



# REAL ESTATE INVESTING MASTERY

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## Real Estate Investing Podcast

### Listen to This If You Want BIGGER Deals

*Hosted by: Joe McCall*

*Featuring Special Guest: Joe Fairless*

**Joe McCall:** Welcome! This is the Real Estate Investing Mastery Podcast. Hey everybody, welcome. This is Joe with the Real Estate Investing Mastery Podcast. Glad you're here. Joe Fairless is with me. Joe, can you hear me all right?

**Joe Fairless:** I can here you perfectly well.

**Joe McCall:** Nice. We've been having some technical difficulties, which is how we roll, right? One of the nice advantages of podcasting is you can talk to people all over the world and you can do these podcasts and talk to some fantastic investors. But sometimes, what you don't see in the background is a lot of times we have technical difficulties. We have audio problems or you record a whole episode and you forget to save it or it never records and you have to do it all over again. That has never happened to you Joe, right?

**Joe Fairless:** Of course not. Never, not once in my entire life.

**Joe McCall:** So, I'm interviewing today Joe Fairless from the "Best Real Estate Investing Advice Ever" Podcast and we are going to get to... We are going to jump in real quick here and ask him some questions. But first, I want to tell you guys to go check out our website [RealEstateInvestingMastery.com](http://RealEstateInvestingMastery.com). We got a free Fast Cash Survival Kit and we've got a lot of cool things that we've been doing. We've been doing some more videos. We've been giving away a lot of really cool free stuff inside of each episode.

And so, I know we just did an episode recently with Ken Corsini about turnkey rentals in real estate and land lording and things like that. We covered a bunch of different topics. But, one of the things we include in there was an entire course for free on landlording called the "Automatic Landlord." And so, if you go and look up the show notes from Ken, an interview we did with Ken just recently probably two or three episodes ago, you can



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download this free course on being an automatic landlord and a friend of ours gave that to me, Todd Toback out of San Diego. So, but anyway, go checkup the [RealEstateInvestingMastery.com](http://RealEstateInvestingMastery.com) show. Leave us a review on iTunes and looking forward to this interview with Joe. Now, Joe Fairless, where do you live Joe?

**Joe Fairless:** New York City.

**Joe McCall:** New York City. All right. You do a lot of deals, Joe? Where do you do most of your deals at?

**Joe Fairless:** In the Midwest. Well, South and Midwest. I've got homes in Dallas, Fort Worth and I have an apartment community in Cincinnati and I'm working on a development deal in the northern Kentucky area.

**Joe McCall:** Sweet. And, you've created this podcast. You've only been doing it for about five months and you already have about double the episodes that we have and we've been doing it for four years. Are you crazy? I mean, you are like doing an episode every day. What's gotten into you?

**Joe Fairless:** Yeah! Well, of course, I'm definitely crazy. But, you got to be a little crazy to do some crazy things, right?

**Joe McCall:** Oh, yeah.

**Joe Fairless:** I mean, my approach was I was doing it sporadically in October or September. I believe in September, mid-September and I just didn't see the results I was looking for and I was like, "You know what? I've never done anything half-heartedly that I've seen a lot of big-time results in. And, I was like, "I'm going to do it daily for the rest of 2014. And then, I'm going to take a step back and see if it's a good use of my time." And, at the end of December of 2014, I took a look back and I was like, "My gosh! All these friendships I've made as a result of this show from the guests to...." I was starting to get a following on the podcast.



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But really, it was about the guests I was interviewing and the friendships I had there. Now, it's a combination of the guests I'm creating friendships with and the best ever listeners. My listeners, that's their name, the best ever listeners. The best ever listeners that are listening to the show and connecting with them too. Plus, it's a show that I'm monetizing through sponsorship dollars so I've been able to make some money on it as well.

**Joe McCall:** Nice. Now, what was the goal of doing the podcast? Why did you originally start it?

**Joe Fairless:** The two reasons I mentioned just a second ago plus one more. So, one is to...

**Joe McCall:** Okay.

**Joe Fairless:** ...Just expand my friendship group to learn and just to get to meet more people. And then, two, a way to monetize the show because I saw an opportunity to monetize it. And then, three that I didn't mention is constantly learning.

**Joe McCall:** Yeah.

**Joe Fairless:** I mean, it is just an incredible learning experience to talk to all these phenomenal investors. And, well, I have a show that releases every day. I'm not interviewing somebody everyday. I'm interviewing like three or four people a day and then nobody for the next couple of days' type of thing. And so, I'm getting like these amazing insights and it's just like front row VIP access to all these different strategies and tips that I wouldn't have learnt otherwise.

**Joe McCall:** Yeah. Okay, very good. Now, you are in New York. You are doing deals virtually or remotely it sounds like, right? Joe, give maybe a little background to our listeners with kind of what were you doing before you started doing real estate?

**Joe Fairless:** I was in advertising. I was the youngest vice president of a New York City advertising agency. I became vice president before my 30th birthday. I climbed the corporate ladder really quickly. I'm from Texas so I grew up in Texas and I went to Texas Tech and I went



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straight from Texas Tech, graduated 2005, to New York City. And, I was in advertising up until two years ago where I was just working at ad agencies.

I was in social media, the point of contact where being in MSN, for Microsoft where our clients, were the agency would record for them. So, anything that went across social media channels through Bing or MSN came through our office. And, we were doing some fun stuff but I just wasn't... It started to identify me. I'm not being fulfilled by that work.

**Joe McCall:** Yeah.

**Joe Fairless:** And, I started getting into real estate investing and went from there.

**Joe McCall:** Nice. Now, what got you interested into real estate investing? What was it that started making you think about it? Did you buy any courses or look at any books?

**Joe Fairless:** I did all of that, yes. Well, I started becoming interested in real estate investing about three or four years before I actually bought my first place because I didn't have any money when I became interested in it. I just knew it's something I wanted to do. And, the first book I ever read on investing is "Investing For Dummies." And, that laid out the three different types of investing you can do. One is Real Estate, two: stocks, bonds and three is LLCs or startups.

And then, I got more and more interested in real estate investing because I liked the people aspect and I liked the tangible nature of real estate property on asset. And then, I started reading more and more about that. I went to a "Rich Dad Poor Dad" seminar. I read "Rich Dad Poor Dad" books and other many, many books. And "Equity Happens" was a good book that I read.

**Joe McCall:** Yeah.

**Joe Fairless:** Which, I believe, is out of print now. But, I just started reading and immersing myself in that. And, it wasn't until 2009 when I had enough money to buy a property and it just



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happened to be a perfect timing for having money to buy a property with good credit. And, that's when I bought my first house in Dallas Texas. And then, I bought a house a year after that for the next three years where I ended up with four homes. But then, I realized that I wasn't just going to reach my goals as quickly as I wanted to. So, that's when I decided to step up my game and buy multiple quote, unquote homes at once through apartments.

**Joe McCall:** So now, you are buying apartment buildings. Is that right?

**Joe Fairless:** Yes.

**Joe McCall:** Okay. And, are you doing any kind of other investing or are you just buying and holding. Is that your main strategy right now?

**Joe Fairless:** It's all multi-family focused. But, as far as the strategy for what we do at the multi-family depends on the opportunity. It could be a land deal where we are buying raw land and looking to develop it. That's something I'm working on right now in a couple of different markets or it could be buying distressed multi-family property and repositioning it and adding value and then seeing that value and kind of crystallize as we do what we need to do.

**Joe McCall:** Nice! Okay. And so, if you don't mind me asking, were you making enough money from the income from these rental properties that you were able to quit your job? Is that why you quit your Job?

**Joe Fairless:** No, I was only making about \$250 per house. I had four homes whenever I left my job so it was \$1,000 a month. I had saved that money from my advertising job and basically I was done with it. I was just done with advertising. I wasn't fulfilled. Tony Robbins talks about the six human needs and the last two... I won't go on all six. But, the last two lead to fulfillment.



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That's growth and contribution and I didn't feel like I was growing. I didn't feel like I was contributing. So, I decided I needed to make a change because life is too short to do stuff you don't care about.

**Joe McCall:** Yeah.

**Joe Fairless:** So, I left and that also required me to make things happen quickly because if I didn't, I was going to run out of money. So, that's how I was able to... That's one of the reasons why I was able to do what I did so quickly because I had that driving force behind me.

**Joe McCall:** Nice! So then, from a practical standpoint, you had money saved up. I mean like, how much? Because people want to quick their job. I mean, everybody listening to this probably wants to work for themselves someday, right? And so, you get the real estate bug. You are starting to buy properties now. And, your approach is more long-term wealth building which I love. It's awesome.

Most of the people we interview and even what I do and what Alex does, we are quick flipping this properties. We are wholesaling them. We're getting rid of them as quickly as possible. Maybe we'll rehab a property now and then. You are looking at this from a longer-term perspective which I think is awesome because you are setting yourself up for the long term. But, wasn't it...? What was it like quitting your job? I mean, you had some savings but are you looking at like, "Okay." Well, it's not cheap living in New York I imagine, right?

And so, you are thinking, "How many...? How on earth am I going to buy all these properties to give me the cash flow that I need to survive every month?" or did you already have that figured out and is that what you are doing? Does that make sense, Joe?

**Joe Fairless:** Yeah, I mean essentially what was my thought process around how was I going to be able to eat and keep shelter over?

**Joe McCall:** Right!



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**Joe Fairless:** Oh, yeah. And, the thought process is, "There is no other option." So, I knew that through multi-family syndication and you make money three ways. And, I'll start from the longest term and I'll end with the most immediate because that immediately addresses your question.

The longest term is that you have equity in the property whenever you close. The medium... And so, you get a share of the profits once you... Excuse me. You have equity in the property and you get a share of the profits when you sell it at whatever date that is or whatever how many years later or months but probably years.

The second is that you get an asset management fee based on how the asset is performing. And then, the first way is that you get an acquisition fee based on a percentage of whatever the purchase price is. So, in my case, the purchase price was \$6.35 million and typically it's 1% to 5% but I did...

Since it was my first syndicated deal and I had never bought an apartment community before and my investors were going out on a limb and believing in me, therefore, I wanted to charge as little as possible as to kind of pass along all the money and the profits and the income back to them. So, I took a \$23,000 dollar acquisition fee. So, at closing, when we closed on this property, I got a check for \$23,000 and that was food, water and shelter money.

**Joe McCall:** For how long?

**Joe Fairless:** Plus, I had the long-term plan. Well, one thing about me is I started in New York City making basically less than minimum wage when you factor in the hours I was working.

**Joe McCall:** Yeah.

**Joe Fairless:** And, I moved once and it was my first year in New York City and that's it. I stayed in the same apartment the entire time because my cost of living was so low relative to what I could have been spending. So, I have always kept my fixed costs extremely low. John McCormack wrote a really interesting book and you had Mitch Steven on your show and



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Mitch Steven actually told me about his book. It's called something like "Self-Made in America" and I read his book.

And, one of the things he talks about is how immigrants can come to this country not knowing the language, not knowing really too many people and become millionaires in five years. Well, how do they do that? Well, two ways, they don't charge a lot of credit or any credit so they don't get debt and two, they live way below their means.

**Joe McCall:** Right.

**Joe Fairless:** When you live way below your means, you don't get up to your eyeballs on credit. Then, you are going to be positioned really well if you tuck in that money away and you are investing it wisely. So, the whole time I lived in New York making a lot of money towards the end of my advertising career, I still kept my same expenses fixed as though I was making less than \$28,000 a year which was what I was making when I first started.

**Joe McCall:** Nice, nice. All right. So, you are syndicating large commercial properties. It sounds like large apartment buildings. So, you are finding the deals and then you are finding the investors to partner with you on these deals. Is that right?

**Joe Fairless:** That's correct.

**Joe McCall:** And, where did you learn that stuff? I mean, that is not something that a lot of people talk about. It maybe sounds intimidating to a lot of people. What got you started down that route?

**Joe Fairless:** Actually, what got me started was attending the "Rich Dad, Poor Dad" seminar. It's one of those seminars that cost like a couple of hundred bucks. It's not the free one but not the one that costs \$10,000. It's like the middle one...

**Joe McCall:** Right.

**Joe Fairless:** ...Where they upsell you afterwards for the \$10,000. So, it's the \$300 like two to three days seminar I went to and it did inspire me to get into multi-family. I came in feeling



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kind of cocky because I had like two homes at the time and I was like, "I'm doing really well." And then, they were like, "Well, you are never going to reach your goals through just single family homes," and it did hit me.

I was like, "You're right," because this \$250 bucks a pop thing, I'm going to need a bunch of these things to really make a dent for some financial independence. And, at that point, I started starting multi-family. I read a lot of books.

I'm a big reader. I read a lot of books on multi-family. And then, reached out to somebody who I saw was doing well and I wanted to learn from and started working with him. He served as my consultant for about a year to learn the business and then took off after that.

**Joe McCall:** Nice. So, what do you do now? You are looking across the country for large multi-family properties, right?

**Joe Fairless:** Yup, or land to develop.

**Joe McCall:** And... Go ahead, Joe.

**Joe Fairless:** I said yes or land to develop.

**Joe McCall:** Good, good. And then, you are basically finding these deals. You are packaging them and you are partnering with other investors, right? So, these investors that you are partnering with, are they people that you know in New York or just people that you've met from doing the business?

**Joe Fairless:** They are people I... For my first deal, I have 12 investors and there are people I know through life whether it's through work or whether it's through family friend. Two guys are in my flag football team and one of them exclusively knows me through flag football and that's it.

I mean, it's just through different walks of life and different groups and experiences I've had. As far as the next deal, I mean, the next deal is going to be a different type of level



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of investor whereas the first one there is \$25,000 minimum and I raised \$1.3 million. This next deal is going to be probably around \$9 to \$10 million mark. So, I'll probably be partnering with an equity broker or some sort of family office to make that happen so that's it's one or two entities that are investing versus 150 investors at a small amount.

**Joe McCall:** Nice, nice. Well, I mean, that's pretty awesome. And, how old are you, Joe?

**Joe Fairless:** 32.

**Joe McCall:** That's awesome! Now, you are doing probably... Maybe give us a rough number of how many doors are you currently investing in right now. How many doors do you have right now?

**Joe Fairless:** I have 168 units and I have three single-family homes. And then, the development deal we are working on now is 296. It's zoned for 296 apartments.

**Joe McCall:** That's fantastic! And, how do you find these markets that where these deal are in?

**Joe Fairless:** The markets, I find... Well, I got to Cincinnati through the deal and then, once I saw the deal, I qualified the market. And, I love Cincinnati as a market. I absolutely love it. It's a fantastic market because it's so diversified from the job standpoint. Plus, there are nine Fortune 500 companies headquartered in Cincinnati.

As far as other markets go, it's about relationships. But really, I have to make sure... I have to know the market because it doesn't matter if the numbers checked out. It's all about the relationships that you have in the market and if it's a good deal and why and who you have on the ground that you can trust and has interest aligned with you.

**Joe McCall:** Okay. What's your goal for the future, Joe? What's do you see doing in five years from now? Keep on doing the same thing? Growing it bigger and bigger?

**Joe Fairless:** My career path is going to be raising capital for investment opportunities. Not just real estate related, not just multi-family related but across the board for any type of investment from startups to real estate, storage units, multi-family, single-family,



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industrial warehouse, whatever. I want to team up with people who are experts in each of those categories from a real estate stand point and bring capital and work with them and oversee that process.

And then, from investing and startups, I just love mentoring. I love helping others to grow their companies. I feel like that's one of the things I'm here on this earth for. It's help others professionally grow because there's fulfillment in what we do because we do typically... Our profession is the majority of the hours that we spend time during the day doing. So, I think it's important to find fulfillment in that and I love helping others make that happen. So, I see myself in five years raising capital and putting it into a play with different types of investments.

**Joe McCall:** That's really cool. I mean, that's really good. Now, Joe, in your show, you ask a lot of people like what's the best advice you can give, right? And, a lot of people listening to this may feel like they are overwhelmed with these big commercial properties or these big multi-family apartments. But, what are some of the best advice you can give to folks who want that kind of business and want to do those bigger deals? Where do they even start?

**Joe Fairless:** Well, if they want to do the bigger deals, then they need to start by looking in the mirror and asking, "Is it possible for me to do a bigger deal? Has somebody else done a bigger deal?" And, if the answer is yes, which by the way, the answer is yes, "If somebody else with similar experience or less experience has done a bigger deal, then why not me?"

And then, once you have the confidence and the resolve that it's going to happen, like it just already happened actually and the world just hasn't seen it yet, then it's a matter of finding out how the heck to do it. And so, you've got to read books and find people who are doing it and who have done it. Reach out, learn from them, and then just model the steps that they share with you.

**Joe McCall:** That's really good. You mentioned Mitch Stephen before. Mitch Stephen, I believe. He's out of Texas, right?



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**Joe Fairless:** Yeah.

**Joe McCall:** And, does he have like a course or a book on multi-family investing that would be a good place to start do you think?

**Joe Fairless:** No, he doesn't do multi-family. He likes storage units.

**Joe McCall:** Okay.

**Joe Fairless:** He doesn't like dealing with all the tenants and termites and all that stuff. He's anti multi-family actually.

**Joe McCall:** Right, okay. Well, is there a good book that you know of or a course that you can point people to...?

**Joe Fairless:** Oh, yeah.

**Joe McCall:** ...Who want to get involved and learn more about multi-families?

**Joe Fairless:** Yeah, absolutely. I mean, I would say, one would be... There is a good book called "The Complete Guide to Buying and Selling Apartment Buildings." That's by Steve... I believe he pronounced it as Berges, B-E-R-G-E-S. That's a really good book. Dave Lindahl has a book called "Multi-Family Millions." That a good book. I'd say those two would be what I would start with. That's from a literary stand point.

And then, from like a podcast standpoint, I've got a lot of investors, multi-family investors. I've got one woman who raised \$5 million bucks in a week for a multi-family project. She was an interview guest. And, I've got the guy who literally wrote the book "Commercial Real Estate Investing for Dummies" on the show. So, I would check out my podcast and just search for multi-family on my blog and you'll find a whole lot of podcasts on that because that's my area of focus right now. So, I interview a lot of people who deal with multi-family.

**Joe McCall:** That's fantastic! And, what is your blog, Joe?



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**Joe Fairless:** It's just my name actually, [JoeFairless.com](http://JoeFairless.com).

**Joe McCall:** Okay.

**Joe Fairless:** And, there's also a crash course for free that you can check out. It's a free real estate crash course that you can get and kind of get you started on investing.

**Joe McCall:** Excellent. So, it's Joe, J-O-E, Fairless, [F-A-I-R-L-E-S-S.com](http://F-A-I-R-L-E-S-S.com), [F-A-I-R-L-E-S-S.com](http://F-A-I-R-L-E-S-S.com), right?

**Joe Fairless:** That's it.

**Joe McCall:** And, your podcast is called "The Best Real Estate Investing Advice Ever."

**Joe Fairless:** Yup.

**Joe McCall:** And, I'm just curious. How did you come up with that name?

**Joe Fairless:** Oh! How did I come up with it? Well, I mean, similar to the advice I gave just a second ago where somebody who wants to get started, you model after others, I just modeled after a couple of successful radio shows and podcasts that I've listened to and I realized that I need a singular focus for the show. It has to be very clear-cut. Especially if I'm going to do multiple episodes, I'm going to scale it and do it the way I want to do it and that's kind of how I came about.

And then, whenever you say that it's the best real estate investing advice ever, I mean, you pretty much know what the heck the show is about, right? So, there's no like reading in between the lines. So, I'm attracting the people who want that advice from top experts than people who don't. Then, they are not the type of audience number that will get the most value out of the show anyway.

**Joe McCall:** Well, that's really good and I'm looking here. You have some podcasts about exactly what we were talking about. "How To Become a Billion Dollar Developer," "Here's How to Fund Your Next Flip." We talked about REIT Investing, R-E-I-Ts. Now, on your blog, [JoeFairless.com](http://JoeFairless.com), is that where people can go and look up episodes?



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**Joe Fairless:** Yeah, Yeah.

**Joe McCall:** Or, you got a website for your podcast?

**Joe Fairless:** You just go to [JoeFairless.com](http://JoeFairless.com). And then, in the top right corner, you can see a podcast button, and then just click the podcast button, and then you'll go to... You'll be able to see. And, there's like a wildcard where you can click "multifamily" or "flipping" or "wholesaling" or whatever and you can listen to all those episodes.

**Joe McCall:** Nice and so good. I'm looking at it here. And, there's a podcast link at the upper right and you got a free crash course on real estate investing. It's a good place to go. And then, you can do a search right up there for multifamily. I like it. Well, good. And, in fact, during episode 194, it looks like here you've interviewed somebody. No, that's different. No way. It's "How to Fund Your Next Flip."

**Joe Fairless:** Yup.

**Joe McCall:** Is this with the guys from [FundThisFlip.com](http://FundThisFlip.com) or [FundThatFlip.com](http://FundThatFlip.com)? Do you know what I'm talking about?

**Joe Fairless:** Oh, Matt Rodak? Yeah, yeah, I know Matt. He's a friend of mine. No, he wasn't on that show. That was just the name of the episode.

**Joe McCall:** Okay. All right. Well, someone from his office just contacted me yesterday about interviewing them and setting up a podcast.

**Joe Fairless:** Oh, Matt's nice.

**Joe McCall:** Actually somebody from New York City.

**Joe Fairless:** Yeah, yeah. Matt is a good friend of mine. He'll be a great guest.

**Joe McCall:** Nice, cool. Well, hey Joe, you've been a good guest technology problems aside. I appreciate it.



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**Joe Fairless:** Oh, somehow, thank you. And, I hope you don't blame me for the technology.

**Joe McCall:** No, actually I do. No, I'm just kidding. But, guys go to [JoeFairless.com](http://JoeFairless.com). Check out his podcast "The Best Real Estate Investing Advice Ever" and it's a good show. I think you are going to like Joe. And Joe, I wish you the best of luck. I'm a little envious that you are doing these big deals. It's something that I've wanted to learn for a long time more about. Maybe I'll get there. I like keeping things really simple. So, I just wholesale a bunch of properties and I hold them once in a while. But, you are doing some big things and that's really awesome. Especially for a young guy your age, pat yourself on the back. Good job, man.

**Joe Fairless:** Awesome. Well, thanks a lot.

**Joe McCall:** Okay, Joe. Take care.