unfortunately kind of just the nature of the world as I see it.

Dan Breslin: That's right. So where can listeners get more? Sean O'toole? Do you have a website or somewhere else? You'd like to point people.

Sean O'Toole: Well, of course, propertyradar.com, you know. That's my life's work at this point last 16 years, anyways, and

Sean O'Toole: we've helped an awful lot of people, and would love to have folks check it out. You can find me on, you know. LinkedIn's probably the best from a professional. That's where I I probably respond the quickest. But

Sean O'Toole: Facebook, I don't do much, but I'm there, Twitter or X now. I I don't post a lot, but I'm there. I'm happy to connect with folks and love. You know, I'm definitely a good stalker on X, so I'll see your stuff.

Dan Breslin: Love it so. My final question for you, Sean, that I ask every guest who comes on the show what is the kindest thing anyone has ever done for you.

Sean O'Toole: I think the kindest thing you can do for anybody is just to believe in them, and I've had a number of people who have believed in me.

Sean O'Toole: You know this. There's kind of so many stories that I was having a hard time picking one for this episode. But

Sean O'Toole: One in particular.

Sean O'Toole: you know, after I got back from from the Hawaii and the Real Estate Magazine.

Sean O'Toole: and.

Sean O'Toole: you know, had had done one software company.

Sean O'Toole: I met a gentleman

Sean O'Toole: who he's just kind of stopped me like halfway through and said.

Sean O'Toole: How do you know this stuff like around computer science?

Sean O'Toole: And it's just self taught. You know, I didn't get a degree. I didn't, whatever.

Sean O'Toole: And he's like.

Sean O'Toole: Okay, it's like, you know, do you? Wanna do you wanna come run, you know, software engineering for my company? Well, the the guy was essentially the founder of Netscape. He introduced to Jim Clark.

Sean O'Toole: and he was the 1st employee at Netscape and and he started this other company that was really the 1st hosting company

Sean O'Toole: and

Sean O'Toole: and not only did he believe in me then, but after he sold Netscape made, or after Netscape was public, and and he left, and then he sold this other company, you know, obviously made a fair bit of money he started investing in in real estate and of and of course I was doing that. And I wrote software for myself during that period of time gave him access.

Sean O'Toole: And in that 2,005 when I'm like, Oh, shit! What do I do now?

Sean O'Toole: Right? I've got this software. I'm tracking all these foreclosures, but I don't want to buy anything. What do I do now?

Sean O'Toole: He and I had a a call, and he said, you know. Listen! You've been helping other people with their startups have done 3 well, 4 startups

Sean O'Toole: and he's like it's time for you to do your own. And you should take this software you've built

Sean O'Toole: and make it available to others. And

Sean O'Toole: you know, and it was that

Sean O'Toole: you know, belief in me that was like, Yeah, you know what I can do this. I've been doing other people's. It's time for me to do my own.

Sean O'Toole: And and that was the start of foreclosure radar. And today property radar.

Dan Breslin: Very cool, very cool, great place to wrap the episode here, Sean, I had a blast pages and notes. Very interesting story that we have here. So I really appreciate you coming on the show.

Sean O'Toole: Yeah, thanks for having me. It was great.